



# Notice

13 February 2018

## Wesfarmers Kleenheat Gas Pty Ltd

### 2017 PERFORMANCE AUDIT

The Economic Regulation Authority (ERA) has published the [2017 performance audit](#) for Wesfarmers Kleenheat Gas Pty Ltd's (Kleenheat) electricity retail licence ERL5.

### Action by the ERA

The ERA considers Kleenheat has achieved a high level of compliance with its licence.

The ERA has decided to maintain the period covered by the next audit at 48 months. The next audit will cover 1 July 2017 to 30 June 2021, with the report due by 30 September 2021.

### Background to the ERA's decision

#### Audit ratings and recommendations

The auditor's assessment of the 276 licence obligations applicable to Kleenheat's electricity retail licence found:

- three were rated A1 (adequate controls, compliant);
- two were rated A2 (adequate controls, non-compliant – minor impact);
- one was rated A NR (adequate controls, not rated for compliance);
- two were rated B1 (generally adequate controls, compliant);
- two were rated B2 (generally adequate controls, non-compliant – minor impact);
- 144 were rated NP 1 (controls assessment not performed, compliant); and
- 122 were rated NP NR (controls and compliance were not assessed).

The audit found four non-compliances. Two non-compliances were resolved during the audit period,<sup>1</sup> and two non-compliances were outstanding at the end of the audit period.<sup>2</sup> One of the outstanding non-compliances was addressed in November 2017.<sup>3</sup>

### Post-audit implementation plan

The recommendations in Kleenheat's post-audit implementation plan are due to be completed by March 2018.<sup>4</sup>

<sup>1</sup> Refer to Table A on page 9 of the audit report.

<sup>2</sup> Obligations 187 and 280, which are the last two entries in Table B on pages 10 and 11 of the audit report.

<sup>3</sup> Obligation 187.

<sup>4</sup> The plan is in Appendix C (pages 134 to 135) of the audit report.

## **ERA's response to the audit**

The ERA considers Kleenheat has demonstrated a high level of compliance with its licence conditions. The audit identified relatively minor administrative non-compliances.

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