



Crowe Horwath.
PART OF FINDEX

Water Services Licence Operational Audit Report

Water Corporation

December 2018

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1. Independent Auditor's Report

1.1. Introduction

Crowe Horwath was commissioned by the Economic Regulation Authority (**ERA**) to undertake the operational audit of the Water Corporation (**Corporation**) in accordance with the requirements set out in Section 25 of the *Water Services Act 2012* (WA). The operational audit has been conducted in order to assess the Corporation's level of compliance with the conditions of its Water Services Licence:

- Water Licence 32 version 13;
- Water Licence 32 version 14; and
- Water Licence 32 version 15;

for the period 1 July 2015 to 30 June 2018.

Crowe Horwath conducted the operational audit as a reasonable assurance engagement and in accordance with the specific requirements of the Licence and the July 2014 issue of the Audit and Review Guidelines: Water Licences issued by the ERA (**Audit Guidelines**).

1.2. Water Corporation's Responsibility

The Corporation is responsible for:

- Complying with the Licence conditions;
- Establishing and maintaining appropriate governance structures and effective system of controls designed to achieve compliance with the Licence requirements;
- Continuous evaluation and monitoring of the effectiveness of these control procedures; and
- Implementing corrective actions for instances of non-compliance.

1.3. Our Responsibility

Our responsibility is to express a conclusion on the adequacy and effectiveness of the Corporation's systems, processes, and reporting regimes that ensure compliance with the obligations, standards, outputs and outcomes prescribed in the Licence.

The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (ASAE) 3100 Compliance Engagements issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the Corporation has complied, in all material respects, with its Licence conditions as outlined in the approved Audit Plan for the audit period 1 July 2015 to 30 June 2018.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines as a guide for development of the risk assessment and Audit Plan;
- Developing audit procedures for each obligation included in the Audit Plan for approval by the ERA;

- Reviewing of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness in accordance with Licence obligations;
- Interviewing with, and obtaining representations from, relevant Corporation's staff to gain an understanding of process controls;
- Sample testing of obligation in accordance with the approved Audit Plan;
- Visiting Albany for the audit of the Great Southern Region; and
- Validating the findings with the Corporation's management stakeholders to confirm the observations.

1.4. Limitations of Use

This audit report has been prepared for the ERA in accordance with the terms of our appointment and is not intended to be and should not be used by any other person or entity. We accept no duty, responsibility or liability to any party, other than the ERA, in connection with the report or this engagement.

1.5. Inherent Limitations

Our engagement will provide reasonable assurance as defined in ASAE 3100. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the:

- Use of selective testing, and testing as at a point in time;
- Inherent limitations of internal controls;
- Fact that much of the evidence available to us is persuasive rather than conclusive; and
- Use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance are undertaken on a test basis. The conclusion expressed in this report has been formed on the above basis. Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

1.6. Independence

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

1.7. Conclusion

In our opinion, based on the procedures performed and except for the effect of the issues set out in **Section 2.7** of this report, the Corporation has, in all material respects, complied with the conditions of its Licence for the period 1 July 2015 to 30 June 2018.

Robyn Cooper
SENIOR PARTNER
Crowe Horwath

2. Executive Summary

2.1. Context

The Corporation is a statutory State-owned corporation that provides potable and non-potable water, bulk water, sewerage services, and drainage services to most areas of Western Australia. The Corporation is the principal supplier of water, sewerage and drainage services to hundreds of thousands of homes, businesses, and farms, and provides bulk water to farms and growers' cooperatives for irrigation. Its services, projects, and activities span more than 2.5 million km². It has regional offices in Perth, Bunbury, Albany, Karratha, Geraldton, Northam, and Kalgoorlie.

Pursuant to Section 25 of the *Water Services Act 2012*, the Corporation is required to, not less than once every 24 months (or such later date approved by the ERA), provide the ERA with an operational audit conducted by an independent expert acceptable to the ERA. The operational audit is a non-financial compliance audit of the effectiveness of measures taken by the Corporation to maintain the quality and performance standards referred to in its Water Services Licence.

The audit was conducted in accordance with the ERA's Audit Guidelines.

2.2. Objectives and Scope

The objective of the operational audit was to assess the effectiveness of measures taken by the Corporation to meet and maintain any quality and performance standards referred to in the Licence. Specifically, for each licencing requirement, the audit considered the following:

- Process compliance – the effectiveness of the systems and procedures in place including the adequacy of internal controls;
- Outcome compliance – the actual performance against standards prescribed in the Licence;
- Output compliance – the existence of the output from systems prescribed in the Licence;
- Integrity of performance reporting – the completeness and accuracy of the performance reporting to the ERA; and
- Compliance with any individual Licence conditions – the requirements imposed on the Corporation or specific issues to follow up that are advised by the ERA.

The scope of the operational audit was from 1 July 2015 to 30 June 2018. Over this period, there had been three reiterations of the Licence:

- Water Licence 32 version 13;
- Water Licence 32 version 14; and
- Water Licence 32 version 15.

All of which were subject to the operational audit.

The following versions of the Water Compliance Reporting Manual were applicable between 1 July 2015 to 30 June 2018:

- April 2014 Water Compliance Reporting Manual;
- July 2016 Water Compliance Reporting Manual; and
- October 2017 Water Compliance Reporting Manual.

2.3. Approach

Crowe Horwath's risk-based approach for the operational audit was based on the *Australian/New Zealand Standard AS/NZS 31000:2009*, designed to provide a reasonable level of assurance regarding the Corporation's compliance with the conditions of its Licences.

In auditing the Licence conditions, we aimed to identify the risks that may affect compliance with these conditions by considering such things as where, when, why and how events could prevent, degrade or delay compliance with the Licence obligations.

The approved Audit Plan was developed using the Likelihood and Consequence ratings tables from Appendix 2 of the Audit Guidelines. The preliminary adequacy ratings for existing controls was primarily conducted through discussions and representations by the Corporation's management stakeholders.

The assessment of audit priority was then used to determine the audit objectives, and the nature and extent of the audit procedures required. Crowe Horwath also applied our professional judgement to determine the audit procedures required for each of the Licence conditions. For 'high risk' obligation such as Type 1, or 'sensitive areas' that would usually require extensive controls, we applied additional procedures to determine whether any major breaches of the relevant Licence obligation had occurred during the audit period.

As agreed with the ERA, this audit included an assessment of the adequacy of measures taken by the Corporation in meeting the requirements relating to the provision of services in the Great Southern Region. In this regard, our approach included a visit to the Corporation's premises in Albany, where we performed the following activities:

- Interviewed the relevant stakeholders in the region;
- Obtained documentation and artefacts in support of the relevant audit procedures;
- Tested transactions using sampling techniques; and
- Followed up on queries.

An appropriate audit process requires that information should be sufficient, reliable, relevant, and useful to support the engagement's objectives and scope. In line with *ASAE 3000* and *ASA 500 Audit Evidence*, sufficiency implies that the auditor has collected **enough** data to be persuaded about conclusions reached. Therefore, a **sample** of the evidence, rather than **all** of the evidence, may have been collected where it was adequate in the auditor's judgment.

As part of our audit, sampling is used because it is an efficient and effective way to reach an audit conclusion. Using the principles set out in Auditing Standard ASA 530 *Audit Sampling*, we used audit sampling to obtain and evaluate audit evidence about the level of compliance with the Licence obligations, in order to form a conclusion on the effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the Licence.

In terms of reporting materiality, *ASAE3100*, states that “*Materiality is considered in the context of quantitative and qualitative factors, such as relative magnitude, the nature and extent of the effect of these factors on the evaluation or measurement of the subject matter, and the interest of the intended users.*”. The audit report therefore informs the Corporation and the ERA of any material contraventions of Licence during the audit period.

Our audit procedures and evaluation of the results have been designed to conform to the requirements of the *Audit Guidelines*.

2.4. Audit of the Great Southern Region

The results of the audit in the Great Southern Region have been incorporated into the narrative for the relevant obligations. Appendix 3 sets out the obligations audited in respect of the Great Southern Region as part of the visit to Albany.

2.5. Control environment

We found the Corporation demonstrated a culture of compliance underpinned by:

- Governance and controls in which the Corporation has developed policies and procedures and associated governance structures for operational processes;
- Open communication and effective challenge of practice, procedures and messaging; and
- An accountability framework that provides role clarity for people at all levels in the Corporation and outlines how roles interact with one another to create a One Team approach serving the Corporation’s interests.

The Corporation has established protocols for risk assessments and a regular monitoring system to address compliance risks. Through discussions, we observed the Corporation has a strong focus on the safety and welfare of staff. This is also evidenced by the Corporation’s established position in response to a compliance requirement associated with one of the obligations.

Process owners were receptive to the audit process and recognised it as an opportunity to identify ways of improving the effectiveness of controls over their management of operations.

In response to the Corporation’s request for identifying process improvement opportunities, the operational audit has captured procedural deficiencies to assist the Corporation to formulate preventative and corrective controls going forward.

We noted minor instances where the Corporation placed reliance on customers or third-parties’ complaints to inform the compliance posture of the relevant obligations. In such circumstances, because of the reactive nature of such an approach, the possibilities for, and mechanism by which Management can prevent non–

compliance is diminished. A control management strategy that balances operational expediency, costs and compliance requirements is required in respect to those obligations.

Records constitute critical evidence supporting business transactions, decisions and operations. We observed that records management can be improved to better support the policy formation, provide evidence of managerial decision making, and demonstrate compliance with relevant obligations.

2.6. Compliance Summary

An overview of the Corporation's compliance profile is outlined in the table overleaf.

The obligations have been rated by applying the compliance and controls rating scales prescribed in the Audit Guidelines.

Table 1 – Operational audit compliance and controls rating scales

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
NP	Not Performed / Not Required	NR	Not Rated – no activity during the audit period to exercise the obligation

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
1.	Water Services Act Sections 21(1)(a)	OL13: Clause 27.1 OL14: Clause 3.3.1 (a) OL15: Clause 3.3.1 (a)	1	▲					▲				
2.	Water Services Act Section 21(1)(b)	OL13: Clause 27.1 OL14: Clause 3.3.1 (b) OL15: Clause 3.3.1 (b)	4	▲					▲				
3.	Water Services Act Section 21(1)(c)	OL13: Clause 27.1 OL14: Clauses 3.1.1 and 3.5 OL15: Clauses 3.1.1 and 3.5	3	▲					▲				
4.	Water Services Act Section 22	OL13: Clause 28.1 OL 14: Clause 3.4.1 OL 15: Clause 3.4.1	5	▲					▲				
5.	Water Services Act Section 23	OL13: Clause 29.1 OL14: Clause 3.5 OL15: Clause 3.5	5		▲				▲				
6.	Water Services Act Sections 24(1)(a) & 24(2)	OL13: Clause 20.1 OL 14: Clause 4.1.1 OL 15: Clause 4.1.1	4	▲					▲				
7.	Water Services Act Section 24(1)(b)	OL13: Clause 20.2 OL14: Clauses 4.1.2, 4.1.1 and 4.1.2 OL15: Clauses 4.1.2, 4.1.1 and 4.1.2	4	▲					▲				
8.	Water Services Act Section 24(1)(c)	OL13: Clause 20.3 OL14: Clause 4.1.3 OL15: Clause 4.1.3	4	▲					▲				
9.	Water Services Act Section 25	OL13: Clause 14.1 OL14: Clause 4.3.1 OL15: Clause 4.3.1	5	▲					▲				
10.	Water Services Act Section 26(3)	OL13: Clause 5.2 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲									▲
11.	Water Services Act Section 27	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲					▲			
12.	Water Services Act Section 29	OL13: Clause 26.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲					▲			
13.	Water Services Act Section 36	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲									▲
14.	Water Services Act Section 60	OL13: Clause 25.1 OL14: Clause 5.6.1 OL15: Clause 5.6.1	5	▲					▲				
15.	Water Services Act Section 66	OL13: Clause 21.1 OL14: Clause 5.5.1 OL15: Clause 5.5.1	4	▲					▲				
16.	Water Services Act Section 77(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
17.	Water Services Act Sections 82(4) & (5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5		▲				▲				
18.	Water Services Act Section 84(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
19.	Water Services Act Section 87(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5	▲									▲

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
20.	Water Services Act Section 90(7)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5			▲							▲
21.	Water Services Act Section 95(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	1	▲					▲				
22.	Water Services Act Section 96(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
23.	Water Services Act Section 96(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
24.	Water Services Act Section 98(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
25.	Water Services Act Section 106(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
26.	Water Services Act Section 110(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
27.	Water Services Act Section 112(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
28.	Water Services Act Section 119(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲								▲
29.	Water Services Act Section 122(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲				▲				
30.	Water Services Act Section 125(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
31.	Water Services Act Section 128(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲					▲			
32.	Water Services Act Section 129(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲					▲			
33.	Water Services Act Section 139(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
34.	Water Services Act Section 141(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2			▲			▲				
35.	Water Services Act Sections 142	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4			▲				▲			
36.	Water Services Act Sections 143 (2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4			▲				▲			
37.	Water Services Act Sections 143 (3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4			▲				▲			
38.	Water Services Act Sections 144(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
39.	Water Services Act Section 145(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
40.	Water Services Act Section 147(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4					▲					▲
41.	Water Services Act Section 147(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4					▲					▲
42.	Water Services Act Section 151(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲					▲			
43.	Water Services Act Section 151(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲					▲			
44.	Water Services Act Section 152(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
45.	Water Services Act Section 153(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
46.	Water Services Act Section 166(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
47.	Water Services Act Section 166(6)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
48.	Water Services Act Section 170	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
49.	Water Services Act Section 173(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲					▲			
50.	Water Services Act Section 174(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲					▲			
51.	Water Services Act Section 174(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
52.	Water Services Act Section 175(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
53.	Water Services Act Section 175(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲					▲			
54.	Water Services Act Section 176(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
55.	Water Services Act Section 176(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
56.	Water Services Act Section 176(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
57.	Water Services Act Section 181	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
58.	Water Services Act Section 186	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲									▲
59.	Water Services Act Section 187(1) – (3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲									▲

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
60.	Water Services Act Section 190(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲									▲
61.	Water Services Act Section 190(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲									▲
62.	Water Services Act Section 210(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲				▲				
63.	Water Services Act Section 218(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
64.	Water Services Act Section 218(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
65.	Water Services Regulations 2013 Regulation 23(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5	▲					▲				
66.	Water Services Regulations 2013 Regulation 24(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5		▲				▲				
67.	Water Services Regulations 2013 Regulations 26(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5		▲					▲			
68.	Water Services Regulations 2013 Regulation 26(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5		▲					▲			
69.	April 2014 Compliance Manual: Water Services Regulations 2013 Regulations 29(2) July 2016 Compliance Manual: Water Services Regulations 2013 Regulations 29(2) October 2017 Compliance Manual: Water Services Regulations 2013 Regulation 29(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5	▲					▲				
70.	Water Services Regulations 2013 Regulation 42(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
71.	Water Services Regulations 2013 Regulation 43(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
72.	Water Services Regulations 2013 Regulation 43(6)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
73.	Water Services Regulations 2013 Regulation 53(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	5	▲					▲				
74.	Water Services Regulations 2013 Regulation 60(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲				▲				
75.	Water Services Regulations 2013 Regulation 63	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3			▲			▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
76.	Water Services Regulations 2013 Regulations 65(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
77.	Water Services Regulations 2013 Regulations 65(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
78.	Water Services Regulations 2013 Regulation 65(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲					▲			
79.	Water Services Regulations 2013 Regulation 67	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
80.	Water Services Regulations 2013 Regulations 68(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
81.	Water Services Regulations 2013 Regulations 68(6)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
82.	Water Services Regulations 2013 Regulations 68(7)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
83.	Water Services Regulations 2013 Regulations 68(8)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
84.	Water Services Regulations 2013 Regulation 69(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲				▲				
85.	Water Services Regulations 2013 Regulation 70(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲				▲				
86.	Water Services Regulations 2013 Regulation 74(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
87.	Water Services Regulations 2013 Regulation 74(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲									▲
88.	Water Services Regulations 2013 Regulation 75(1)	OL13: Clause 5.1 OL14: Clause 3.1.1	4	▲					▲				
88A	October 2017 Compliance Manual: Water Services Regulations 2013 Regulation 80H	OL15: Clause 3.1.1	4		▲				▲				
89.	Water Services Regulations 2013 Regulation 85	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲				▲				
90.	Water Services Regulations 2013 Regulation 86(6)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲				▲				
91.	Water Services Regulations 2013 Regulation 86(9)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲				▲				
92.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 7	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
93.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲				▲				
94.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 9	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
95.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
96.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10 (3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
97.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(4)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
98.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
99.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 11	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
100.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲					▲			
101.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
102.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4		▲					▲			
103.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 13(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
104.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 13(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
105.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 14(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
106.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 15	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
107.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲								▲

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
108.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲								▲
109.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(4)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲								▲
110.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲								▲
111.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲				▲				
112.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3		▲				▲				
113.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
114.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
115.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 18(3) & (6)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
116.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(4)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
117.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
118.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 20	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
119.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 21(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
120.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 21(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
121.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 22	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
122.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 23(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
123.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 24	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
124.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 25)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
125.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 26(1) & (2)	OL13: Clause 5.3 OL14: Clause 3.1.1 and 5.4.1 OL15: Clause 3.1.1 and 5.4.1	2	▲					▲				
126.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
127.	Not applicable												
128.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲						▲			
129.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(6)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
130.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 27(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
131.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 27(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
132.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 28(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
133.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 28(4) & (5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
134.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 29	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
135.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 30(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
136.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 30(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
137.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 31	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
138.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 32	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
139.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 33	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲				▲				
140.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 34(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
141.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 34(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
142.	Not applicable												
143.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 34(5)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2	▲					▲				
144.	Not applicable												
145.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 35(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
146.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 35(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
147.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 35(3)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
148.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 35(4)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
149.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 35(6)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
150.	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 36(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
151.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 36(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
152.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 36(2)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
153.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 37(1)	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	4	▲					▲				
154.	Water Services Code of Conduct (Customer Service Standards) 2013 Notes – Clause 12 [clause 37(2)]	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	3	▲					▲				
155.	Water Services Act Section 12	OL13: Clause 4 OL14: Clause 3.2.1 OL15: Clause 3.2.1	5		▲					▲			
156.	Water Services Act Section 12	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	2		▲					▲			
157.	Water Services Act Section 12	OL13: Clause 5.2 OL14: Clause NA OL15: Clause NA	2	▲									▲
158.	Water Services Act Section 12	OL13: Clause 5.3 OL14: Clause NA OL15: Clause NA	2		▲					▲			
159.	Water Services Act Section 12	OL13: Clause 5.4 OL14: Clause 3.1.2 OL15: Clause 3.1.2	2	▲					▲				
160.	Water Services Act Section 12	OL13: Clause 12 OL14: Clause 3.6.1 OL15: Clause 3.6.1	4	▲					▲				
161.	Water Services Act Section 12	OL13: Clause 13.1 OL14: Clause 4.2.1 OL15: Clause 4.2.1	2		▲					▲			
162.	Water Services Act Section 12	OL13: Clause 14.4 OL14: Clause 4.3.4 OL15: Clause 4.3.4	4	▲					▲				
163.	Water Services Act Section 12	OL13: Clause 15.1(a), (b), (c) OL14: Clause 3.7.1(a), (b), (c) OL15: Clause 3.7.1(a), (b), (c)	4	▲					▲				
164.	Water Services Act Section 12	OL13: Clause 15.1(d) OL14: NA OL15: NA	4	▲						▲			
165.	Water Services Act Section 12	OL13: Clause 16.1 OL14: Clause 3.8.1 OL15: Clause 3.8.1	4	▲					▲				
166.	Water Services Act Section 12	OL13: Clause 16.2 OL14: Clause 3.8.2 OL15: Clause 3.8.2	4	▲					▲				
167.	Water Services Act Section 12	OL13: Clause 16.3 OL14: Clause 3.8.3 OL15: Clause 3.8.3	3	▲					▲				
168.	Water Services Act Section 12	OL13: Clause 17.2 OL14: Clauses 2.8.1 and 2.8.2 OL15: Clauses 2.8.1 and 2.8.2	3					▲					▲
169.	Water Services Act Section 12	OL13: Clause 18.1 OL14: Clause 2.7.1 OL15: Clause 2.7.1	4	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
170.	Water Services Act Section 12	OL13: Clause 20.1 OL14: NA OL15: NA	5					▲					▲
171.	Water Services Act Section 12	OL13: Clause 20.2 OL14: Clause 4.1.2 OL15: Clause 4.1.2	4	▲					▲				
172.	Water Services Act Section 12	OL13: Clause 20.6 OL14: Clause 4.1.6 OL15: Clause 4.1.6	4	▲					▲				
173.	Water Services Act Section 12	OL13: Clause 21.1 OL14: Clause 5.5.1 OL15: Clause 5.5.1	4	▲					▲				
174.	Water Services Act Section 12	OL13: Clause 22.1 OL14: NA OL15: NA	4	▲					▲				
175.	Water Services Act Section 12	OL13: Clause 23.1 OL14: Clause 5.1.1 OL15: Clause 5.1.1	5	▲					▲				
176.	Water Services Act Section 12	OL13: Clause 23.2 OL14: Clause 5.1.2 OL15: Clause 5.1.2	5	▲					▲				
177.	Water Services Act Section 12	OL13: Clause 23.3 OL14: Clause 5.1.3 OL15: Clause 5.1.3	4	▲					▲				
178.	Water Services Act Section 12	OL13: Clause 23.6 OL14: Clause 5.1.5 OL15: Clause 5.1.5	5	▲					▲				
179.	Water Services Act Section 12	OL13: Clauses 24.1 and 24.2 OL14: Clauses 5.3.1 and 5.3.2 OL15: Clauses 5.3.1 and 5.3.2	4	▲					▲				
180.	Water Services Act Section 12	OL13: Clause 24.4 OL14: Clause 5.3.4 OL15: Clause 5.3.4	4	▲					▲				
181.	Water Services Act Section 12	OL13: Clause 25.1 OL14: Clause 5.6.1 OL15: Clause 5.6.1	4	▲					▲				
182.	Water Services Act Section 12	OL13: Clause 28.1(b) OL14: Clause 3.4.1(b) OL15: Clause 3.4.1(b)	5	▲					▲				
183.	Water Services Act Section 12	OL13: Clause 30.3 OL14: Clause 5.4.3 OL15: Clause 5.4.3	2	▲						▲			
184.	Water Services Act Section 12	OL13: Clause 31.1 OL14: Clause 6.1.1 OL15: Clause 6.1.1	5	▲					▲				
185.	Water Services Act Section 12	OL13: Clause 31.2 OL14: Clause 6.1.2 OL15: Clause 6.1.2	2	▲					▲				
186.	Water Services Act Section 12	OL13: Clause 31.3 OL14: Clause 6.1.3 OL15: Clause 6.1.3	2	▲					▲				
187.	Water Services Act Section 12	OL13: Clause 31.4 OL14: Clause 6.1.4 OL15: Clause 6.1.4	2	▲					▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
188.	Water Services Act Section 12	OL13: Clause 31.5 OL14: Clause 6.1.5 OL15: Clause 6.1.5	2	▲					▲				
189.	Water Services Act Section 12	OL13: Clause 31.6 OL14: Clause 6.1.6 OL15: Clause 6.1.6	2	▲					▲				
190.	Water Services Act Section 12	OL13: Schedule 3 OL14: Schedule 2 OL15: Schedule 2	2										
1.1 Potable water system – pressure and flow standards	Provide continuity of pressure and flow for services in accordance with the following standard: Perth Metropolitan 15 minimum static pressure, 100 maximum static pressure, 20 litres minimum flow Country Urban Areas 13 minimum static pressure, 100 maximum static pressure, 20 litres minimum flow		2	▲						▲			
1.2 Potable water system – pressure and flow exemptions	Licensee must notify: (a) new customers upon purchase of the affected property as soon as practicably; and (b) existing customers at least annually, that pressure and flow of the water supplied falls outside of standard pressure and flow. The notification must include: (a) the pressure and flow range; and (b) further information about how to manage the exempt pressure and flow.		2		▲					▲			

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
1.3 Water restrictions	<i>Licensee</i> must notify the <i>ERA</i> annually of any restrictions applied in accordance with the <i>Water Services Regulations 2013</i> to a <i>potable water</i> supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected.		2	▲					▲				
4.1 Drainage service standards	Urban drainage scheme infrastructure provided by the <i>licensee</i> for the purpose of protection against flooding shall be designed, constructed, operated and maintained such that the peak flows of stormwater runoff from rainfall events can be accepted into and will not overflow from the system in accordance with the standard.		2		▲				▲				
4.1.5	For drainage constructed prior to 1 January 1996; Where there have been instances of flooding confirmed due to under capacity of infrastructure to meet the standards of this Schedule, the <i>licensee</i> must upgrade the infrastructure to those standards or must take such action as agreed with affected <i>customers</i> .		2		▲				▲				
4.1.8	The <i>licensee</i> will ensure all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards 1977.		2		▲				▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
4.1.9	The following flood protection works will be operated and maintained to cater for the peak flows of stormwater runoff from individual rainfall events set out below: Preston River levees at Bunbury – Leschenault inlet to Picton bridge = 1 in 100 years; Vasse River Diversion in Bussleton = 1 in 20 years.		2		▲				▲				
5.1 Irrigation service standards	The <i>licensee</i> must supply water that is suitable for irrigation purposes. The <i>licensee</i> must provide at least 5 <i>business days'</i> notice to a <i>customer</i> of any planned service interruption		2	▲						▲			
6.1 Farmland Areas Water System Standards	In cases where services are provided by agreement to farms the licensee must provide annual notifications to customers of the conditions under which the service is supplied.		2		▲				▲				

No.	Obligations Under	Licence Condition	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
				A	B	C	D	NP	1	2	3	4	NR
6.2	<p>Subject to customers complying with <i>licensee</i> requirements the <i>licensee</i> must ensure that customers connected to its Farmlands Water Systems shall have, at the outlet of the water meter to their property, a water pressure and flow as follow:</p> <p>Farmland services supplied from the</p> <p>Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region: Max static pressure = 200 and Min flow = 3kL/day per service</p> <p>Rural water supply schemes: Max static pressure = 200 and Min flow = 1.8kL/day per service.</p>		2			▲					▲		
7.1 & 8.1	The licensee must provide the data required by clauses 16.3(a) and 16.3(b) of this Licence		2	▲					▲				

2.7. Current Audit Non-Compliance and Recommendations

Table of Current Audit Non-Compliances / Recommendations			
A. Resolved during current Audit Period			
Manual Ref.	Non-Compliance / Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Date Resolved (& management action taken)	Auditors' comments
128	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(5)</p> <p>A2</p> <p><i>The licensee's financial hardship policy must be publicly available.</i></p> <p>Observation:</p> <p>The 2015 operational audit identified the Financial Hardship Policy published on the Water Corporation's website was a 'customer friendly' version inconsistent with the ERA's Financial Hardship Policy Guidelines.</p>	<p>9 December 2015</p> <p>The Corporation has developed a work instruction to outline the process for reviewing and updating the Financial Hardship Policy, including the approval process and the documents that are to be approved and published.</p>	<p>We noted that the Corporation, in their Compliance Report to the ERA for the period 1 July 2015 to 30 June 2016, reported a breach of these obligations. The breach related to strengthening of policies and / or procedures to ensure that the correct version of the Financial Hardship Policy is published on the Corporation's website.</p> <p>We confirm that the amended Financial Hardship Policy was published onto CorDocs on 9 December 2015 and includes the appropriate approval requirements.</p> <p>No further actions required.</p>
183	<p>Water Services Act Section 12</p> <p>A2</p> <p><i>The licensee must comply with the ERA's Financial Hardship Policy Guidelines as they apply to the licensee.</i></p> <p>Observation:</p> <p>The 'customer friendly' version was inconsistent with the requirements prescribed in the ERA's Financial Hardship Policy Guidelines.</p>	<p>9 December 2015</p> <p>The Corporation has developed a work instruction to outline the process for reviewing and updating the Financial Hardship Policy, including the approval process and the documents that are to be approved and published.</p>	<p>The Corporation was in breach of this obligation for the period 1 July 2015 to 9 December 2015 in that the amended Financial Hardship Policy was only updated and published on 9 December 2015 onto the Corporation's CorDocs system.</p> <p>No further actions required.</p>

Table of Current Audit Non-Compliances / Recommendations

A. Resolved during current Audit Period			
Manual Ref.	Non-Compliance / Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Date Resolved (& management action taken)	Auditors' comments
164	<p>Water Services Act Section 12</p> <p>A2</p> <p><i>The licensee must report to the Authority within 10 business days of providing or undertaking water service works that are major works or general works.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> No general works were reported to the ERA during our scope period. We were informed that a verbal agreement was in place with the ERA to not notify the ERA of general works, however, this agreement was not documented. As a result, we were unable to verify whether an agreement was in place. For one (1) out the two (2) major works undertaken during the scope period, the ERA was not notified within 10 days of providing or undertaking water service works. We note that this breach was identified by the Corporation following the removal of this obligation in July 2016. 	No longer applicable.	<p>Obligation 164 was removed from the Water Compliance Reporting Manual in July 2016 and therefore, was only applicable from 1 July 2015 to 30 June 2016, during our scope period.</p> <p>No further actions required.</p>
190. Section 1.1	<p>Water Services Act Section 12</p> <p>A2</p> <p><i>The licensee must comply with the service and performance standards as out in Schedule 2, Clause 1.1.</i></p> <p>Observation:</p> <p>The Corporation self-reported non-compliance with Clause 1.1 related to modelling work required to identify customers outside pressure and flow standards.</p>	30 June 2018	<p>The Corporation had conducted modelling to identify customers who are experiencing high or low pressures and flows.</p> <p>No further actions required.</p>

Table of Current Audit Non-Compliances / Recommendations			
A. Resolved during current Audit Period			
Manual Ref.	Non-Compliance / Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Date Resolved (& management action taken)	Auditors' comments
190. Section 5.1	<p>Water Services Act Section 12</p> <p>A2</p> <p><i>The licensee must comply with the service and performance standards as set out in Schedule 3 of the Operating Licence (OL13).</i></p> <p>Observation:</p> <p>The Corporation self-reported the action to close out the finding from the 2015 operational audit where new customers may not receive an annual irrigation water quality notification was not completed until July 2015.</p>	<p>July 2015</p> <p>The Corporation has developed a formal process.</p>	<p>A position statement checklist for change in ownership have been created.</p> <p>No further actions required.</p>

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
1/2018	Obligations Identified as Non-Compliance		
	<p>Water Services Act Section 128(4)</p> <p>B2</p> <p>Obligation 31:</p> <p><i>If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with the Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.</i></p> <p>Observation:</p> <p>Memorials were not lifted when outstanding charges had been paid to avoid multiple memorials needing to be lodged and withdrawn.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Upon payment of a charge or contribution (and any prescribed fee thereof), the memorial relating to such payment should be lifted as soon as practicable. 2. A copy of the monthly review of deferred headworks / infrastructure contributions and property accounts with memorials that were fully paid is kept on file and signed off by the reviewer. 3. A back-up person be trained and assigned the responsibility of performing this review when the responsible officer is away. 	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
2/2018	<p>Water Services Act Section 129(5)</p> <p>B2</p> <p>Obligation 32:</p> <p><i>If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.</i></p> <p>Obligation 49:</p> <p><i>In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.</i></p> <p>Obligation 50:</p> <p><i>Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> For 5 out of the 15 samples (33%), written notice was provided to the owner / occupier after the Corporation had visited the property. A breach was identified by the Corporation in the 2016–17 Financial Year, where works had been undertaken by the Corporation without the correct approval process being followed or notice of entry being issued. The terms 'likely to cause disruption to the occupants of the place' and 'likely to adversely affect the place' have not been defined in the Guide to entry powers for authorised persons under the Water Services Act 2012, procedural documents or training materials currently used by the Corporation. 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Provide further training to the relevant staff on the requirement to provide 48 hours' written notice; and 2. In consultation with the relevant stakeholders, define the terms 'likely to cause disruption to the occupants of the place' and 'likely to adversely affect the place'. Following this process, all relevant procedures, work instructions, training materials, etc. should be updated to reflect the defined terms and be approved in line with established Water Corporation processes. 	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
3/2018	<p>Water Services Act Section 142, 143(2)(3)</p> <p>C2</p> <p>Obligations 35:</p> <p><i>The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works, and has given any notice required under section 148.</i></p> <p>Obligations 36:</p> <p><i>Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.</i></p> <p>Obligations 37:</p> <p><i>The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.</i></p> <p>Observations:</p> <p>Obligations 35 and 36</p> <p>We observed:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected (80%), evidence of the published plans and details on the Corporation's website was not retained on file; and <p>Obligations 35 and 37</p> <p>We observed:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected (80%), the notices issued to the owners and occupiers of the land and the Local Government did not state the "times when, and the places at which, the plans and details may be inspected" as detailed in Section 143 (4); and 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> Document, approve and implement a process to save and retain screenshots on file of the plans and details published on the Corporation's website. These screenshots should include the date the plans and details were published on the Corporation's website. As part of this process, Project Managers should be provided training on the updated requirements; Update the template letters used to provide notice to the owners and occupiers of the land and Local Government to include the "times when, and the places at which, the plans and details may be inspected". As part of this process, Project Managers should be provided training on the updated requirements to ensure all future notices issued by the Corporation are in line with Section 143 (3); In consultation with the relevant stakeholders, define and document the term 'likely to be adversely affected' to provide further guidance to Project Managers when exercising this obligation; and Provide training to all relevant staff on the updated requirements. 	

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	The term 'likely to be adversely affected' (refer to Section 143 (3)) has not been documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager's professional judgement and experience when reaching a conclusion on whether the owner and the occupier is "likely to be adversely affected"		

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4/2018	<p>Water Services Act Section 151(1)(2)</p> <p>B2</p> <p>Obligation 42:</p> <p><i>A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.</i></p> <p>Obligation 43:</p> <p><i>The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.</i></p> <p>Observations:</p> <p>Obligation 42</p> <p>We observed:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the plans and details of the proposed general works were not published. For one (1) out of the five (5) samples selected, the plans and details of the proposed works were published on the Corporation's website however, evidence of this was not retained on file. <p>Obligation 43</p> <p>We observed:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the notices issued to the owners and occupiers of the land and the Local Government did not state the "times when, and the places at which, the plans and details may be inspected" as detailed in Section 151 (3). The term 'likely to be adversely affected' (refer to Section 151 (2)) has not been 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> In consultation with the relevant stakeholders, adopt a mechanism to publish the plans and details of the proposed general works. This may be done through the Corporation's website (similar to Major works) or via an alternative mechanism; Update the template letters used to provide notice to the owners and occupiers of the land, Local Government and the Western Australia Planning Commission, to include the "times when, and the places at which, the plans and details may be inspected", in line with the requirements of Section 151 (3); In consultation with the relevant stakeholders, define and document the term 'likely to be adversely affected' to provide further guidance to Project Managers when exercising this obligation; Following this process, update all relevant procedures, work instructions, training material, etc. to reflect the adopted mechanism including, the requirement to retain evidence of publication on file for audit purposes; and Provide training to all relevant staff on the updated requirements. 	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager's professional judgement and exercise when reaching this conclusion.</p> <ul style="list-style-type: none"> An adjacent landowner to project was not provided with a Notice of Proposal as part of the Prerequisites to Works procedure. For three (3) out of the five (5) samples selected, the General Works Authorisation was not signed by the relevant Regional Manager. Additionally, for one (1) out of the five (5) samples selected, the <i>Flow chart of Water Corporation General Works Procedure</i> was not signed by the Project Manager. 		
5/2018	<p>Water Services Act Section 175(5)</p> <p>B2</p> <p>Obligation 53:</p> <p><i>If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.</i></p> <p>Observation:</p> <p>The <i>Notice of Entry Form</i> does not detail the employee's full name and official title as required by the Act. A traceable crew number is provided instead. The Corporation has not provided sufficient evidence to support the proposition that there is an elevated risk to its staff or contractors beyond standard operational risks faced in the normal course of business if staffs were to disclose their full name on the <i>Notice of Entry Form</i>.</p>	<p>We recommend that the Corporation amend the existing practice and require staff disclose their full names on the Notice of Entry Form in accordance with the requirements of the obligation.</p>	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
6/2018	<p>Water Services Regulations 2013 Regulations 26(3)(5)</p> <p>B2</p> <p>Obligations 67:</p> <p><i>If the owner or occupier requests the licensee to test a meter, subject to the payment of the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with the approved procedure.</i></p> <p>Obligation 68:</p> <p><i>If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).</i></p> <p>Observations:</p> <p>Obligation 67</p> <p>The procedure documents and work instructions have not been approved by the CEO as required by the regulations.</p> <p>Obligation 68</p> <p>For one (1) out of the seven (7) samples selected for testing, the meter was lost in transit and therefore, treated as a faulty meter however, the reading and charges were yet to be adjusted by the Corporation.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Update <i>S072 Financial and Legal Authorisation</i> to explicitly delegate the responsibility of approving meter test procedures and associated documents to an appropriate officer; 2. Following the approval of <i>S072 Financial and Legal Authorisation</i> the following documents should be reviewed and approved in line with delegations of authority: <ul style="list-style-type: none"> ■ Asset Monitoring & Systems Investigations AMSI-P-120 Meter Testing and Reporting; ■ Customer Dispute Meter Test (Work Instruction No: AMSI-W-128); and ■ Work Instructions. 3. Adjust the meter reading and charges relevant to the identified sample; and 4. Implement a process within Grange (i.e. bill intercept / calendar tool) to follow up customers in the instances the Corporation has to wait for advice from the customer. 	

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7/2018	<p>Water Services Regulations 2013 Regulations 65(4)</p> <p>B2</p> <p>Obligation 78 The licensee must make the records for all land in respect of which water service charges apply available for inspection by any person without charge and give a copy of particular records to a person with a material interest in them, on payment of the prescribed charge.</p> <p>Observations: The following information were not included via My Water through the Corporation's website as required by Regulation 65(4):</p> <ul style="list-style-type: none"> ■ The name and address of the owner of the land; and ■ The account number. 	<p>We recommend that the Corporation update the information provided through "My Water" to include the name and address of the owner of the land and the account number.</p>	
8/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(1)</p> <p>B2</p> <p>Obligations 100: <i>Each bill must contain the prescribed information.</i></p> <p>Observation: The sampled bills did not have an explicit statement that the Corporation's website contains information about estimates.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Establish a process whereby staff reviews the bill template against the Code's requirements. 2. The relevant staff member and supervisor/line manager sign off on any changes to the template of bills. 3. Update the bill template to include a statement that the Corporation's website contains information on the use of estimates. Following this, the updated bill format should be uploaded into GRANGE. 	

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9/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(3)</p> <p>B2</p> <p>Obligations 102:</p> <p><i>Each bill must inform the customer of the specified information and where further details can be obtained.</i></p> <p>Observation:</p> <p>We noted that bills currently do not specifically inform customers may request a meter reading and revised bill if the customer disputes an estimate on which a bill is based and that if the customer so requests, information about the fees that apply.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Establish a process whereby staff reviews the bill template against the Code's requirements. 2. The relevant staff member and supervisor/line manager sign off on any changes to the template of bills. 3. Update the bill template to include the prescribed information. 	
10/2018	<p>Water Services Act Section 12</p> <p>B2</p> <p>Obligation 155</p> <p>July 2016 & October 2017 Compliance Reporting Manual:</p> <p>The licensee must pay the applicable fees and charges in accordance with the applicable regulations.</p> <p>April 2014 Compliance Reporting Manual:</p> <p>The licensee must pay the applicable fees in accordance with the Regulations.</p> <p>Observations:</p> <p>A standing charge was not paid within the allowed period. Regulation 4(4) specifies that "the amount specified in the notice is payable to the Authority within 30 days after the day on which the notice was issued." Regulation 4(4) has therefore not been complied with.</p>	<p>We recommend that the Corporation should include an additional control (in the <i>Economic Regulation Authority Licence Fee Work Instruction</i>) by way of a reminder mechanism to ensure payment is made within the allowed period.</p>	

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11/2018	<p>Water Services Act Section 12</p> <p>C3</p> <p>Obligation 190 Section 6.2:</p> <p><i>Subject to customers complying with licensee requirements the licensee must ensure that customers connected to its Farmlands Water Systems shall have, at the outlet of the water meter to their property, a water pressure and flow as follow:</i></p> <ul style="list-style-type: none"> Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region: Max static pressure = 200 and Min flow = 3kL/day per service Rural water supply schemes: Max static pressure = 200 and Min flow = 1.8kL/day per service. <p>Observations:</p> <p>The Corporation measures compliance with this obligation based on the infrastructure design model and by dividing the number of complaints received with the number of Farmland properties that receive water services, the Corporation does not comply with this obligation because it cannot provide evidence that:</p> <ul style="list-style-type: none"> It tests the pressure and flow at the outlet of the water meter to Farmland properties to determine if that they fall within the appropriate parameters. The pressure and flow at the outlet of the water meter to Farmland properties is at the required specification. When, attending to complaints in Farmland areas, they test the pressure and flow at the outlet of the water meter to Farmland properties. After attending to complaints and rectifying the identified issues, the 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> Draft, approve and implement a policy, procedure and/or work instruction to ensure compliance with this obligation, which include, but not limited to, the following: <ul style="list-style-type: none"> Mandatory testing of the pressure and flow at the outlet of the water meter to Farmland properties when attending to complaints; and Documenting the pressure and flow results for the Farmland properties after attending complaints. Consider investigating/testing, on a sample basis, the infrastructure for the Farmland areas to ensure that it can still provide the required pressure and flow as required by the Licence. 	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>pressure and flow, at the outlet of the water meter to Farmland properties, is at the required specification.</p> <p>We also noted that the Corporation does not have a policy, procedure or work instruction in place to ensure compliance with this obligation.</p>		

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12/2018	<p>Water Services Act Section 12 and 27</p> <p>B2</p> <p>Obligation 11:</p> <p><i>The licensee must comply with the code of conduct that may be made by the ERA to the extent to which it applies to the licensee and is not inconsistent with the Licence.</i></p> <p>Obligations 158:</p> <p><i>The licensee must comply with any code of conduct made by the Authority to the extent it applies to the licensee and is not inconsistent with the terms and conditions of the licence.</i></p> <p>Observation:</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 11 and 158:</p> <ul style="list-style-type: none"> ■ #100 ■ #102 ■ #128 ■ #183 	<p>Refer to the recommendations provided in the respective obligations identified as exceptions (under the observations heading).</p>	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Water Services Act Section 29</p> <p>B2</p> <p>Obligation 12:</p> <p><i>The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act.</i></p> <p>Observation:</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligation 12:</p> <ul style="list-style-type: none"> ■ #31 ■ #43 ■ #32 ■ #49 ■ #34 ■ #50 ■ #35 ■ #53 ■ #36 ■ #155 ■ #37 ■ #164 ■ #42 		

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Water Services Act Section 12</p> <p>B2</p> <p>Obligation 156:</p> <p><i>Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation.</i></p> <p>Observation:</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 156:</p> <ul style="list-style-type: none"> ■ #67 ■ #68 ■ #75 ■ #78 		

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Water Services Act Section 12</p> <p>B2</p> <p>Obligation 161:</p> <p><i>The licensee must comply with any individual performance standards prescribed by the ERA.</i></p> <p>Observations:</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 161:</p> <ul style="list-style-type: none"> ■ #190, Clause 1.1 ■ #190, Clause 1.2 ■ #190, Clause 5.1 ■ #190. Clause 6.2 		

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
13/2018	<p>Water Services Act Section 12</p> <p>B2</p> <p>Obligation 190 Section 1.2:</p> <p><i>Licensee must notify:</i> (a) new customers upon purchase of the affected property as soon as practicably; and (b) existing customers at least annually, that pressure and flow of the water supplied falls outside of standard pressure and flow.</p> <p><i>The notification must include:</i> (a) the pressure and flow range; and (b) further information about how to manage the exempt pressure and flow.</p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> Due to change in property ownership, 50 customers did not receive the letter of notification. The property records have since been identified and a letter of advice issued to the customer. The Corporation's Pressure and Flow Exemption Procedure, which describes the high-level procedure for achieving compliance with Schedule 2 Section 1.2 of the Water Services Licence Obligation, was still in draft format. 	<p>No further recommendation as the Corporation approved and implemented the <i>Pressure and Flow Exemption Procedure</i> on July 2018.</p>	
Obligations Achieved Compliance but Requires Improvement of Controls			
14/2018	<p>Water Services Act Section 23</p> <p>B1</p> <p>Obligation 5:</p> <p><i>July 2016 & October 2017 Compliance Manual:</i> <i>All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.</i> <i>April 2014 Compliance Manual:</i></p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> Provide annual refresher training to Region / Alliance Managers responsible for monitoring this obligation; Implement quality assurance processes over the data provided by the Region / Alliance Managers (i.e. through sample checks on an annual basis); Develop a procedure / work 	

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	<p><i>All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by an agreement whereby the licensee can operate the works so as to comply with its obligations, or must fit in to other prescribed categories under the Act.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> ▪ The processes performed by the Senior Principal, Infrastructure Markets has not been documented therefore, creating a key person risk. ▪ No refresher training (i.e. annually) is currently provided to the Regional / Alliance Managers responsible for monitoring this obligation. Moreover, no training is currently provided where there has been a movement in staff (i.e. new Regional / Alliance Managers). ▪ Quality assurance checks are not currently performed by the Infrastructure Markets Business Unit to verify the completeness of the data provided by the Regional / Alliance Managers. 	<p>instruction detailing the processes performed by Infrastructure Markets when monitoring compliance against this obligation including, training and quality assurance processes;</p> <p>4. Review and approve the procedure / work instruction in accordance with established Water Corporation processes; and</p> <p>5. Make the procedure / work instruction available to staff via the CorDocs document management system.</p>	

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15/2018	<p>Water Services Act Section 82(4)(5)</p> <p>B1</p> <p>Obligation 17:</p> <p><i>If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> The Corporation did not include the "7-day return" requirement as specified in Section 82 (5) of the <i>Water Services Act 2012</i> in the relevant policies and/or work instructions. The <i>Service Applications and Investigations Procedure</i> is not consistent with the <i>Water Services Act, Section 82 (6)(b)</i>. 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Include the "7-day return" requirement as specified in Section 82 (5) of the <i>Water Services Act 2012</i> in the relevant policies and/or work instructions; and 2. Amend the time period mentioned in the <i>Service Applications and Investigations Procedure</i> in Section 6: <i>Compliance Measures</i> and align it with Section 82 (5) of the <i>Water Services Act 2012</i>. 	

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16/2018	<p>Water Services Act Section 90(7)</p> <p>CNR</p> <p>Obligation 20:</p> <p><i>If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> No documented policy, procedure or work instruction is in place between the Asset Investment Planning Regional In Service Assets team and Operators in the Regions to report any identified issues or to negotiate an outcome with an offender and/or landowner, which negotiation process could be detrimental to the Corporation if performed incorrectly or without legal advice. Development Services was not aware of policy, procedure or work instruction for issuing compliance notices. That no Compliance Notices, relating to this obligation, were issued during the audit period. 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> Draft, approve and implement, in consultation with the Legal Services and Company Secretary, a policy and procedure / work instruction, stipulating what steps to be taken by the Regional Operators and/or the Asset Investment Planning Regional In Service Assets team when issues or potential issues are identified and when entering into negotiations with an offender and/or landowner; and Provide awareness training to all staff on the <i>Compliance Notice Process Framework</i> as well as on the <i>Issuing Compliance Notices</i> work instruction. 	
17/2018	<p>Water Services Act Section 119(2)</p> <p>BNR</p> <p>Obligation 28:</p> <p><i>The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).</i></p>	<p>We recommend that the Corporation provide awareness training to all staff on the <i>Compliance Notice Process Framework</i> as well as on the <i>Issuing Compliance Notices</i> work instruction.</p>	

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Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Observation: Although the Corporation has a <i>Compliance Notice Process Framework</i> , not all staff is aware of its existence.		

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B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
18/2018	<p>Water Services Act Section 122(2)</p> <p>B1</p> <p>Obligation 29:</p> <p><i>If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.</i></p> <p>Observation:</p> <p>There are no policies, procedures and/or work instructions in place to inform employees across different business units on how to deal with SAT related matters including what actions the Corporation cannot take, or continue to take, against a person who has a matter before SAT.</p>	<p>We recommend that the Corporation draft, approve and implement a policy and procedure/work instruction to ensure consistency in the approach relating to SAT matters. This policy and procedure/work instruction should include, but not limited to, the following:</p> <ol style="list-style-type: none"> 1. In context with this obligation, the definition of an "action"; and 2. Cross divisional responsibilities to seek legal advice from Legal Services before taking action, and/or a decision not to take action. 	
19/2018	<p>Water Services Act Section 141(1)</p> <p>C1</p> <p>Obligation 34:</p> <p><i>In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours' notice to the public authority managing the road.</i></p> <p>Observation:</p> <p>We observed:</p> <ul style="list-style-type: none"> ■ Prior to 2017, the relevant authorities were contacted by phone, but no evidence of these calls could be provided; and ■ Records for planned and unplanned work are not maintained sufficiently to a standard that could demonstrate compliance with this obligation. 	<p>We recommend that the Corporation ensure employees maintain sufficient records in respect of the obligation as described in the <i>Breaking The Road Surface Notification</i> work instruction.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
20/2018	<p>Water Services Act Section 210(5)</p> <p>B1</p> <p>Obligation 62:</p> <p><i>If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.</i></p> <p>Observation:</p> <p>We observed a lack of formal process, no documented criteria, and insufficient background check that is beyond the standard employment verification, for the appointment of an Inspector or Compliance Officer.</p>	<p>We recommend that the Corporation develop and document a recruitment and selection process for the appointment of the Inspectors and Compliance Officers. This should include, but not limited to:</p> <ol style="list-style-type: none"> 1. Established criteria; and 2. Integrity checks beyond standard employment check, such as financial due diligence and improper association. 	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
21/2018	<p>Water Services Regulations 2013 Regulation 24(4)</p> <p>B1</p> <p>Obligation 66:</p> <p><i>If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.</i></p> <p>Observations:</p> <p>We confirmed that the Corporation included the information required by section 24(4) of the Water Services Regulations 2013 on the compliance notices, however, we identified the following issues:</p> <ul style="list-style-type: none"> ▪ Eight of the nine compliance notices were not signed; ▪ Three of the unsigned compliance notices have two different issue dates; and ▪ Two compliance notices were not provided for testing purposes as it was not saved on the Corporation's system. 	<p>We recommend that the Corporation provide training to all staff involved in the completion and issuing of compliance notices to ensure compliance notices are correctly completed, signed and filed records management purposes.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
22/2018	<p>Water Services Regulations 2013 Regulation 60(2)</p> <p>B1</p> <p>Obligation 74:</p> <p><i>If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.</i></p> <p>Observations:</p> <p>We were provided with two (2) examples of instances where the Corporation exercised Regulation 60(2). Both instances occurred during the construction phase of the project as such, the notices were provided by the construction contractor. For one (1) out of the two (2) samples tested, the notice issued to the service infrastructure owner was not retained on file by the construction contractor. However, we were provided with a copy of the scope document issued by the service infrastructure owner to the construction contractor indicating acceptance of the notice requirements.</p>	<p>We recommend that the Corporation remind key staff involved in the process (including, contractors), to retain copies of the notices issued under Regulation 60(2).</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
23/2018	<p>Water Services Regulations 2013 Regulation 63</p> <p>C1</p> <p>Obligations 75:</p> <p><i>If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.</i></p> <p>Observations:</p> <p>Records have not been maintained to demonstrate the restoration work undertaken meets the requisite standards.</p> <p>Although the Corporation has the <i>Reinstatement Guidelines</i> work instruction in place, which describes how certain disturbed areas must be reinstated, it does not include the following:</p> <ul style="list-style-type: none"> ■ A description of how and to whom the finalisation of the reinstatement must be reported to; and ■ When, how and where to save or archive evidentiary documentation and information such as "<i>Reinstatement Reports</i>", providing evidence of compliance with this obligation. 	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Update the current <i>Reinstatement Guidelines</i> to include a description of how and to whom the finalisation of the reinstatement must be reported to and when, how and where to save or archive evidentiary documentation and information after completion of the reinstatement; and 2. Implement the revised work instruction and provide the relevant training to employees to ensure adherence to the work instruction and ultimately the requirements of this obligation. 	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
24/2018	<p>Water Services Regulations 2013 Regulation 69(3) and 70(2)</p> <p>B1</p> <p>Obligation 84:</p> <p><i>Upon receipt of a notice from a person dissatisfied with a decision of the licensee on an objection, the licensee must promptly refer the relevant records to the State Administrative Tribunal for a review.</i></p> <p>Obligation 85:</p> <p><i>Upon receipt of a notice from a person dissatisfied with a decision of the licensee to refuse to extend the time for giving an objection to the licensee or a notice under regulation 69(2), the licensee must promptly refer the decision to the State Administrative Tribunal for a review.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> ■ The requirement to refer a review of the Corporation's decision on an objection to the SAT within 10 working days has not been documented within the procedure document. ■ The procedure document does not outline the requirement to refer a 'review of the licensee's decision not to extend time for objection or review' to the SAT within 10 working days. 	<p>We recommend that the procedure document is updated to be in line with current practice.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
25/2018	<p>October 2017 Compliance Manual: Water Services Regulations 2013</p> <p>B1</p> <p>Obligation 88A:</p> <p><i>October 2017 Compliance Manual: The licensee must, within 60 days after receiving a water efficiency management plan from an owner or occupier of a non-residential lot, approve the plan, request further information, or request a revised plan by written notice.</i></p> <p>Observations:</p> <p>The requirement to provide written notice to the customer within 60 days of receiving a Water Efficiency Management Plan has not been documented. This requirement should be documented to increase awareness of the compliance obligation and to ensure consistency.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Update existing Work Instruction, <i>WEMP – Reviewing Report</i>, to be in line with the Regulations; 2. Review and approve the Work Instruction in accordance with established Water Corporation processes; and 3. Make the revised Work Instruction available to staff via the Intranet or via another appropriate mechanism. 	
26/2018	<p>Water Services Regulations 2013 Regulation 85</p> <p>B1</p> <p>Obligation 89:</p> <p><i>Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.</i></p> <p>Observation:</p> <p>We noted that for four (4) out of the five (5) compliance notices selected for testing, signed (i.e. final version) compliance notices were not retained on file.</p>	<p>We recommend that the Corporation provide training to all staff involved in the completion and issuance of compliance notices to ensure compliance notices are correctly completed, signed and filed for records management purposes.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
27/2018	<p>Water Services Regulations 2013 Regulation 86(6)(9)</p> <p>B1</p> <p>Obligation 90:</p> <p><i>If the licensee appoints an employee as an authorised or approved officer for the purposes of the Criminal Procedure Act 2004 Part 2, the licensee must issue the officer a certificate, badge or identity card identifying the officer as a person authorised to issue infringement notices.</i></p> <p>Obligation 91:</p> <p><i>The licensee must maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the Criminal Procedure Act 2004 Part 2, and must, on request, give a copy of the list to the CEO or to the chief executive officer of the Public Services principally assisting in the administration of the Criminal Procedure Act 2004.</i></p> <p>Observation:</p> <p>No formal policies and/or procedures are in place with regards to the selection, appointment and/or cancellation of persons appointed to be authorised officers or approved officers for the purposes of the Criminal Procedure Act 2004 Part 2.</p>	<p>We recommend that the Corporation draft, approve and implement policies, procedures and/or work instructions for the selection, appointment and cancellation of appointed authorised officers, who were appointed for the purposes of the Criminal Procedure Act 2004 Part 2. This policy should include the regular review and update of the Authorised Officers Register maintained on WaterNet.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
28/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8</p> <p>B1</p> <p>Obligation 93:</p> <p><i>The licensee must ensure that, in any 12-month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.</i></p> <p>Observation:</p> <p>In respect of the payment date, which represents the starting time for calculating the performance against this obligation, the Corporation is at risk if a customer's payment only appears on the BuilderNet or Grange systems once it has been cleared through a financial institution. The clearance process may take between one and three days, which will have a negative influence on the performance of this obligation and might lead to non-compliance.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Investigate when a payment is recorded in BuilderNet and Grange to ensure it aligns with the date which the payment was made by the customer; and 2. Amend the "Standard Terms and Conditions" to align with Clause 8 of the Water Services Code of Conduct (Customer Service Standards) 2013, by changing "10 Working" days to "10 business" days. 	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
29/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(2)(3)(4)(5)</p> <p>BNR</p> <p>Obligation 107:</p> <p><i>The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12-month period ending on the day on which the licensee informed the customer of the undercharging.</i></p> <p>Obligation 108:</p> <p><i>An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill. The licensee cannot charge interest or late payment fees on an undercharged amount. The licensee must allow a customer to pay an undercharged amount by way of a repayment plan as specified in the code of conduct.</i></p> <p>Obligation 109:</p> <p><i>The licensee must not charge interest or late payment fees on an undercharged amount.</i></p> <p>Obligation 110:</p> <p><i>The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 16(3) is issued.</i></p> <p>Observations:</p> <p>We observed:</p>	<p>We recommend that the Corporation include, as part of Section 5 of S072, an authorisation section with regards to undercharged fees.</p>	

Table of Current Audit Non-Compliances / Recommendations			
B. Unresolved at end of current Audit Period			
Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>[REDACTED]</p> <ul style="list-style-type: none"> ■ Opportunities to enhance the policy, procedure and control over the process. 		
30/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(1)(2)</p> <p>B1</p> <p>Obligation 111:</p> <p><i>If the licensee overcharges a customer, the licensee must credit the customer's account and must immediately afterwards notify the customer, or inform the customer of the overcharging and recommended options for refunding or crediting the overcharged amount.</i></p> <p>Obligation 112:</p> <p><i>The licensee must, in accordance with the customer's instructions, refund or credit the customer's account within 15 business days from starting on the day the licensee receives the instructions.</i></p> <p>Observation:</p> <p>Grange did not contain sufficient contact records of the communication between the Corporation and customers and artefacts of agreed actions by the Corporation, including copies of emails, letters and faxes, and summarised notes from telephone and face-to-face conversations.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Ensure that employees accurately and comprehensively document the contact with customers in Grange; 2. Work papers such as Discharge Factor/ Major Fixtures Assessment Forms must be accurately and comprehensively completed; and 3. All supporting documentation and information must be uploaded to Grange to evidence the processes followed. 	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
31/2018	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 33</p> <p>B1</p> <p>Obligation 139:</p> <p><i>The licensee must not reduce the rate of flow of water to a customer to below 2.3 litres each minute.</i></p> <p>Observation: We observed:</p> <ul style="list-style-type: none"> ■ The Corporation does not have a policy in place for testing the "Flow Restriction" device. ■ Regular testing of the "Flow Restriction" device is not performed to ensure conformance with the requirements of section 33 of the Water Services Code of Conduct (Customer Service Standards) 2013. 	<p>We recommend that the Corporation draft, approve and implement a policy with regards to the testing of the "Flow Restriction" device to ensure consistency in the testing process and to ensure that regular tests are performed to check conformance with the requirements of section 33 of the Water Services Code of Conduct (Customer Service Standards) 2013.</p>	
32/2018	<p>Water Services Act Section 12</p> <p>B1</p> <p>Obligation 190 Clause 4:</p> <p><i>Urban drainage scheme infrastructure provided by the licensee for the purpose of protection against flooding shall be designed, constructed, operated and maintained such that the peak flows of stormwater runoff from rainfall events can be accepted into and will not overflow from the system in accordance with the standard.</i></p> <p>Observations:</p> <p>We noted that Deloitte recommended in all three of their <i>Audit of Compliance with Section 4 "Drainage Services Standards" of the Water Corporation's Operating Licence</i> reports that the Corporation should consider strengthening its procedures and update its work instructions to ensure sufficient information is obtained from third parties in a timely manner to ensure the relevant drainage scheme infrastructure's compliance with the</p>	<p>We recommend that the Corporation implement the recommendations made by Deloitte in the 2015, 2016 and 2017 <i>Audit of Compliance with Section 4 "Drainage Services Standards" of the Water Corporation's Operating Licence</i> reports.</p>	

Table of Current Audit Non-Compliances / Recommendations

B. Unresolved at end of current Audit Period

Reference (no./year)	Non-Compliance/Controls Improvement (Rating / Legislative Obligations / Details of Non-Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
33/2018	Drainage Service Standards. These recommendations have not yet been implemented.		
	<p>Water Services Act Section 12</p> <p>B1</p> <p>Obligation 190 Clause 6.1:</p> <p><i>In cases where services are provided by agreement to farms the licensee must provide annual notifications to customers of the conditions under which the service is supplied.</i></p> <p>Observations:</p> <p>We observed:</p> <ul style="list-style-type: none"> The Corporation could not provide us with the applicable agreements of two of the sample water bills reviewed [REDACTED]. The audits performed by the Corporation's MRA branch did not include a review of the applicable Service By Agreements and relied on audits conducted when a new agreement was established in prior periods. There is a risk that controls could have deteriorated over time. In such circumstance, the mechanism by which the Corporation could detect non-conformance is thus diminished. 	<p>We recommend that the Corporation:</p> <ul style="list-style-type: none"> Revisit their records management procedures and ensure that all agreements are available for audit purposes. For historical agreements that could not be located, these should be identified; For agreements not signed and / or returned by customers, the Corporation should obtain legal advice on such circumstance and the implications of meeting the requirements of the obligation; and MRA should include a review of the agreements for old and new Farmland agreements to ensure that the information printed on the water bills corresponds with the information contained in the agreements. 	

2.8. Status of Prior Audit Recommendations

Table of Previous Non-Compliances and Audit Recommendations

A. Resolved before end of previous audit period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
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B. Resolved during current Audit period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
03/2015 Reporting Manual Reference: 2014 # 161, 190	<p>Rating: B1</p> <p>Legislative Obligation:</p> <p><i>The licensee must comply with any individual performance standards prescribed by the Authority.</i></p> <p><i>The licensee must comply with the service and performance standards as set out in Schedule 3.</i></p> <p>Ord Irrigation</p> <p>New customers may not receive an annual irrigation water quality notification in instances where their property purchase does not go through the EAS system, is not automatically matched to an account or is not matched through manual follow-up.</p> <p>Such cases may only be identified at the time annual statements are sent. The Water Corporation is reliant on previous owners notifying it of a change in property ownership following incorrect receipt of an annual statement.</p> <p>The Water Corporation is then able to follow-up with the new owner, however there is a risk that some irrigation customers will not be provided with an annual statement not suitable for drinking notification.</p>	<p>We confirmed that the North-West Region (NWR) is currently in negotiations with the Ord Irrigation Coop (OIC) and the Department of Water & Environmental Regulator to establish a process to ensure new ownership changes are communicated to the NWR, and thereby the Water Corporation's notification system in Grange. This will ensure that 100% of irrigation customers receive the appropriate water quality notification.</p>	<p>July 2015</p>	<p>No further action required.</p>

Table of Previous Non-Compliances and Audit Recommendations

B. Resolved during current Audit period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
05/2014 Reporting Manual Reference: 2014 #128, 183	<p>Rating: B2</p> <p>Legislative Obligation:</p> <p><i>The licensee's financial hardship policy must be publicly available.</i></p> <p><i>The licensee must comply with the Authority's Financial Hardship Policy Guidelines as they apply to the licensee.</i></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013: Clause 26</i></p> <p><i>Water Services Act: Section 12</i></p> <p>The Financial Hardship Policy (FHP) published on the Water Corporation's website in May 2014 was a 'customer friendly' version and not the version approved by the ERA.</p> <p>On the 5 September 2014 the ERA notified the Water Corporation of the non-compliance. On receiving this notice, the Corporation proceeded to take down the 'customer friendly' version of the FHP, and publish the approved policy.</p> <p>We noted that the information provided to the Corporation's customers in the version published on the website was consistent with that in the approved FHP. All information that was re-worded for improved clarity for customers in the published version regarding payment plans, reducing and restoring water flow, additional information, customers commitment and complaints handling did not exclude any details that were in the approved FHP.</p> <p>The subject matter approver should not have sent the customer friendly FHP to the online editor for publication on the website.</p>	<p>Reinforcement of the Corporation's Digital Publishing Procedure which details the appropriate sign-off process for publishing of documents should be performed.</p> <p>Training to remind relevant employees of the requirements of this procedure and/or appointing designated Water Corporation subject matter approvers may prevent such non-compliance from occurring in the future.</p>	9 December 2015	No further action required.

Table of Previous Non-Compliances and Audit Recommendations

C. Unresolved at end of current period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
01/2015 Reporting Manual Reference: 2014 #34	<p>Rating: C1</p> <p>Legislative Obligation:</p> <p><i>Water Services Act 2012 Section 141(1) – In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours notice to the public authority managing the road.</i></p> <p>The Water Corporation is required to give at least 48 hours' notice to the public authority managing a road, where a person is authorised to carry out road works that involves breaking the surface of the road or would cause major obstruction to road traffic.</p> <p>We were unable to evidence compliance with this requirement for the South West Region, as notification to the local shire was given informally via phone or in-person.</p>	<p>A formal procedure has been introduced to ensure written communication (email or letter) is provided to the relevant public authority 48 hours prior to the commencement of works, in addition to a telephone call or in-person notification.</p>	Unresolved	<p>Yes</p> <p>We identified the following issues:</p> <ol style="list-style-type: none"> 1. Prior to 2017, the relevant authorities were contacted by phone, but no evidence of these calls could be provided; and 2. Records for planned and unplanned work are not maintained sufficiently to a standard that could demonstrate compliance with this obligation. <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Ensure employees maintain sufficient records in respect of the obligation as described in the <i>Breaking The Road Surface Notification</i> work instruction

Table of Previous Non-Compliances and Audit Recommendations

C. Unresolved at end of current period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
02/2015 Reporting Manual Reference: 2014 #75	<p>Rating: C1</p> <p>Legislative Obligation:</p> <p><i>Water Services Regulations 2013: Regulation 63 – If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.</i></p> <p>We noted that there is no formal procedure followed in the South West Region in instances where the Water Corporation opens or breaks up the surface of a road. A lack of formalised documentation increases the risk of the Water Corporation failing to complete relevant work and reinstate and make good the road, and take all reasonable measures to prevent that part of the road from being hazardous.</p>	The Corporation has introduced the "Reinstatement Guideline" for all regions to follow, including the South West Region.	Unresolved	<p>Yes</p> <p>We identified the following issues:</p> <p>Records have not been maintained to demonstrate the restoration work undertaken meets the requisite standards.</p> <p>Although the Corporation has the <i>Reinstatement Guidelines</i> work instruction in place, which describes how certain disturbed areas must be reinstated, it does not include the following:</p> <ul style="list-style-type: none"> A description of how and to whom the finalisation of the reinstatement must be reported to; and When, how and where to save or archive evidentiary documentation and information such as "<i>Reinstatement Reports</i>", providing evidence of compliance with this obligation. <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> Update the current <i>Reinstatement Guidelines</i> to include a description of how and to whom the finalisation of the reinstatement must be reported to and when, how and where to save or archive evidentiary documentation and information after completion of the reinstatement; and Implement the revised work instruction and provide the relevant training to employees to ensure adherence to the work instruction and ultimately the requirements of this obligation.

Table of Previous Non-Compliances and Audit Recommendations

C. Unresolved at end of current period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
04/2015 Reporting Manual Reference: 2014 # 11, 12, 156, 158	<p>Rating: B2</p> <p>Legislative Obligation:</p> <p><i>The licensee must comply with the code of conduct that may be made by the Authority to the extent to which it applies to the licensee and is not inconsistent with the licence.</i></p> <p><i>The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act.</i></p> <p><i>Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation.</i></p> <p><i>The licensee must comply with any code of conduct made by the Authority to the extent it applies to the licensee and is not inconsistent with the terms and conditions of the licence.</i></p> <p>The Corporation identifies it may be non-compliant with Obligation 11. The reasoning behind this is due to the Corporation being non-compliant with components of the Code which are covered under separate Licence obligations, such as the Financial Hardship Policy covered in Obligation 128 and 183.</p> <p>Additionally, Obligation 125 requires the licensee to have a written policy in relation to financial hardship which is approved by the ERA. Although the Corporation complied by obtaining the ERA's approval in May 2014, the approved Financial Hardship Policy did not include 'tenants'. Tenants who receive bills on behalf of the landlord are considered customers under the Water Services Code of Conduct (Customer Services Standards) 2013,</p>	Clarify with the ERA as to whether Water Compliance Reporting Manual references can be re-worded to make complying with specific clauses of the Code of Conduct and Water Services Act clearer, and/or for the Water Corporation to seek exemptions from obligations that cannot be met.	Unresolved	<p>Yes</p> <p>Refer to the respective obligations in the Table of Current Audit Non-Compliances / Recommendations above.</p>

Table of Previous Non-Compliances and Audit Recommendations

C. Unresolved at end of current period

Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
	<p>meaning the approved Financial Hardship did not cover all customers and therefore did not meet the requirements of the Code. On 20 May 2015 an updated Financial Hardship Policy which includes tenants was approved by the ERA.</p> <p>It was also identified that the Corporation was non-compliant with Obligation 12. Section 175(5) of the Act requires the Corporation to provide an authorised person's full name on a notice left at an unoccupied dwelling. For security reasons, the Corporation does not provide full names.</p>			

3. Detailed Findings and Recommendations

3.1. Observations resolved during audit period

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26 (5) and Water Services Act Section 12		
Licence Condition	OL13: Clause 5.3 and 30.3 OL14: Clause 3.1.1 and 5.4.3 OL15: Clause 3.1.1 and 5.4.3		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference :128, 183 July 2016 Water Compliance Reporting Manual Reference: 128, 183 October 2017 Water Compliance Reporting Manual Reference: 128, 183		
Summary Description of Requirements	Compliance Reporting Manual Reference: 128 The licensee's financial hardship policy must be publicly available.		
	Compliance Reporting Manual Reference: 183 The licensee must comply with the ERA’s Financial Hardship Policy Guidelines as they apply to the licensee.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">PCY 304 Financial Hardship PolicyDecision to approve Water Corporation's amended financial hardship policy dated 20 May 2015	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	Through discussions and a review of the Financial Hardship Policy, we noted the following: Clause 26 (5): The Corporation’s Financial Hardship Policy, which was approved by the ERA on 20 May 2015, is available on their website and printed copies are provided free of charge to customers on request. In respect of License Obligation 183 , the Corporations “Financial Hardship Policy” complies with the ERA Financial Hardship Policy Guidelines.	

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>We noted that the Corporation, in their Compliance Report to the ERA for the period 1 July 2015 to 30 June 2016, reported a breach of these obligations. The breach related to strengthening of policies and / or procedures to ensure that the correct version of the Financial Hardship Policy is published on the Corporation's website.</p> <p>We confirm that the amended Financial Hardship Policy was published onto CorDocs on 9 December 2015 and includes the appropriate approval requirements for publishing the Financial Hardship Policy onto the Corporation's website and that the approved policy must be published on the website and no other version.</p>
	<p>Key Findings:</p> <p>The Corporation was in breach of these obligations for the period 1 July 2015 to 9 December 2015 in that the amended Financial Hardship Policy was only updated and published on 9 December 2015 onto the Corporation's CorDocs system.</p>
Recommendations	There are no further recommendations.

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Clause 15.1(d) OL14: NA OL15: NA		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 164		
Summary Description of Requirements	The licensee must report to the Authority within 10 business days of providing or undertaking water service works that are major works or general works.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Position Statement – Risk and Assurance (Obligation No. 164)Procedure for Informing the ERA of Major Capital WorksEmail correspondence between the Specialist – Water Services Licence, Risk and Assurance and Manager Government Relations	
	Personnel Interviewed:	<ul style="list-style-type: none">Specialist – Water Services Licence, Risk & Assurance;Team Leader – Best Practice, Project Management; andProject Director Metro – Water Source, Project Management.	
	Audit Procedures Performed:	<p>Obligation 164 was removed from the Water Compliance Reporting Manual in July 2016 and therefore, was only applicable from 1 July 2015 to 30 June 2016 – relevant to our scope period.</p> <p>Although, the Project Management Business Unit is primarily responsible for this obligation, the Regulation and Compliance Team is involved in notifying the ERA of any major or general works undertaken by the Corporation.</p> <p>Through discussion with the <i>Specialist – Water Services Licence, Risk & Assurance</i>, it was identified that general works conducted during the scope period were not reported to the ERA due to the large</p>	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>volume of general works undertaken by the Corporation. Furthermore, we were informed that a verbal agreement exists between the ERA and the Corporation in not notifying the ERA of any general works undertaken by the Corporation. However, we were unable to verify the existence of such an agreement due to the lack of documentation.</p> <p>The processes undertaken by the Regulation and Compliance Team is outlined in the <i>Informing the ERA of Major Capital Works</i>. As outlined in the procedure, the Corporation will report all major works that have received authorisation from the Minister. Ministerial authorisation is sent to Executive Services, who forwards it to the Project Management Business Unit and to Risk & Assurance Business Unit. Once the information has been obtained, the Risk & Assurance Business Unit will draft a letter to the Executive Director Licensing, Monitoring & Customer Protection at the ERA outlining the project and its cost.</p> <p>We were informed of two (2) major works that were undertaken by the Corporation during our scope period. For one (1) out the two (2) major works undertaken during the scope period, the ERA was not notified within 10 days of providing or undertaking water service works. We note that this breach was identified by the Corporation in the current year following the removal of this obligation in July 2016. Additionally, we were informed that no general works undertaken during the scope period were reported to the ERA.</p>
	<p>Key Findings:</p> <p>We observed:</p> <ul style="list-style-type: none"> No general works were reported to the ERA during our scope period. We were informed that a verbal agreement was in place with the ERA to not notify the ERA of general works, however, this agreement was not documented. As a result, we were unable to verify whether an agreement was in place.

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> For one (1) out the two (2) major works undertaken during the scope period, the ERA was not notified within 10 days of providing or undertaking water service works. We note that this breach was identified by the Corporation in the current year following the removal of this obligation in July 2016.
Recommendations	There are no further recommendations.	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A													
Obligations Under	Water Services Act Section 12														
Licence Condition	OL13: Schedule 3 OL14: Schedule 2 OL15: Schedule 2														
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 1.1 July 2016 Water Compliance Reporting Manual Reference: 190 Section 1.1 October 2017 Water Compliance Reporting Manual Reference: 190 Section 1.1														
Summary Description of Requirements	The water service works provided by the licensee, for the purpose of water supply services, shall be designed, constructed, operated and maintained to provide continuity of pressure and flow for services in accordance with the following standards.														
	Pressure and Flow Standards														
	<table><tr><th>Area</th><th>Minimum Static Pressure (metres of water)</th><th>Maximum Static Pressure (metres of water)</th><th>Minimum Flow (litres per minute)</th></tr><tr><td>Water Corp Perth Metropolitan</td><td>15</td><td>100</td><td>20</td></tr><tr><td>Water Corp Country Urban Areas</td><td>13</td><td>100</td><td>20</td></tr></table>			Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow (litres per minute)	Water Corp Perth Metropolitan	15	100	20	Water Corp Country Urban Areas	13	100	20
	Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow (litres per minute)											
Water Corp Perth Metropolitan	15	100	20												
Water Corp Country Urban Areas	13	100	20												
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Supply Planning Technical GuidelinesDesign Standard DS 60 Water Supply Distribution Standard Pipelines Other than ReticulationCriteria for Drinking Water SupplyPressure and Flow Exemption ProcedureDraft Pressure and Flow Exemption ProcedureEsperance Water Scheme System Plan 2016.													
	Personnel Interviewed:	<ul style="list-style-type: none">Manager Customer Networks, Asset Investment Planning RegionalManager AIP Metro, Asset Investment Planning Metro													
	Audit Procedures Performed:	Through discussions and a review of the Water Supply Planning Technical Guidelines, we noted that the planning water network is governed by													

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>processes which ensure customers receive the required pressure and flow by building in margins of safety into several steps of a process e.g. if a customer must receive greater than 17m, the scheme is modelled to ensure all customers receive at least 19m. The peak demand scenario used in the modelling is also a peak day peak week scenario which is greater than all actual demand scenarios, the outcome of this is that most customers receive minimum pressures in the order of 25m or greater. This does not include non-standard conditions such as periods of firefighting when pressures may be lower.</p> <p>In terms of the design and construction, these are also governed by respective standards such as the <i>DS 60 Water Supply Distribution Standard</i>, which ensure required outcomes. The nature of hydraulic networks (i.e. pressure is governed by the elevation of a tank or similar which is relatively fixed) is such that there is little variation over time unless there is a change in the configuration of the network and/or new demand comes onto the network. With these customers, the modelling and planning for the network is revisited to ensure pressure and flow requirements are maintained, and as part of this process, field measurements of pressure and flow will be taken to ensure calibration of the model and/or data collected from fixed pressure and flow meters in the network.</p> <p>In water networks that are more pressure sensitive (e.g. networks supplied by pumped pressure rather than the pressure from a tank) the modelling and planning sets required outlet pressures from the pump stations or similar and then these pressures are monitored by fixed pressure sensors connected to control/alarms systems. In addition to undertaking planning and modelling as a result of known changes in the network, periodic reviews of water networks are also undertaken to check for any previously unknown issues in the network and to ensure ongoing delivery of the required pressures and flows.</p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>The frequency of these periodic reviews is governed by size and complexity of the scheme, growth rates in the area.</p> <p>The Corporation does not routinely measure the pressure and flow received by customers in all water zones, and because of the design they are of the opinion that they do not have to take a physical measurement to assure that customers are getting the required flow. As discussed above, through the planning and design process for water networks, the Corporation is assured that customers will receive the required pressure and flow. Reactive monitoring of pressures and flows are conducted when customers complaints are received.</p> <p>Due to unavoidable and operational constraints, the Corporation provides water supplies to customers with high and low pressure outside the standards as specified in Section 1.1. This was reported to the ERA and the ERA, in 2015/16, introduced the requirement to annually notify customers that they are in high/low pressure areas and to notify new customers as soon as practicable</p> <p>To ensure compliance with the Licence, the Corporation conducts modelling to identify customers who are experiencing high or low pressures and flows.</p> <p>We reviewed the <i>Tamworth Medina Water Supply Distribution Planning</i>, which was issued in October 2016 and noted that the planning outputs is compliant with the requirements of the Licence.</p> <p>We reviewed the <i>Esperance Water Scheme System Plan 2016</i>, which was finalised in January 2017 and noted that the planning outputs is compliant with the requirements of the Licence.</p> <p>We reviewed the <i>Yanchep & Two Rocks Customer Networks Plan Water Distribution – Planning Review</i>, which was finalised in August 2018 and</p>

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A
		<p>noted that the planning outputs is compliant with the requirements of the Licence.</p> <p>Breach Register – 1 July 2016 to 30 June 2017 We noted that a breach was recorded against this obligation in that not all customers received the required continuity of pressure and flow for water services.</p>
	Key Findings:	<p>We noted the breach registered, however the Corporation has well-documented policies, procedures and design standards in place to design, construct, operate and maintain the water infrastructure to provide continuity of pressure and flow for services, taking into consideration the unavoidable circumstances that can cause the pressure and flow to be outside of the required specifications. In this regard, the Corporation has well-documented procedures in place to correct the pressure and flow for services.</p> <p>Pressure and Flow Exemptions are also, since 1 July 2016, regulated through Section 1.2 in that customers are notified on an annual basis, of the pressure and flow exemptions.</p>
Recommendations	There are no further recommendations.	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: A				
Obligations Under	Water Services Act Section 12					
Licence Condition	OL13: Schedule 3 OL14: Schedule 2 OL15: Schedule 2					
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 5.1 July 2016 Water Compliance Reporting Manual Reference: 190 Section 5.1 October 2017 Water Compliance Reporting Manual Reference: 190 Section 5.1					
Summary Description of Requirements	April 2014 Compliance Reporting Manual Reference: No. 190 Section 5.1 The licensee must comply with the service and performance standards as set out in Schedule 3.					
	July 2016 Compliance Reporting Manual Reference: 190 Section 5.1; and October 2017 Compliance Reporting Manual Reference: 190 Section 5.1 The licensee must comply with the service and performance standards as set out in Schedule 2.					
	The licensee must supply water that is suitable for irrigation purposes.					
	<ul style="list-style-type: none">The licensee must provide at least 5 business days’ notice to a customer of any planned service interruption.The licensee must comply with the standards and principles as set out below.					
	<table><tr><th>Irrigation Water Quality</th><th>Percentage of customers given 5 days notice of a planned interruption</th></tr><tr><td><1,200mg/L TDS</td><td>>90</td></tr></table>			Irrigation Water Quality	Percentage of customers given 5 days notice of a planned interruption	<1,200mg/L TDS
Irrigation Water Quality	Percentage of customers given 5 days notice of a planned interruption					
<1,200mg/L TDS	>90					
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Drinking Water Sampling ProceduresField and Laboratory Test ProceduresNWR Ord Irrigation Customer NotificationsNWR Manage Ord Irrigation Customers				
	Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager, Operations Performance				
	Audit Procedures Performed:	Section 5.1.1 Through discussions and review of the <i>Drinking Water Sampling Procedures</i> and the <i>Field and Laboratory Test Procedures</i> we observed that the Corporation send water samples for analysis to an				

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>external contracted laboratory namely SGS Australia.</p> <p>The Corporation's employees involved with taking water samples for testing at the laboratory are trained in the sampling processes. Testing and analysis on the water samples are conducted on a regular basis.</p> <p>The Corporation has a well-documented procedure (<i>Drinking Water Sampling Procedures</i> – also used for irrigation water testing) and field and laboratory testing manual (<i>Field and Laboratory Test Procedures</i>) in place for field sampling, which describes the process for sampling and dispatching samples to the laboratory; and the testing process.</p> <p>Section 5.1.2</p> <p>A review of the <i>NWR Ord Irrigation Customer Notifications</i> work instruction revealed that, should any interruptions be planned by the Corporation for maintenance on irrigation works, notifications will be sent by the Consultation Manager to the affected zone <i>via</i> email and customers without email addresses will be notified <i>via</i> facsimile, which is performed through <i>Fax Stream</i>.</p> <p>Once the notifications have been sent, a copy of the notification is saved into Aquadoc.</p> <p>Through discussions and review of the <i>Register of Planned Interruptions for Water Corporation Maintenance</i>, we noted that there has only been one planned interruption during the audit period, which commenced on 30 Jan 2017.</p> <p>We reviewed the notification sent to customers for this planned interruption and noted that the customers were provided with more than 5 business days –notice prior to the planned disruption.</p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: A
	<p>Section 5.1.3</p> <p>Through discussions and review of the Kununurra Irrigation Channel lab tests conducted for the audit period, we noted that the Corporation's water quality TDS target, for irrigation water, is <1200mg/L.</p> <p>We confirm that the Corporation's water quality for irrigation purposes is within the required specification.</p> <p>We reviewed a sample of water bills and confirm that the Corporation prints a note on customers' bills stating that irrigation water is non-potable and not fit for human consumption.</p> <p>Breach Register – 1 July 2015 to 30 June 2016</p> <p>We noted that a breach was recorded against this obligation in that: <i>"New customers may not receive an annual irrigation water quality notification in instances where their property purchase does not go through the EAS system ..."</i>.</p> <p>The breach was resolved in May 2016 when the Corporation implemented a new work instruction – <i>NWR Manage Ord Irrigation Customers</i>. This work instruction requires that all Ord Irrigation customers' details are up to date in Grange to ensure that all customers are notified annually by the Corporation that irrigation water is non-potable and not fit for human consumption. This statement is also printed on the back of the annual bills sent to customers on the 1st June of each year.</p> <p>We noted that, since 19 July 2016 under Water Service Licence WL32, Version 15, it is no longer a requirement for the Corporation to provide customers with the annual <i>"not suitable for drinking water"</i> notice.</p>
	<p>Key Findings:</p> <p>A breach was self-identified by the Corporation in relation to new customers may not receive an annual irrigation water quality notification in instances where their property purchase does not go through the EAS system.</p>

Audit Priority: 2	Compliance Rating: 2
Reporting Type: 2	Adequacy of Controls Rating: A
	We confirmed that the relevant control has been implemented.
Recommendations	There are no further recommendations.

3.2 Observation unresolved at end of current Audit period

3.2.1 Obligations Identified as Non-Compliance

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	1/2018
Obligations Under	Water Services Act Section 128(4)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 31 July 2016 Water Compliance Reporting Manual Reference: 31 October 2017 Water Compliance Reporting Manual Reference: 31		
Summary Description of Requirements	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with the Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ Lodge and Withdraw Memorials/Caveats on Properties ID#218395 ▪ Withdrawal of Memorials for Deferred Headworks ID #412240 ▪ Listing of accounts that had memorials in place during the audit period ▪ Report 1592657 Deferred Hdwks dated 1 August 2018 	
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	Through discussions with the responsible personnel and inspection of the relevant documents, we observed the process for withdrawing memorials is as follows: <ul style="list-style-type: none"> ▪ The Customer Financial Solutions Officer is responsible for processing the lodgement and withdrawal of memorials. Report '1592657 Deferred Hdwks', which is refreshed monthly, lists all the properties with memorials where the recovery status has progressed to 'Fully Paid'. This report includes properties with outstanding 	

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	1/2018
	<p>service or water charges and properties with deferred infrastructure contributions.</p> <ul style="list-style-type: none"> ▪ The Officer goes through each property notes in Grange to confirm that the final amount owing was paid and the memorial withdrawn. ▪ Where the memorial was not withdrawn, the Officer will fill out the relevant paperwork, including: the 'Withdrawal of Memorial/Caveat Cover Sheet' and the 'Withdrawal of Memorial' or 'Withdrawal Caveat' form. ▪ The form is stamped by the Senior Customer Financial Solutions Officer and endorsed by the Lead – Credit Strategy or Lead – Operations. The completed 'Withdrawal of Memorial' / 'Withdrawal of Caveat' form is then sent to the customer with the 'Withdrawal of Memorial WC Initiated' letter. ▪ If the account has been paid, the withdrawal fee is raised on the customer's account. Where the withdrawal is to be paid by settlement, the Officer confirms with the settlement agent when and where the settlement will take place, and the amount to be paid. The Officer attends the settlement and release the documents once the account is fully paid. <p>We conducted testing over nine (9) accounts with overdue service charges and over six (6) accounts with deferred infrastructure contributions. In our testing, we identified the following exceptions:</p> <ul style="list-style-type: none"> ▪ 2 accounts with infrastructure contributions fully paid off still had memorials attached; ▪ 1 account with infrastructure contributions had their memorial withdrawn 103 days after the contributions were fully paid; and ▪ 1 account with service charges had their memorial withdrawn 61 days after the charges were fully paid. 	

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	1/2018
		<p>Upon enquiry, we identified that, if eligible, customers have the option of deferring headworks / infrastructure contributions for a up to a year by securing the debt with a memorial over the subject land. For deferred headworks / infrastructure contributions, we identified that Memorials are withdrawn on customer request rather than when the original payment outstanding is paid.</p> <p>Our inquiry revealed that this process is in place so that customers can continue to defer additional infrastructure contributions and associated fees without multiple memorials needing to be lodged and withdrawn. Generally, customers request that memorials are withdrawn at settlement when all infrastructure contributions and associated fees are paid.</p> <p>Fees for lodging and withdrawing memorials are paid by the customer.</p> <p>The monthly review of deferred headworks / infrastructure contributions and property accounts with memorials that were fully paid is performed on an Excel file that is refreshed each month, and evidence of previous reviews is not kept on file. We were only able to confirm that the report was refreshed in August 2018. The monthly review of deferred headworks / infrastructure contributions and property accounts is currently only being performed by one person.</p>
	Key Findings:	Memorials not lifted when outstanding charges had been paid to avoid multiple memorials needing to be lodged and withdrawn.

Audit Priority: 2	Compliance Rating: 2	1/2018
Reporting Type: 2	Adequacy of Controls Rating: B	
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Upon payment of a charge or contribution (and any prescribed fee thereof), the memorial relating to such payment should be lifted as soon as practicable. 2. A copy of the monthly review of deferred headworks / infrastructure contributions and property accounts with memorials that were fully paid is kept on file and signed off by the reviewer. 3. A back-up person be trained and assigned the responsibility of performing this review when the responsible officer is away. 	

Audit Priority: 3		Compliance Rating: 2		2/2018
Reporting Type: 2		Adequacy of Controls Rating: B		
Obligations Under	Water Services Act Section 129 (5) Water Services Act Section 173(4) Water Services Act Section 174(1)			
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 32, 49, 50 July 2016 Water Compliance Reporting Manual Reference: 32, 49, 50 October 2017 Water Compliance Reporting Manual Reference: 32, 49, 50			
Summary Description of Requirements	Compliance Reporting Manual Reference: 32 If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.			
	Compliance Reporting Manual Reference: 49 In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.			
	Compliance Reporting Manual Reference: 50 Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.			
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Procedure for Entry onto Private PropertyGuide to entry powers for authorised persons under the Water Services Act 2012Guide to compliance powers for compliance officers under the Water Services Act 2012Training material for Authorised Person – Entry to Property, Team Leaders/SupervisorsReinstatement Guideline		
	Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager, Operations PerformanceTeam Leader – Civil Albany, Great Southern RegionManager – Operations Analytics & Support, Operations Performance Business Unit		

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	2/2018
	Audit Procedures Performed:	<p>Sections 129(5), 173(4), 174(1)</p> <p>The Operations Performance business unit is responsible for monitoring these obligations. Section 129(5) requires the licensee to provide at least 48 hours' notice to the occupier, where the "routine maintenance or inspection is likely to cause disruption". On the other hand, Section 173(4) requires the licensee to provide at least 48 hours' notice to the:</p> <ul style="list-style-type: none"> ▪ Occupier, where the proposed works are "likely to cause disruption to the occupant of the place", unless the occupier agrees otherwise; or ▪ Owner, where the proposed works are "likely to adversely affect the place", unless the owner agrees otherwise. <p>Section 174(1) requires the notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.</p> <p>The <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i>, defines what constitutes routine inspection and routine maintenance. Furthermore, we note that the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i>, outlines the processes to be carried out when performing works that require entry to a property (i.e. when to issue a notice to the owner vs occupier).</p> <p>We observed the terms '<u>likely to cause disruption to the occupants of the place</u>' and '<u>likely to adversely affect the place</u>' have not been defined in the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i>, procedural documents or training materials currently used by the Corporation.</p> <p>We observed the Corporation relies on the experience of staff members to interpret and distinguish between the terms 'likely to cause disruption' and 'likely to adversely affect'.</p> <p>The <i>Procedure for Entry onto Private Property</i>,</p>

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	2/2018
		<p>requires operational staff to provide an <i>All Purpose Notice of Entry (NOE) Form</i> to the owner or occupier of a property prior to conducting construction, inspection, routine maintenance or any other work, which is likely to cause disturbance. We observed that a <i>Notice of Entry Letter</i> may also be used to provide 48 hours' notice to the occupier / owner of the property.</p> <p>We sampled 15 instances where entry was required to a property, to check that 48 hours' notice was provided in writing (outlining the purpose of the entry and any work to be carried out) to the occupier / owner. For 5 out of the 15 samples, written notice was provided to the owner / occupier after the Corporation had visited the property. Through discussions, it was identified that prior to September 2017, written notice was not provided to customers prior to visiting a property. Post September 2017, the control has been strengthened with the notice being provided 48 hours prior to the proposed entry based on our sample testing.</p> <p>Additionally, in respect of obligation 50, the Corporation self-reported a breach to the ERA in the 2016–17 Financial Year. The Corporation notified a breach relating to the installation of a pressure reducing valve cabinet on land that was understood to be a Water Corporation easement but rather was under private ownership. Consequently, no permission was granted to install infrastructure in this location. Works had been undertaken by the Corporation without the correct approval process being followed or notice of entry being issued.</p>
	Key Findings:	<ul style="list-style-type: none"> For 5 out of the 15 samples (33%), a written notice was provided to the owner / occupier after the Corporation had visited the property. A breach was identified by the Corporation in the 2016–17 Financial Year, where works had been undertaken by the Corporation without the correct approval process being followed or notice of entry being issued.

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	2/2018
		<ul style="list-style-type: none"> The terms 'likely to cause disruption to the occupants of the place' and 'likely to adversely affect the place' have not been defined in the Guide to entry powers for authorised persons under the Water Services Act 2012, procedural documents or training materials currently used by the Corporation. The Corporation relies on the experience of staff members to interpret and distinguish between the terms 'likely to cause disruption' and 'likely to adversely affect'. 	
	Recommendations:	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Provide further training to the relevant staff on the requirement to provide 48 hours' written notice; and 2. In consultation with the relevant stakeholders, define the terms 'likely to cause disruption to the occupants of the place' and 'likely to adversely affect the place'. Following this process, all relevant procedures, work instructions, training materials, etc. should be updated to reflect the defined terms and be approved in line with established Water Corporation processes. 	

Audit Priority: 4 Reporting: 2		Compliance Rating: 2 Adequacy of Controls Rating: C	3/2018
Obligations Under	<i>Water Services Act</i> Section 142 <i>Water Services Act</i> Section 143 (2) <i>Water Services Act</i> Section 143 (3)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 35, 36, 37 July 2016 Water Compliance Reporting Manual Reference: 35, 36, 37 October 2017 Water Compliance Reporting Manual Reference: 35, 36, 37		
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 35 The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works and has given any notice required under section 148.</p> <p>Compliance Reporting Manual Reference: 36 Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.</p> <p>Compliance Reporting Manual Reference: 37 The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ External Approvals Manual; ▪ Project Management Category ABC Procedures; ▪ Flow chart of Water Corporation Major Works Procedure; ▪ External Approvals Tracking Spreadsheet; ▪ Prerequisites to Works Quick Reference Guide; ▪ Water Corporation website – External Approvals page; and ▪ Sample documentation. 	

Audit Priority: 4 Reporting: 2		Compliance Rating: 2 Adequacy of Controls Rating: C	3/2018
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Best Practice, Project Management; and Project Director Metro – Water Source, Project Management. 	
	Audit Procedures Performed:	<p>The Project Management Business Unit is responsible for monitoring compliance against these obligations.</p> <p>Section 3 of the <i>External Approvals Manual</i> clearly outlines the steps to be undertaken by the Project Managers before seeking approval from the Minister. Additionally, the Corporation had developed a <i>Flow chart of Water Corporation Major Works Procedure</i>, which provides a detailed summary of the requirements of the Act. The individual Project Managers are responsible for ensuring all the steps outlined in the <i>Flow chart of Water Corporation Major Works procedure</i> are completed and that the Prerequisites to Works requirements are met.</p> <p>We reviewed the <i>Flow chart of Water Corporation Major Works Procedure</i> and section 3.1 and 3.3 of the <i>External Approvals Manual</i> to determine if these documents are in line with the requirements of the Act. No issues were identified.</p> <p>Furthermore, we selected a sample of five (5) major projects undertaken during the scope period to check that the requirements of the Act have been adequately met. We specifically checked that:</p> <ul style="list-style-type: none"> Prior to the submission of the proposal to the Minister: <ul style="list-style-type: none"> Plans and details of the proposed works have been published on the Corporation's website and made available for inspection (Section 143 (2)); Notices have been issued within 5 days of publishing the plans and details on the Corporation's website to the: owner and occupier of land, local government and the 	

Audit Priority: 4 Reporting: 2	Compliance Rating: 2 Adequacy of Controls Rating: C	3/2018
		<p>Western Australian Planning Commission, where applicable (Section 143 (3)); and</p> <ul style="list-style-type: none"> – Issued notices are in line with the Section 143 (4) (Section 142 (a)). ■ Prior to the commencement of major works (Section 142): <ul style="list-style-type: none"> – The Corporation has compiled with Section 143 and 144; – The Minister has authorised the provision of Major Works; and – The Corporation has given notice required by Section 148 (if applicable). <p>We identified the following matters:</p> <ul style="list-style-type: none"> ■ For four (4) out of the five (5) samples selected (80%), evidence of the published plans and details on the Corporation’s website was not retained on file (refer to Section 143(2)). Therefore, we were unable to test whether the relevant notices were issued within 5 days of the plans being published (refer to Section 143 (3)). We were also unable to test whether the plans and details were published on the Corporation’s website prior to the submission of the proposal to the Minister (Refer to Sections 142 (a) and 143 (1)); and ■ For four (4) out of the five (5) samples selected, the notices issued to the owners and occupiers of the land and Local Government did not state the “times when, and the places at which, the plans and details may be inspected” as detailed in Section 143 (4). ■ Additionally, the term ‘likely to be adversely affected’ (refer to Section 143 (3)) has not been documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager’s professional judgement and experience when reaching a

Audit Priority: 4 Reporting: 2		Compliance Rating: 2 Adequacy of Controls Rating: C	3/2018
		conclusion on whether the owner and the occupier is “likely to be adversely affected”.	
	Key Findings:	<p>Obligations No. 35 and 36</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected (80%), evidence of the published plans and details on the Corporation’s website was not retained on file; and <p>Obligations No. 35 and 37</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the notices issued to the owners and occupiers of the land and the Local Government did not state the “times when, and the places at which, the plans and details may be inspected” as detailed in Section 143 (4); and The term ‘likely to be adversely affected’ (refer to Section 143 (3)) has not been documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager’s professional judgement and experience when reaching a conclusion on whether the owner and the occupier is “likely to be adversely affected”. 	

Audit Priority: 4 Reporting: 2	Compliance Rating: 2 Adequacy of Controls Rating: C	3/2018
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Document, approve and implement a process to save and retain screenshots on file, of the plans and details published on the Corporation's website. These screenshots should include the date and details the plans were published on the Corporation's website. As part of this process, Project Managers should be provided training on the updated requirements; 2. Update the template letters used to provide notice to the owners and occupiers of the land and Local Government to include the "times when, and the places at which, the plans and details may be inspected". As part of this process, Project Managers should be provided training on the updated requirements to ensure all future notices issued by the Corporation are in line with Section 143 (3); 3. In consultation with the relevant stakeholders, define and document the term 'likely to be adversely affected' to provide further guidance to Project Managers when exercising this obligation; and 4. Provide training to all relevant staff on the updated requirements. 	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	4/2018
Obligations Under	<i>Water Services Act</i> Section 151(1) <i>Water Services Act</i> Section 151(2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 42, 43 July 2016 Water Compliance Reporting Manual Reference: 42, 43 October 2017 Water Compliance Reporting Manual Reference: 42, 43		
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 42 A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.</p> <p>Compliance Reporting Manual Reference: 43 The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> External Approvals Manual; Project Management Category ABC Procedures; Flow chart of Water Corporation General Works Procedure; External Approvals Tracking Spreadsheet; Water Corporation website – External Approvals page; and Sample documentation. 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Best Practice, Project Management; and Project Director Metro – Water Source, Project Management. 	
	Audit Procedures Performed:	<p>Section 151 (1) and Section 151 (2) The Project Management Business Unit is responsible for monitoring compliance against these obligations.</p> <p>Section 4 of the <i>External Approvals Manual</i> clearly outlines the steps to be undertaken by the Project Managers before undertaking general works.</p>	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	4/2018
		<p>Additionally, the Corporation had developed a <i>Flow chart of Water Corporation General Works Procedure</i>, which provides a detailed summary of the requirements of the Act.</p> <p>The individual Project Managers are responsible for ensuring all the steps outlined in the <i>Flow chart of Water Corporation General Works procedure</i> are completed and that the Prerequisites to Works requirements are met.</p> <p>We performed review of Section 4 of the <i>External Approvals Manual</i> and the <i>Flow chart of Water Corporation General Works Procedure</i> to determine if these documents are in line with the requirements of the Act. No issues were identified through this check.</p> <p>Furthermore, we selected a sample of five (5) general projects undertaken during the scope period to check that the requirements of the Act have been met. Specifically, we checked that the Corporation:</p> <ul style="list-style-type: none"> ■ Prepared plans and details of the proposed works and that it has been published and made available for inspection (Section 151 (1)); ■ Notices have been issued to the: owner and occupier of land, local government and the Western Australian Planning Commission, where applicable (Section 151 (2)); and ■ Issued notices are in line with the Section 143 (4) (Section 151 (3)). <p>We noted the following exceptions from our testing:</p> <ul style="list-style-type: none"> ■ For four (4) out of the five (5) samples selected, the plans and details of the proposed general works were not published; ■ For one (1) out of the five (5) samples selected, the plans and details of the proposed works were published on the Corporation's website however, evidence of this was not retained on file; and

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	4/2018
		<ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the notices issued to the owners and occupiers of the land and Local Government did not state the “times when, and the places at which, the plans and details may be inspected” as detailed in Section 151 (3). <p>Additionally, the term ‘likely to be adversely affected’ (refer to Section 151 (2)) has not been documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager’s professional judgement and experience when reaching a conclusion on whether the owner and the occupier is “likely to be adversely affected”.</p> <p>Furthermore, the Corporation identified a breach relating to Obligation No. 43 in the 2017/18 Financial Year. The breach was due to the adjacent landowner not being issued a Notice as required by Section 151 (2). We noted that a meeting was held between the Corporation and the adjacent landowner and Water Corporation personnel on 9 March 2018 to rectify this issue.</p> <p>In addition, we observed that the Corporation has updated the <i>Prerequisites to Works Training Tool</i> used by the Project Managers, following the breach being identified. The updated <i>Prerequisites to Works Training Tool</i> was presented to the Project Managers at the Project Management Forum on 8 May 2018. Therefore, no further action is required by the Corporation.</p>
	Key Findings:	<p>Obligation No. 42:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the plans and details of the proposed general works were not published; and For one (1) out of the five (5) samples selected, the plans and details of the proposed works were published on the Corporation’s website however, evidence of this was not retained on file.

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	4/2018
		<p>Obligation No. 43:</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the notices issued to the owners and occupiers of the land and the Local Government did not state the “times when, and the places at which, the plans and details may be inspected” as detailed in Section 151 (3). The term ‘likely to be adversely affected’ (refer to Section 151 (2)) has not been documented within the relevant procedures or work instructions. Discussions with the process owners noted that the Corporation relies on the individual Project Manager’s professional judgement and exercise when reaching this conclusion. An adjacent landowner to project was not provided with a Notice of Proposal as part of the Prerequisites to Works procedure. For three (3) out of the five (5) samples selected, the General Works Authorisation was not signed by the relevant Regional Manager. Additionally, for one (1) out of the five (5) samples selected, the Flow chart of <i>Water Corporation General Works Procedure</i> was not signed by the Project Manager.
<p>Recommendations</p>	<p>Obligation No. 42:</p> <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> In consultation with the relevant stakeholders, adopt a mechanism to publish the plans and details of the proposed general works. This may be done through the Corporation’s website (similar to Major works) or via an alternative mechanism; Following this process, update all relevant procedures, work instructions, training material, etc. to reflect the adopted mechanism including, the requirement to retain evidence of publication on file for audit purposes; and Provide training to all relevant staff on the updated requirements. 	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	4/2018
	<p>Obligation No. 43:</p> <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 4. Update the template letters used to provide notice to the owners and occupiers of the land, Local Government and the Western Australia Planning Commission, to include the “times when, and the places at which, the plans and details may be inspected”, in line with the requirements of Section 151 (3); and 5. In consultation with the relevant stakeholders, define and document the term ‘likely to be adversely affected’ to provide further guidance to Project Managers when exercising this obligation. 	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	5/2018
Obligations Under	Water Services Act Section 175(5)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 53 July 2016 Water Compliance Reporting Manual Reference: 53 October 2017 Water Compliance Reporting Manual Reference: 53		
Summary Description of Requirements	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Procedure for Entry onto Private Property Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors Reinstatement Guideline 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance Team Leader – Civil Albany, Great Southern Region Manager – Operations Analytics & Support, Operations Performance Business Unit Operations Support Manager, Great Southern Region 	
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring this obligation.</p> <p>Through discussions with the process owners we confirmed that a <i>Notice of Entry</i> Form or a copy of the warrant (where relevant) is left in a prominent position when a dwelling is unoccupied. A review of the <i>Notice of Entry</i> Form identified that it does not detail the employee's full name and official title as required by the Act. We observed that a crew number is provided instead, which allows the</p>	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	5/2018
		<p>relevant employee to be traced, should any issues arise.</p> <p>The Corporation stakeholders represented that this is a deliberate non-compliance by the Corporation to ensure the personal safety of field workers.</p> <p>The Corporation has not adduced further evidence where it can reasonably be assessed that there is an elevated risk to its staff or contractors beyond standard operational risks faced in the normal course of business.</p> <p>Interviews conducted in Albany with the Team Leader revealed the protocol when entering a property requires him identifying himself to the occupant by producing his staff card that displays his full name. Although the context is different, the point is that there is no evidence of increased risk to Corporation's staffs when their full name is disclosed during contact with members of the public.</p> <p>We considered the Corporation's position for not complying with the requirements of this obligation has not been made out.</p>	
	Key Findings:	<p>The <i>Notice of Entry</i> Form does not detail the employee's full name and official title as required by the Act. A traceable crew number is provided instead. The Corporation has not provided evidence to support the proposition that there is an elevated risk to its staffs or contractors beyond standard operational risks faced in the normal course of business if staffs were to disclose their full name on the Notice of Entry Form.</p>	
Recommendations	<p>We recommend that the Corporation amend existing practice and require staff disclose their full names on the Notice of Entry Form in accordance with the requirements of the obligation.</p>		

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	6/2018
Obligations Under	<i>Water Services Regulations 2013 Regulations 26(3)</i> <i>Water Services Regulations 2013 Regulations 26(5)</i>		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual	April 2014 Water Compliance Reporting Manual Reference Number: 67, 68 July 2016 Water Compliance Reporting Manual Reference Number: 67, 68 October 2017 Water Compliance Reporting Manual Reference Number: 67, 68		
Summary Description of Requirements	<p>Reporting Manual Reference: 67 If the owner or occupier requests the licensee to test a meter, subject to the payment of the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with the approved procedure.</p> <p>Reporting Manual Reference: 68 If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ S309 Testing of Water Meters ▪ Meter Test Application – Laboratory Testing ▪ Application for Meter Test ▪ Asset Monitoring & Systems Investigations AMSI-P-120 Meter Testing and Reporting; ▪ Customer Dispute Meter Test (Work Instruction No: AMSI-W-128) ▪ Testing Water Metres on Test Rig CW549 (Work Instruction No: AMSI-W-127) ▪ Testing Water Metres on Medium Test Rig CW591 (Work Instruction No: AMSI-W-132); and ▪ Testing Water Metres on Large Test Rig CW592 (Work Instruction No: AMSI-W-133) ▪ S222 Development and Review of CorDocs Documents 	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	6/2018
	Personnel Interviewed:	<ul style="list-style-type: none"> Head of Engineering, Asset Delivery Group Principal – Policy and Compliance, Customer Billing and Assurance Water Use Investigations, Customer Billing Support Officer – Water Use Investigations, Customer Billing 	
	Audit Procedures Performed:	<p>Regulation 26(3)</p> <p>The Corporation's website outlines that an owner or occupier may request the Corporation to undertake a meter test when there is a dispute regarding a bill. Customers requiring a meter test are required to complete an application form. Applications for meter tests and testing results are processed by the Water Use Investigations Team. Processes to be followed by the Water User Investigations Team are outlined in <i>S309 Testing of Water Meters</i> and <i>Meter Test Application – Laboratory Testing</i>.</p> <p>Testing of the water meters are carried out by the operational staff at the Corporation's National Association Testing Authorities (NATA) accredited testing laboratory in Shenton Park. The processes to be followed when testing water metres are detailed in the below documents:</p> <ul style="list-style-type: none"> Asset Monitoring & Systems Investigations AMSI-P-120 Meter Testing and Reporting; Customer Dispute Meter Test (Work Instruction No: AMSI-W-128); Testing Water Metres on Test Rig CW549 (Work Instruction No: AMSI-W-127); Testing Water Metres on Medium Test Rig CW591 (Work Instruction No: AMSI-W-132); and Testing Water Metres on Large Test Rig CW592 (Work Instruction No: AMSI-W-133). <p>Through inspection of the procedure documents, it was identified that the above documents were approved by Technical Advisor – Standard and</p>	

Audit Priority: 5 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	6/2018
		<p>Process, Engineering as opposed to the Chief Executive Officer as prescribed in the regulation. As outlined in S072 Financial and Legal Authorisation, the Corporation's Board of Directors delegated the responsibility of testing water meters to the Head of Engineering in February 2018. However, responsibility to approve the procedure and related work instructions have not been explicitly delegated to the Head of Engineering.</p> <p>Additionally, we note that S222 Development and Review of CorDocs Documents (Standard S222) state that procedural documentation may be approved by Process Managers, their delegated representatives, Line Managers and assigned document custodians, however, S222 does not specify that this responsibility has been delegated from the CEO to the relevant officers. Furthermore, the S222 was approved by Manager, Risk and Assurance, therefore, does not constitute appropriate delegation.</p> <p>Regulation 26(5) We sampled tested seven (7) instances where the testing meter was found to be outside the prescribed tolerance. For one (1) out of the seven (7) samples tested, the meter was lost in transit and therefore, treated as a faulty meter.</p> <p>We note that in this instance, the customer was reimbursed of the costs of testing however, the meter reading and charges were yet to be adjusted by the Corporation at the time of fieldwork, as required by the Regulation. We observed that in this instance, the Corporation was waiting for the customer's advice upon receiving the next scheduled bill to compare water use before making the necessary adjustments. Through inquiry, we confirmed that a bill had been issued to the customer however, at the time of fieldwork the Corporation was still waiting for the customer's advice.</p>

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	6/2018
		Furthermore, it was identified that the Corporation currently has no follow up procedures in place for these instances to follow up customers on a timely basis.	
	Key Findings:	<p>Obligation No. 67 – Regulation 26(3) The procedure documents and work instructions have not been approved by the CEO as required by the regulations.</p> <p>Obligation No. 68 – Regulation 26(5) For one (1) out of the seven (7) samples selected for testing, the meter was lost in transit and therefore, treated as a faulty meter however, the reading and charges were yet to be adjusted by the Corporation.</p>	
Recommendations		<p>Obligation No. 67 – Regulation 26(3) We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Update <i>S072 Financial and Legal Authorisation</i> to explicitly delegate the responsibility of approving meter test procedures and associated documents to an appropriate officer; and 2. Following the approval of <i>S072 Financial and Legal Authorisation</i>, the following documents should be reviewed and approved in line with delegations of authority: <ul style="list-style-type: none"> ▪ Asset Monitoring & Systems Investigations AMSI-P-120 Meter Testing and Reporting; ▪ Customer Dispute Meter Test (Work Instruction No: AMSI-W-128); and ▪ Work Instructions. <p>Obligation No. 68 – Regulation 26(5) We recommend that the Corporation:</p> <ol style="list-style-type: none"> 3. Adjust the meter reading and charges relevant to the identified sample; and 4. Implement a process within Grange (i.e. bill intercept / calendar tool) to follow up customers in the instances the Corporation has to wait for advice from the customer. 	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	7/2018
Obligations Under	Water Services Regulations 2013 Regulations 65 (4)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 78 July 2016 Water Compliance Reporting Manual Reference: 78 October 2017 Water Compliance Reporting Manual Reference: 78		
Summary Description of Requirements	Compliance Reporting Manual Reference: 78 The licensee must make the records for all land in respect of which water service charges apply available for inspection by any person without charge and give a copy of particular records to a person with a material interest in them, on payment of the prescribed charge.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PCY320 Maintain Property Records (PCY320); PCY319 Maintain Customer Records; Call Centre Security Policy Guidelines; and Corporation's website. 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance. 	
	Audit Procedures Performed:	Regulation 65(4) Regulation 65(4) states that: <i>"The licensee must make the records for all land in respect of which water service charges apply available for inspection by any person without charge".</i> Regulation 65 (2) describes "Records" as follows: <i>"The records must include the following —</i> <i>(a) the description and situation of the land;</i> <i>(b) the name and address of the owner of the land;</i> <i>(c) the account number (if any);</i> <i>(d) if relevant to the determination of a charge in respect of the land — the gross rental value, the unimproved value or the area of the land;</i> <i>(e) the classification (if any) of the land for the purpose of the application of any charge in respect of the land;</i> <i>(f) any other information that the licensee requires for the determination of a charge in respect of the land;</i>	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	7/2018
		<p>(g) the amount of any charge that is unpaid.”</p> <p>Records for all land in respect of which water charges apply are made available to customers via My Water through the Corporation’s website, except for the following:</p> <ul style="list-style-type: none"> ▪ The name and address of the owner of the land; and ▪ The account number. <p>Records may also be requested through the Corporation’s Contact Centre. <i>Call Centre Security Policy Guidelines</i> outline the steps to be undertaken by the Contact Centre staff before information is released to customers.</p> <p>Alternatively, customers can inspect documents in person at the Corporation’s Balcatta office. We observed that staff perform identity checks before making information available to customers.</p>	
	Key Findings:	<p>The following information were not included via My Water through the Corporation’s website as required by Regulation 65(4):</p> <ul style="list-style-type: none"> ▪ The name and address of the owner of the land; and ▪ The account number. 	
Recommendations	<p>We recommend that the Corporation update the information provided through “My Water” to include the name and address of the owner of the land and the account number.</p>		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	8/2018
Obligations Under	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(1)</i>		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 100 July 2016 Water Compliance Reporting Manual Reference: 100 October 2017 Water Compliance Reporting Manual Reference: 100		
Summary Description of Requirements	Each bill must contain the prescribed information. [Does not come into operation until 18 November 2015]		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ PCY321 Bill Customer ▪ S300 Billing ▪ S308 Estimating and Projecting Water Use 	
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Principal – Policy and Compliance, Customer Billing and Assurance. 	
	Audit Procedures Performed:	<p>Clause 12(1) requires the following information to be included within a customer bill:</p> <ul style="list-style-type: none"> a) the customer's name; b) the account number; c) the address of the place in respect of which the water service is provided; d) any other address nominated by the customer for sending of bills; e) the day on which the bill is issued; f) the charges payable; g) the water service or services for which the charges are payable; h) the date when payment is due; i) the nature and amount of any applicable concession, discount or rebate; j) the amount of interest or fees charged for late payment of outstanding amounts; 	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	8/2018
		<p>k) the amount of any arrears or credit standing to the customer's name;</p> <p>l) the options for payment that are available to the customer;</p> <p>m) the licensee's website address;</p> <p>n) a telephone number for account, payment and general enquiries;</p> <p>o) contact details for account, payment and general enquiries for use by customers with hearing or speech impairment;</p> <p>p) a statement that the website contains information about estimates, meter reading and testing, complaints and review.</p> <p>We sampled bills dated 6 July 2015, 28 July 2016 and 18 January 2018 to confirm that the bills issued by the Corporation contained the prescribed information. Three (3) out of the three (3) sampled bills did not contain a statement that the Corporation's website contains information about estimates (Refer to Clause 12(1)(p)). No other issues were identified through this check.</p>	
	Key Findings:	None of the sampled bills contain a statement that the Corporation's website contains information about estimates.	
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Establish a process whereby staff reviews the bill template against the Code's requirements. 2. The relevant staff member and supervisor/line manager sign off on any changes to the template of bills. 3. Update the bill template to include a statement that the Corporation's website contains information on the use of estimates. Following this, the updated bill format should be uploaded into GRANGE. 		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	9/2018
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12((3))		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 102 July 2016 Water Compliance Reporting Manual Reference: 102 October 2017 Water Compliance Reporting Manual Reference: 102		
Summary Description of Requirements	Compliance Reporting Manual Reference: 102 Each bill must inform the customer of the specified information and where further details can be obtained. [Does not come into operation until 18 November 2015]		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Water Use and Service Charge Account (Customer Bills) – ID#0113, #0102 and #0104 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	Clause 12(3) We obtained examples of bills from the past three financial years and confirmed that they contained the following information: <ul style="list-style-type: none"> Whether a bill was based on a meter reading or on an estimate; The billing period and the number of days to which the bill applies, The two most recent dates on which the quantity of water supplied or the quantity of waste water discharged was ascertained; If the bill was based on a meter reading, the total quantity of water supplied or the quantity of waste water discharged; If the bill was based on an estimate, the total quantity of water supplied or waste water discharged based on the estimate; and Information about the customer's water usage compared with the customer's previous usage. 	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B		9/2018
		We also confirmed that the bills informed the customer of the following and where further details could be obtained: <ul style="list-style-type: none">▪ That the customer may request a meter reading and bill to determine outstanding charges for a period that is not the same as the usual billing cycle;▪ That the customer may request the testing of a meter and if the customer so requests, information about the fees that apply and when the fees may be reimbursed;▪ That the bill can be reviewed in accordance with the licensee’s review procedure; and▪ That complaints about the provision of a water service by the licensee or a failure by the licensee to provide a water service can be made in accordance with the licensee’s complaints procedure.		
	Key Findings:	We noted that bills currently do not specifically inform customers may request a meter reading and revised bill if the customer disputes an estimate on which a bill is based and that if the customer so requests, information about the fees that apply.		
Recommendations	We recommend that the Corporation: <ol style="list-style-type: none">1. Establish a process whereby staff reviews the bill template against the Code’s requirements.2. The relevant staff member and supervisor/line manager sign off on any changes to the template of bills.3. Update the bill template to include the prescribed information.			

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	10/2018
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Clause 4 OL14: Clauses 3.2.1 OL15: Clauses 3.2.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 155 July 2016 Water Compliance Reporting Manual Reference: 155 October 2017 Water Compliance Reporting Manual Reference: 155		
Summary Description of Requirements	<p>July 2016 & October 2017 Compliance Reporting Manual: The licensee must pay the applicable fees and charges in accordance with the applicable regulations.</p> <p>April 2014 Compliance Reporting Manual: The licensee must pay the applicable fees in accordance with the Regulations.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ Licence Fee Work Instruction ID#13096301 ▪ Invoices – Annual Licence Charge #ERA10079, #ERA101204 and #ERA101623 ▪ Invoices – Standing Charges #ERA100607, #ERA100670, #ERA100762, #ERA100875, #ERA100913, #ERA100982, #ERA101059, #ERA101179, #ERA101297, #ERA101372, #ERA101547 and #ERA101611 	
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Specialist – Water Services Licence, Risk and Assurance 	
	Audit Procedures Performed:	<p>We confirmed that the ERA (Licensing Funding) Regulations 2014 has required the Corporation to pay the ERA an annual Licence fee as well as a Standing Charge fee for the audit period. The ERA was also able to charge the Corporation specific charges under the Regulations. We observed that there were no specific charges during the audit period.</p> <p>We obtained evidence of the invoices and confirmed that the annual Licence fees were paid each year of the audit period. We also reviewed the invoices for the standing charges each year of the audit period and noted that one standing charge was not paid in</p>	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B		10/2018
		full within the allowed period. We noted that interest was paid in line with Regulation 4(8).		
	Key Findings:	A standing charge was not paid within the allowed period. Regulation 4(4) specifies that “the amount specified in the notice is payable to the Authority within 30 days after the day on which the notice was issued.” Regulation 4(4) has therefore not been complied with.		
Recommendations		The Corporation should include an additional control (in the <i>Economic Regulation Authority Licence Fee Work Instruction</i>) by way of a reminder mechanism to ensure payment is made within the allowed period.		

Audit Priority: 2	Compliance Rating: 3	11/2018												
Reporting Type: 2	Adequacy of Controls Rating: C													
Obligations Under	Water Services Act Section 12													
Licence Condition	OL13: Schedule 3 OL14: Schedule 2 (No Farmlands Section) OL15: Schedule 2													
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Reference: 190 Section 6.2 July 2016 Water Compliance Reporting Reference: Not applicable October 2017 Water Compliance Reporting Reference: 190 Section 6.2													
Summary Description of Requirements	Subject to customers complying with licensee requirements the licensee must ensure that customers connected to its Farmlands Water Systems shall have, at the outlet of the water meter to their property, a water pressure and flow as detailed in the following tables.													
	<table><tr><th>Area</th><th>Minimum Static Pressure (metres of water)</th><th>Maximum Static Pressure (metres of water)</th><th>Minimum Flow</th></tr><tr><td>Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region</td><td>Not applicable</td><td>200</td><td>3kL/day per service</td></tr><tr><td>Rural Water Supply Schemes</td><td>Not applicable</td><td>200</td><td>1.8kL/day per service</td></tr></table>		Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow	Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region	Not applicable	200	3kL/day per service	Rural Water Supply Schemes	Not applicable	200	1.8kL/day per service
	Area	Minimum Static Pressure (metres of water)	Maximum Static Pressure (metres of water)	Minimum Flow										
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Rural Water Supply Schemes	Not applicable	200	1.8kL/day per service											
<table><tr><th>Service Standard</th><th>How Is It Measured</th><th>Performance Indicator / Targets</th></tr><tr><td rowspan="3">Farmlands area water systems – pressure and flows are kept within the acceptable range</td><td>From complaints received, the number of services with confirmed water pressure/flow faults divided by total number of water service connections expressed as a % and then subtracted from 100.</td><td rowspan="3">In the preceding 12-month period 99.8% of farmlands water systems customers have, at the outlet of the water meter to their property, a water pressure and flow as listed above.</td></tr><tr><td>The flow rate and dynamic pressure is measured at the meter over a period, so as to confirm the available flow meets the minimum standard.</td></tr><tr><td>Maximum pressure is measured as a static pressure (no flow) at the same point.</td></tr></table>		Service Standard	How Is It Measured	Performance Indicator / Targets	Farmlands area water systems – pressure and flows are kept within the acceptable range	From complaints received, the number of services with confirmed water pressure/flow faults divided by total number of water service connections expressed as a % and then subtracted from 100.	In the preceding 12-month period 99.8% of farmlands water systems customers have, at the outlet of the water meter to their property, a water pressure and flow as listed above.	The flow rate and dynamic pressure is measured at the meter over a period, so as to confirm the available flow meets the minimum standard.	Maximum pressure is measured as a static pressure (no flow) at the same point.					
Service Standard	How Is It Measured	Performance Indicator / Targets												
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	The flow rate and dynamic pressure is measured at the meter over a period, so as to confirm the available flow meets the minimum standard.													
	Maximum pressure is measured as a static pressure (no flow) at the same point.													

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 3 Adequacy of Controls Rating: C		11/2018
Work Performed	Service Standard	How Is It Measured	Performance Indicator / Targets	
		Does not include poor pressure due to bursts or planned activities.		
	Documents Reviewed:	<ul style="list-style-type: none"> Design Standard DS 63 Water Reticulation Standard 		
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Operations Analytics & Support, Operations Performance Business Unit 		
	Audit Procedures Performed:	<p>Through discussions and a review of the <i>Design Standard DS 63 Water Reticulation Standard, Section 2.2.1.1</i>, we noted that the Corporation base their assurance of the required pressure and flow at the outlet of the customer's water meter, on the design of the system. The system was designed based on the specifications as documented in the <i>Design Standard DS 63 Water Reticulation Standard</i>.</p> <p>We observed that after the water mains were installed in the Farmland areas, the system was tested and "certified". According to the Corporation, this system was implemented several decades ago and that the "certification" results are no longer available or could not be found for audit purposes.</p> <p>The Corporation does not perform tests or spot checks to ensure that, at the outlet of the water meter to Farmland properties, the pressure and flow is at the required specifications. Our enquiry revealed the root cause is financial reason.</p> <p>The Corporation only tests the pressure and flow, as required by Schedule 2 – Section 6.2 of the Licence, if a complaint is received from a customer. The Corporation will then install a data logger to monitor the pressure and flow, and if necessary, correct the issue.</p>		

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 3 Adequacy of Controls Rating: C	11/2018
		<p>We reviewed the complaints received during the audit period and noted that:</p> <ul style="list-style-type: none"> Two complaints were received during the 2015/16 financial year; No complaints were received during the 2016/17 financial year; and Two complaints were received during the 2017/18 financial year. <p>We reviewed the notes documented in Grange in respect of the complaints received and noted that some customers appear to have water pressure and flow issues for periods of up to six years.</p>
	Key Findings:	<p>Although the Corporation measure compliance with this obligation based on the infrastructure design model and by dividing the number of complaints received with the number of Farmland properties who receives water services, the Corporation does not comply with this obligation in that it cannot provide evidence that:</p> <ul style="list-style-type: none"> It tests the pressure and flow at the outlet of the water meter to Farmland properties to determine if that they fall within the appropriate parameters; The pressure and flow at the outlet of the water meter to Farmland properties is at the required specification; When, attending to complaints in Farmland areas, they test the pressure and flow at the outlet of the water meter to Farmland properties; and After attending to complaints and rectifying the identified issues, the pressure and flow, at the outlet of the water meter to Farmland properties, is at the required specification. <p>We noted that the Corporation does not have a policy, procedure or work instruction in place to ensure compliance with this obligation.</p>

Audit Priority: 2	Compliance Rating: 3	11/2018
Reporting Type: 2	Adequacy of Controls Rating: C	
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Draft, approve and implement a policy, procedure and/or work instruction to ensure compliance with this obligation, which include, but not limited to, the following: <ul style="list-style-type: none"> ▪ Mandatory testing of the pressure and flow at the outlet of the water meter to Farmland properties when attending to complaints; and ▪ Documenting the pressure and flow results for the Farmland properties after attending complaints. 2. Consider investigating/testing, on a sample basis, the infrastructure for the Farmland areas to ensure that it can still provide the required pressure and flow as required by the Licence. 	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	12/2018
Obligations Under	Water Services Act 2012: 12, 27, 29		
Licence Condition	OL13: Clause 5.1, 5.3, 13.1, 26.1 OL14: Clauses 3.1.1, 4.2.1 OL15: Clauses 3.1.1, 4.2.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 11, 12, 156, 158, 161 July 2016 Water Compliance Reporting Manual Reference: 11, 12, 156, 158, 161 October 2017 Water Compliance Reporting Manual Reference: 11, 12, 156, 158, 161		
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 11 The licensee must comply with the code of conduct that may be made by the ERA to the extent to which it applies to the licensee and is not inconsistent with the Licence.</p> <p>Compliance Reporting Manual Reference: 12 The licensee must comply with the duties imposed on it by the Act in relation to its Licence and must carry out its operations in respect of the Licence in accordance with the Act.</p> <p>Compliance Reporting Manual Reference: 156 Subject to any modifications or exemptions granted pursuant to the Act and this Licence, the licensee must comply with any applicable legislation.</p> <p>Compliance Reporting Manual Reference: 158 The licensee must comply with any code of conduct made by the Authority to the extent it applies to the licensee and is not inconsistent with the terms and conditions of the Licence.</p> <p>Compliance Reporting Manual Reference: 161 The licensee must comply with any individual performance standards prescribed by the ERA.</p>		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	12/2018
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Legislation Register ID#763213 Annual Compliance Reports for 2015/16 and 2016/17 Draft Annual Compliance Report for 2017/18 Annual Compliance Reporting Work Instructions ID#13204771 Type 1 Obligation Reporting to the ERA Work Instruction ID#6244047 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Regulation & Compliance Specialist – Water Services Licence, Risk & Assurance 	
	Audit Procedures Performed:	<p>Obligation 11 and 158 Obligation 11 and 158 require the Corporation to comply with any Code of Conduct made by the ERA.</p> <p>For the audit period, the applicable Code of Conduct is the Water Services Code of Conduct (Customer Services Standards) 2013. If the Corporation is not compliant with an individual component of the Code of Conduct, this will result in non-compliance with Obligation 11. Compliance is therefore dependent on other processes that meet the requirements of the Code and which are addressed in separate Licence Obligations (Obligations 92 – 154). Non-compliances are reported annually to the ERA.</p> <p>Obligation 12 Obligation 12 requires the Corporation to comply with the Water Services Act 2012 (the Act). If the Corporation is not compliant with a clause within the Act, this will result in non-compliance with Obligation 12. Compliance is therefore dependent on other processes that meet the requirements of the Act, and which are addressed in separate Licence Obligations (Obligations 1 – 64). Non-compliances are reported annually to the ERA. Non-compliance with Type 1 Obligations are required to be reported immediately to the ERA (Obligation 1 and 21).</p>	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	12/2018
		<p>Obligation 156</p> <p>Obligation 156 requires the Corporation to comply with all applicable legislation. We confirmed that the requirements of the Act, Regulations and Code are covered under the Licence Obligations. If the Corporation is non-compliant with any of the applicable legislation, this will result in non-compliance with Obligation 156. Compliance is therefore dependent on other processes that meet the requirements of the applicable legislation, and which are addressed in separate Licence Obligations (Obligations 1 – 154). Non-compliances are reported annually to the ERA. Non-compliances with Type 1 Obligations (i.e. Obligations 1 and 21) are required to be reported immediately to the ERA.</p> <p>Obligation 161</p> <p>Obligation 161 requires the Corporation to comply with the performance standards contained in the Licence.</p>	
	Key Findings:	<p>Obligation 11 and 158</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 11 and 158:</p> <ul style="list-style-type: none"> ▪ #100 ▪ #102 ▪ #128 ▪ #183 <p>Obligation 12</p> <p>The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 12:</p> <ul style="list-style-type: none"> ▪ #31 ▪ #32 ▪ #34 ▪ #35 ▪ #36 ▪ #43 ▪ #49 ▪ #50 ▪ #53 ▪ #155 	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 2 Adequacy of Controls Rating: B	12/2018
		<ul style="list-style-type: none"> ■ #37 ■ #42 <p>Obligation 156 The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 156:</p> <ul style="list-style-type: none"> ■ #67 ■ #68 ■ #75 ■ #78 <p>Obligation 161 The following obligations have been identified as exceptions and therefore directly impact the compliance posture of obligation 161:</p> <ul style="list-style-type: none"> ■ #164 ■ #190, Clause 1.1 ■ #190, Clause 1.2 ■ #190, Clause 5.1 ■ #190, Clause 6.2 	
Recommendations	Refer to the recommendations provided in the respective obligations identified as exceptions (under the observations heading).		

Audit Priority: 2	Compliance Rating: 2	13/2018
Reporting Type: 2	Adequacy of Controls Rating: B	
Obligations Under	<i>Water Services Act Section 12</i>	
Licence Condition	OL13: Schedule 3 – Not applicable OL14: Schedule 2 OL15: Schedule 2	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 1.2 July 2016 Water Compliance Reporting Manual Reference: 190 Section 1.2 October 2017 Water Compliance Reporting Manual Reference: 190 Section 1.2	
Summary Description of Requirements	<p>Potable water system – pressure and flow exemptions</p> <p>Licensee must notify:</p> <p>(a) new customers upon purchase of the affected property as soon as practicably;</p> <p>and</p> <p>(b) existing customers at least annually,</p> <p>that pressure and flow of the water supplied falls outside of standard pressure and flow.</p> <p>The notification must include:</p> <p>(a) the pressure and flow range; and</p> <p>(b) further information about how to manage the exempt pressure and flow.</p>	
Work Performed	Documents Reviewed:	Draft Pressure and Flow Exemption Procedure.
	Personnel Interviewed:	Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed:	<p>Due to unavoidable and operational constraints, the Corporation provides water supplies to customers with high and low pressure outside the standards as specified in Section 1.1. This was reported to the ERA and the ERA, in 2015/16, introduced the requirement to annually notify customers that they are in high/low pressure areas and to notify new customers as soon as practicable.</p> <p>Through discussions and a review of a sample of twelve account bills and five “Low Water Pressure” and five “High Water Pressure” letters, we noted that the Corporation, as required by <i>Schedule 2, Section 1.2 – Potable water system – pressure and flow</i></p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 2 Adequacy of Controls Rating: B	13/2018
		<p><i>exemptions</i> of the Water Services Licences Version 14 and 15, notify customers as follow:</p> <ul style="list-style-type: none"> ▪ New customers are informed by the Corporation, through letters, that the pressure and flow of the water that will be supplied to their properties, falls outside of the standard pressure and flow; and ▪ The notifications letters included the pressure and flow range as well as further information about how to manage the exempt pressure and flow. <p>For existing customers, the Corporation prints a note on each affected customer's water bill notifying them of the pressure and flow exemption to their property. This note includes how the pressure and flow can be managed.</p> <p>Breach Register – 1 July 2016 to 30 June 2017 We noted that a breach was recorded against this obligation in that notifications were not sent to 50 new customers, although notifications were sent to the previous owners of the same properties.</p>
	Key Findings:	<p>We observed:</p> <ul style="list-style-type: none"> ▪ Due to change in property ownership, 50 customers did not receive the letter of notification. The property records have since been identified and a letter of advice issued to the customer. ▪ The Corporation's <i>Pressure and Flow Exemption Procedure</i>, which describes the high-level procedure for achieving compliance with Schedule 2 Section 1.2 of the Water Services Licence Obligation, was still in draft format. <p>On 18 July 2018, the Corporation's <i>Pressure and Flow Exemption Procedure</i> was formally approved.</p>
Recommendations	There are no further recommendations.	

3.2.2 Obligations Achieved Compliance but Requires Improvement of Controls

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	14/2018
Obligations Under	Water Services Act Section 23		
Licence Condition	OL13: Clause 29.1 OL14: Clause 3.5 OL15: Clause 3.5		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 5 July 2016 Water Compliance Reporting Manual Reference: 5 October 2017 Water Compliance Reporting Manual Reference: 5		
Summary Description of Requirements	<p><i>July 2016 & October 2017 Compliance Reporting Manual:</i> All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.</p> <p><i>April 2014 Compliance Reporting Manual:</i> All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by an agreement whereby the licensee can operate the works so as to comply with its obligations, or must fit in to other prescribed categories under the Act.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Annual emails to the Regional Business Managers and Alliance Managers for Financial Years 2015–16, 2016–17 and 2017–18; Summary of responses from Regional Business Managers and Alliance Managers; Memorandum – Compliance as per Section 23 of Water Services Act 2012 (WSA); Water Supply Agreement – Water Corporation and Busselton Water. 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Branch Manager, Infrastructure Markets – Strategy and Stakeholders Group; and Senior Principal, Infrastructure Markets. 	
	Audit Procedures Performed:	Infrastructure Markets Business Unit is responsible for monitoring the Corporation's compliance against this obligation.	

Audit Priority: 5 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	14/2018
		<p>Through discussions with the process owners, it was identified that the Senior Principal, Infrastructure Markets emails the various Regional Business Managers and Alliance Managers on an annual basis, to obtain an understanding of the water service works held under Section 23. We checked that responses were received from all Regional Managers and Alliance Managers during our scope period. No issues were identified through this check.</p> <p>We observed that the Corporation owns most assets that used in the provision of water service works. Where assets are not owned by the Corporation, an agreement (i.e. purchase order, contract, lease, etc.) in line with Section 23 is held between the relevant third party and the Corporation.</p> <p>A review of the summary of responses from 2017–18 Financial Year, indicated the following:</p> <ul style="list-style-type: none"> ■ 22 agreements are in place under Section 23(b); ■ 26 agreements are in place under Section 23(c); and ■ 2 agreements are in place under Section 23(e). <p>We sampled two (2) instances where water service works were used by the Corporation under Section 23 to check that relevant agreements were in place. No issues were identified through this check.</p>
	<p>Key Findings:</p>	<p>We observed that the processes performed by Senior Principal, Infrastructure Markets have not been formally documented therefore, creating a key person risk.</p> <p>Additionally, we identified that no refresher training (i.e. annually) is currently provided to the Regional / Alliance Managers responsible for monitoring this obligation and where there has been a movement in staff (i.e. new Regional / Alliance Managers).</p> <p>Furthermore, quality assurance checks are not currently performed by the Infrastructure Markets</p>

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	14/2018
		Business Unit to verify the completeness of the data provided by the Regional / Alliance Managers.	
Recommendations		<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Provide annual refresher training to Region / Alliance Managers responsible for monitoring this obligation. 2. Implement quality assurance processes over the data provided by the Region / Alliance Managers (i.e. through sample checks on an annual basis); 3. Develop a procedure / work instruction detailing the processes performed by Infrastructure Markets when monitoring compliance against this obligation including, training and quality assurance processes. 4. Review and approve the procedure / work instruction in accordance with established Water Corporation processes. 5. Make the procedure / work instruction available to staff via the intranet. 	

Audit Priority: 5		Compliance Rating: 1		15/2018	
Reporting Type: 2		Adequacy of Controls Rating: B			
Obligations Under		Water Services Act Section 82 (4) (5)			
Licence Condition		OL13: Clause 5.1 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1			
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 17 July 2016 Water Compliance Reporting Manual Reference: 17 October 2017 Water Compliance Reporting Manual Reference:17			
Summary Description of Requirements		If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.			
Work Performed		Documents Reviewed:		<ul style="list-style-type: none">▪ PCY362 Building Proposal Notifications▪ Building and Service Application Procedure▪ Service Applications and Investigations Procedure▪ Building – Applications Audit	
		Personnel Interviewed:		<ul style="list-style-type: none">▪ Manager Business Management – Development Services▪ Senior Advisor – Business Management (Compliance) Development Services	
		Audit Procedures Performed:		Through discussions and a review of the <i>Building Proposal Notifications</i> Policy, the <i>Building and Service Application Procedure</i> and the <i>Service Applications and Investigations Procedure</i> , we understand that persons can provide the Corporation with plans and specifications to proposed building work to be carried out on land in the operating area of a license, in two different ways, namely <i>via</i> the Corporation's online system called BuilderNet or through manual lodgement: In respect of BuilderNet Applications –	

Audit Priority: 5 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	15/2018
	<ul style="list-style-type: none"> ■ Applications can be lodge through the Corporation's BuilderNet online system, where building plans can be attached and it requires the applicant to provide a contact email address; and ■ On the day when the payment for the application is received, processed and cleared, the BuilderNet system will undertake a series of checks matching the application information against various linked systems, and if accepted/approved, the system will automatically email the building plans, together with the authorisation for the proposed works, to the email address provided by the applicant. <p>In respect of Manual Applications –</p> <ul style="list-style-type: none"> ■ Hardcopy application forms, together with the relevant building plans can be lodged directly to the Corporation via mail, fax, email or delivered in person to a reception desk; and ■ After payment for the application is received, processed and cleared, the Corporation's Building Services Officers will email the authorised plans to the email address provided by the applicant. <p>If no email address was provided by the applicant, the Corporation will inform the applicant to collect the approved plans or post it to the applicant through Australian Post or Couriers.</p> <p>Through enquiries we confirmed that Development Services returns the building plans through the "BuilderNet" system by email in real time once the plans are approved and payment has been allocated. Furthermore, we noted that a small number of building plans are emailed/mailed to the BSO for manual processing, that are attended to on the same day."</p> <p>The Corporation also provided us with a matrix indicating that, for the audit period, 100% of applications were lodged, processed and returned.</p>	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B		15/2018
	Key Findings:	We observed: <ul style="list-style-type: none">The Corporation did not include the “7–day return” requirement as specified in Section 82 (5) of the Water Services Act 2012 in the mentioned policies and/or work instructions; andThe Service Applications and Investigations Procedure in Section 6: Compliance Measures states: “Approval and Payment: Legislation (see Appendix A) in general terms says: If a copy of the approved plan is not returned to the applicant within 5 working days from receipt of the prescribed payment the applicant can commence building” <p>This is not consistent with the <i>Water Services Act</i>, Section 82 (6)(b) (also Appendix A), which states that:</p> <ul style="list-style-type: none">“The person must not commence the construction, alteration or demolition of the building until the earlier of — (b) the end of the period referred to in subsection (5). <p>Section 82 (5) of the <i>Water Services Act 2012</i> states that:</p> <ul style="list-style-type: none">“The licensee must comply with subsection (4) within 7 days after the day on which the licensee receives the fee, calculated in accordance with the regulations, for dealing with the notification, or the licensee enters into an arrangement for the payment of the fee”.		
	Recommendations	We recommend that the Corporation: <ul style="list-style-type: none">1. Include the “7–day return” requirement as specified in Section 82 (5) of the <i>Water Services Act 2012</i> in the relevant policies and/or work instructions; and		

Audit Priority: 5 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	15/2018
	<p>2. Amend the time period mentioned in the <i>Service Applications and Investigations Procedure</i> in <i>Section 6: Compliance Measures</i> and align it with <i>Section 82 (5)</i> of the <i>Water Services Act 2012</i> to read:</p> <ul style="list-style-type: none"> ▪ “<i>Approval and Payment: Legislation (see Appendix A) in general terms says: If a copy of the approved plan is not returned to the applicant within 7 days from receipt of the prescribed payment the applicant can commence building</i>”. 	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: C	16/2018
Obligations Under	Water Services Act Section 90 (7)		
Licence Condition	OL13: Clause 27.1 OL14: Clauses 3.1.1 and 3.5 OL15: Clauses 3.1.1 and 3.5		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 20 July 2016 Water Compliance Reporting Manual Reference: 20 October 2017 Water Compliance Reporting Manual Reference: 20		
Summary Description of Requirements	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PCY298 Buried Assets Damage Prevention Issuing Compliance Notices Compliance Notice Process Framework 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Senior Advisor – Business Management (Compliance) Development Services 	
	Audit Procedures Performed:	<p>Development Services' process is to review the building and development plans for the protection of works, fittings and fixtures in construction, which are over or in the vicinity of water service works of the Corporation.</p> <p>We reviewed the <i>Buried Assets Damage Prevention</i> policy and noted that the <i>Asset Investment Planning Regional In Service Assets</i> team is responsible for implementing asset protection activities as part of the Plan Asset Maintenance process.</p> <p>An understanding and arrangement is in place between Operators in Regions, who identify inappropriate activities, and the <i>Asset Investment Planning Regional In Service Assets</i> team, to negotiate an outcome with an offender and/or landowner. This is the first course of action. We observed that there is no documented agreement in place.</p>	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: C	16/2018
		<p>Where this negotiation fails to resolve the situation, the matter is escalated to <i>Asset Investment Planning Regional In Service Assets</i> team for the issuing of a Compliance Notice.</p> <p>We noted that no Compliance Notices, relating to this obligation, were issued during the audit period.</p>	
	Key Findings:	<p>We observed:</p> <ul style="list-style-type: none">▪ <i>No documented policy, procedure or work instruction is in place between the Asset Investment Planning Regional In Service Assets team and Operators in the Regions to report any identified issues or to negotiate an outcome with an offender and/or landowner, which negotiation process could be detrimental to the Corporation if performed incorrectly or without legal advice; and</i>▪ Development Services was not aware of policy, procedure or work instruction for issuing compliance notices.	
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none">1. Draft, approve and implement, in consultation with the <i>Legal Services and Company Secretary</i>, a policy and procedure/work instruction, stipulating what steps to be taken by the Regional Operators and/or the <i>Asset Investment Planning Regional In Service Assets</i> team when issues or potential issues are identified and when entering into negotiations with an offender and/or landowner; and2. Provide awareness training to all staff on the <i>Compliance Notice Process Framework</i> as well as on the <i>Issuing Compliance Notices</i> work instruction.		

Audit Priority: 4		Compliance Rating: NR		17/2018	
Reporting Type: 2		Adequacy of Controls Rating: B			
Obligations Under		Water Services Act Section 119 (2)			
Licence Condition		OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 28 July 2016 Water Compliance Reporting Manual Reference: 28 October 2017 Water Compliance Reporting Manual Reference: 28			
Summary Description of Requirements		The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).			
Work Performed		Documents Reviewed:		<ul style="list-style-type: none">Issuing Compliance NoticesCompliance Notice Process Framework	
		Personnel Interviewed:		<ul style="list-style-type: none">Compliance Manager – Operations Performance	
		Audit Procedures Performed:		Through discussions we noted that there have been no compliance notices issued during the audit period. We also noted that, although the Corporation has a <i>Compliance Notice Process Framework</i> , not all staff is aware of its existence. It was also noted in the previous operational audit (2015) that the Corporation does not have a policy or work instruction on Issuing Compliance Notices.	
		Key Findings:		Not all staff is aware of the Compliance Notice Process Framework.	
		Recommendations		Provide awareness training to all staff on the <i>Compliance Notice Process Framework</i> as well as on the <i>Issuing Compliance Notices</i> work instruction.	

Audit Priority: 3		Compliance Rating: 1		18/2018
Reporting Type: 2		Adequacy of Controls Rating: B		
Obligations Under	Water Services Act Section 122 (2)			
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 29 July 2016 Water Compliance Reporting Manual Reference: 29 October 2017 Water Compliance Reporting Manual Reference: 29			
Summary Description of Requirements	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.			
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Corporation Accountability FrameworkList of matters referred to the State Administrative Tribunal during the audit period		
	Personnel Interviewed:	<ul style="list-style-type: none">Principal Lawyer – Legal Services		
	Audit Procedures Performed:	<p>Through discussions, we observed that the Corporation does not take, or continue to take, action against a person after that person referred a matter to the State Administrative Tribunal (SAT). The Corporation will allow the matter to be finalised through SAT before considering any further actions.</p> <p>According to Legal Services, they will provide advice to an employee once the employee approaches them with SAT related matters and all employees are aware that legal matters should be discussed and reported to Legal Services.</p> <p>Legal Services also represented that no policies, procedures or work instructions are in place informing or instructing employees not to take, or continue to take, action against a person after that person referred a matter to the SAT as the Corporation “relies on the legislation and the regulatory document Water Compliance Reporting Manual 2017”.</p>		

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B		18/2018
		Key Findings:	There are no policies, procedures and/or work instructions in place to inform employees across different business units on how to deal with SAT related matters including what actions the Corporation cannot take, or continue to take, against a person who has a matter before SAT.	
Recommendations		We recommend that the Corporation draft, approve and implement a policy and procedure/work instruction to ensure consistency in the approach relating to SAT matters. This policy and procedure/work instruction should include, but not be limited to, the following: <div><div>1.</div><div>In context with this obligation, the definition of an “action”; and</div></div> <div><div>2.</div><div>Cross divisional responsibilities to seek legal advice from Legal Services before taking action, and/or a decision not to take action.</div></div>		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: C	19/2018
Obligations Under	Water Services Act Section 141(1)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 34 July 2016 Water Compliance Reporting Manual Reference: 34 October 2017 Water Compliance Reporting Manual Reference: 34		
Summary Description of Requirements	In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours' notice to the public authority managing the road.		
Work Performed	Documents Reviewed:	Breaking The Road Surface Notification	
	Personnel Interviewed:	Compliance Manager – Operations Performance	
	Audit Procedures Performed:	<p>Through discussions and a review of the <i>Breaking The Road Surface Notification</i> work instruction, we noted that the Corporation issues a Traffic Management Plan (TMP) for all planned work that is likely to break the road surface or cause a major obstruction of the road or disruption to traffic.</p> <p>The TMP, with a covering email, will be sent to the relevant public authority (MRWA or local government) to notify them of the proposed work and where required, seek their approval for the work to proceed. This will be sent a minimum of 48 hours prior to the commencement of the work.</p> <p>Electronic copies of all signed TMP's and covering emails sent are retained by the relevant work area in the designated AQUA folder (record keeping system).</p> <p>For unplanned work, the Corporation will raise a TMP and email it to the relevant authority on the next business day. This will also be stored on the Aqua system.</p> <p>Based on enquiries conducted in the Great Southern Region, we observed that, prior to September 2017,</p>	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: C	19/2018
		<p>the relevant authorities were contacted by phone to inform them of the planned or unplanned work. The Corporation was unable to provide evidence to this effect. Further, records are not sufficiently maintained as described in the <i>Breaking The Road Surface Notification</i> work instruction.</p> <p>According to <i>Section 141 (1)</i> of the Water Services Act, only authorised persons can perform “<i>Breaking the road surface</i>” works or works “<i>that would cause major obstruction to road traffic</i>”.</p> <p>The Corporation has a web-based <i>Authorised Officers Register</i> where the names of authorised officers and compliance officers are recorded. This web-based <i>Authorised Officers Register</i> is updated as and when the CEO, or employees with the necessary delegation of authority, appoint an employee in writing as either an authorised or compliance officer.</p> <p>We reviewed the “<i>Authorisation for entry to property and designation of compliance officers under the Water Services Act 2012 (WA)</i>” forms and noted that contractors / service providers such as Wilson Security, are also appointed as authorised officers.</p>	
	Key Findings:	<p>We observed:</p> <ul style="list-style-type: none"> ■ Prior to 2017, the relevant authorities were contacted by phone, but no evidence of these calls could be provided; and ■ Records for planned and unplanned work are not maintained sufficiently to a standard that could demonstrate compliance with this obligation. 	
Recommendations		We recommend that the Corporation ensure employees maintain sufficient records in respect of the obligation as described in the <i>Breaking The Road Surface Notification</i> work instruction.	

Audit Priority: 2		Compliance Rating: 1		20/2018
Reporting Type: 2		Adequacy of Controls Rating: B		
Obligations Under	Water Services Act Section 210(5)			
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 62 July 2016 Water Compliance Reporting Manual Reference: 62 October 2017 Water Compliance Reporting Manual Reference: 62			
Summary Description of Requirements	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.			
Work Performed	Documents Reviewed:	Certificate of Authority samples selected for testing		
	Personnel Interviewed:	Compliance Manager, Operations Performance		
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring compliance against this obligation.</p> <p>We obtained a sample of 20 certificates of authority to check that it included the following:</p> <ul style="list-style-type: none">▪ A recent passport-size photograph of the person; and▪ The person's name; and▪ A statement to the effect that the person is an inspector or compliance officer for the purposes of this Act; and▪ Provisions under which the inspector or compliance officer may exercise powers; and▪ Any limitations or restrictions that apply to the exercise of the powers of the inspector or compliance officer; and▪ Expiry date of the certificate. <p>Appointment of the Inspector or Compliance Officer typically involved discussions between senior management group of the appropriate candidates based on experience, skills, and qualifications. These discussions are not formally documented to</p>		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	20/2018
		<p>allow a review of the decision made in connection to the selection and appointment of Inspector or Compliance Officer.</p> <p>Given the functions of the Inspector and Compliance Officer, additional due diligence – beyond the standard drug screening and police check – is necessary to ensure that the appointed personnel are not vulnerable to undue influence that is likely to induce behaviours and conducts that are contrary to the functions of the role.</p>	
	Key Findings:	We observed a lack of formal process, no documented criteria, and insufficient background check that is beyond the standard employment verification, for the appointment of an Inspector or Compliance Officer.	
Recommendations	We recommend that the Corporation:		
	<div>1. Develop and document a recruitment and selection process for the appointment of the Inspectors and Compliance Officers. This should include, but not limited to:</div> <div><div>▪ Established criteria; and</div><div>▪ Integrity checks beyond standard employment check, such as financial due diligence and improper association.</div></div>		

Audit Priority: 5		Compliance Rating: 1		21/2018	
Reporting Type: 2		Adequacy of Controls Rating: B			
Obligations Under		Water Services Regulations 2013 Regulation 24(4)			
Licence Condition		OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 66 July 2016 Water Compliance Reporting Manual Reference: 66 October 2017 Water Compliance Reporting Manual Reference: 66			
Summary Description of Requirements		If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.			
Work Performed		Documents Reviewed:		■ Issuing Compliance Notices	
		Personnel Interviewed:		■ Compliance Manager, Operations Performance	
		Audit Procedures Performed:		Through discussions and review of the <i>Issue Compliance Notice</i> work instruction, we observed that an Authorised Officer may issue a compliance notice when a meter is obstructed, and the meter readers are unable to access the meter without potentially compromising their safety. We randomly selected a sample of eleven (11) compliance notices issued during the audit period. Two compliance notices could not be provided to us as it was not saved on the system against the customer's file. Furthermore, the Corporation could not provide us with a copy of the last compliance notice as it was not saved in the customer's account.	
		Key Findings:		We confirmed that the Corporation included the information required by section 24(4) of the Water Services Regulations 2013 on the compliance notices, however, we identified the following issues: ■ Eight of the nine compliance notices were not signed; ■ Three of the unsigned compliance notices have two different issue dates; and	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	21/2018
		<ul style="list-style-type: none"> Two compliance notices were not provided for testing purposes as it was not saved on the Corporation's system. 	
Recommendations	We recommend that the Corporation provide training to all staff involved in the completion and issuing of compliance notices to ensure compliance notices are correctly completed, signed and filed for records management purposes.		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	22/2018
Obligations Under	Water Services Regulations 2013 Regulation 60(2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 74 July 2016 Water Compliance Reporting Manual Reference: 74 October 2017 Water Compliance Reporting Manual Reference: 74		
Summary Description of Requirements	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> External Approvals Manual Template Cover Letter regarding Intention to Access Roads Sample documentation 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Best Practice, Project Management Project Director Metro – Water Source, Project Management 	
	Audit Procedures Performed:	<p>The Project Management Business Unit is responsible for monitoring compliance against this obligation. Section 2.5.2 of the <i>External Approvals Manual</i> outlines that where it is necessary to alter the position of service infrastructure (including pipes, wires or other fittings) that are laid on, in, over or under a street and are owned or managed by another organisation, the Corporation must notify the responsible organisation and may request them to alter the infrastructure within the time specified in the notice.</p> <p>If the responsible organisation complies with the request within the time specified or any agreed extension of time, expenses will be repayable by the Corporation. If the request is not complied with within the time specified, the Corporation can arrange for the alterations to be carried out as required by someone else, at its own cost.</p>	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	22/2018
		<p>We observed that Project Managers are responsible for issuing notices under Regulation 60(2). Additionally, each project is assigned a Community Engagement Officer who is responsible for drafting the written notices to be issued.</p> <p>Through discussions, it was identified that the Corporation does not currently have a register to record instances where Regulation 60(2) was exercised. Therefore, we were unable to obtain a listing to select samples. Furthermore, we observed that the Corporation does exercise Regulation 60(2) very often.</p> <p>We reviewed two (2) examples of instances where the Corporation exercised Regulation 60(2). Both instances occurred during the construction phase of the project as such, the notices were provided by the construction contractor. For one (1) out of the two (2) samples tested, the notice issued to the service infrastructure owner was not retained on file by the construction contractor. However, we were provided with a copy of the scope document issued by the service infrastructure owner to the construction contractor indicating acceptance of the notice requirements.</p>	
	Key Findings:	For one (1) out of the two (2) samples tested, the notice issued to the service infrastructure owner was not retained on file by the construction contractor.	
Recommendations	We recommend that the Corporation remind key staff involved in the process (including, contractors), to retain copies of the notices issued under Regulation 60(2) for record management purposes.		

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: C	23/2018
Obligations Under	Water Services Regulations 2013 Regulation 63		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 75 July 2016 Water Compliance Reporting Manual Reference: 75 October 2017 Water Compliance Reporting Manual Reference: 75		
Summary Description of Requirements	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road and must take all reasonable measures to prevent that part of the road from being hazardous.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Reinstatement Guideline Utility Providers Code of Conduct for Western Australia 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager – Operations Performance 	
	Audit Procedures Performed:	<p>Through discussions and review of the <i>Reinstatement Guidelines</i>, we understand that the Corporation is committed to restore public areas or private property that has been disturbed by work performed by the Corporation, and that the quality of the reinstatement meets the requirement of the <i>Utility Providers' "Code of Practice"</i> and the expectations of customers.</p> <p>We randomly selected a sample of five (5) completed work orders where roads were disturbed by work conducted by the Corporation and requested the Corporation to provide us with the relevant documented evidence indicating compliance with this obligation. The Corporation was unable to demonstrate that they "reinstated and made good the road, and that they took all reasonable measures to prevent that part of the road was hazardous".</p> <p>Discussions indicated that sometimes the work was performed by the local government or their contractors. There was no process in place to audit the completed work to confirm that the affected area has been restored to acceptable standards.</p>	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: C	23/2018
		<p>The Corporation's stakeholders represented that in some instances photographs were taken to capture the work performed. This appears to be an ad-hoc practice.</p> <p>The samples that we reviewed did not contain such photographic evidence.</p>	
	Key Findings:	<p>Records have not been maintained to demonstrate the restoration work undertaken meets the requisite standards.</p> <p>Although the Corporation has the <i>Reinstatement Guidelines</i> work instruction in place, which describes how certain disturbed areas must be reinstated, it does not include the following:</p> <ul style="list-style-type: none"> ▪ A description of how and to whom the finalisation of the reinstatement must be reported to; and ▪ When, how and where to save or archive evidentiary documentation and information such as "Reinstatement Reports", providing evidence of compliance with this obligation. 	
Recommendations	<p>The recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Update the current <i>Reinstatement Guidelines</i> to include a description of how and to whom the finalisation of the reinstatement must be reported to and when, how and where to save or archive evidentiary documentation and information after completion of the reinstatement; and 2. Implement the revised work instruction and provide the relevant training to employees to ensure adherence to the work instruction and ultimately the requirements of this obligation. 		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	24/2018
Obligations Under	<i>Water Services Regulations 2013 Regulations 69(3)</i> <i>Water Services Regulations 2013 Regulations 70(2)</i>		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 84, 85 July 2016 Water Compliance Reporting Manual Reference: 84, 85 October 2017 Water Compliance Reporting Manual Reference: 84, 85		
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 84 Upon receipt of a notice from a person dissatisfied with a decision of the licensee on an objection, the licensee must promptly refer the relevant records to the State Administrative Tribunal for a review.</p> <p>Compliance Reporting Manual Reference: 85 Upon receipt of a notice from a person dissatisfied with a decision of the licensee to refuse to extend the time for giving an objection to the licensee or a notice under regulation 69(2), the licensee must promptly refer the decision to the State Administrative Tribunal for a review.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ Objection to State Administrative Tribunal (SAT) ▪ SATeForm ▪ S307 Retrospective Adjustment of Service Charges ▪ Sample documentation 	
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Team Leader – Rating Services, Customer Billing ▪ Officer – Rating Services, Customer Billing 	
	Audit Procedures Performed:	<p>Regulation 69(3) Through discussions, we observed the Rating Services Team will complete a <i>SATeForm</i> upon receiving a written notification from a customer wanting to refer to the SAT. However, the requirement to refer a review of the Corporation's decision on an objection to the SAT within 10 working days of receiving such a notice (as prescribed by Regulation 69 (3)), has not been documented within the procedure document. The <i>SATeForm</i>, <i>SAT Payment Form</i> and all</p>	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	24/2018
		<p>supporting documentation are forwarded to Legal Services for processing. Once Legal Services are satisfied, they provide a written notification to SAT and the customer notifying the lodgement of the objection.</p> <p>We observed one (1) instance where the customer requested the matter to be referred to the SAT. We checked that the Corporation had within 10 working days, referred the relevant records to the SAT for review. No issues were identified through these tests.</p> <p>Regulations 70(2) We observed that the Customer Billing and Assurance Business Unit is responsible for monitoring these obligations, with the Rating Investigation Team being responsible for the day to day operations.</p> <p>Through discussions with the process owners, we observed that the Corporation has not received notice from a customer under Regulation 70(2). Therefore, there was no activity during the audit period to exercise this obligation.</p> <p>A review of the procedure document noted that the requirement to refer a 'review of the licensee's decision not to extend time for objection or review' to the SAT within 10 working days has not been documented.</p>	
	Key Findings:	<ul style="list-style-type: none"> ■ The requirement to refer a review of the Corporation's decision on an objection to the SAT within 10 working days has not been documented within the procedure document. ■ The procedure document does not outline the requirement to refer a 'review of the licensee's decision not to extend time for objection or review' to the SAT within 10 working days. 	
Recommendations		We recommend that the procedure document is updated to be in line with current practice.	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	25/2018
Obligations Under	Water Services Regulations 2013 Regulations 80H		
Licence Condition	OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	October 2017 Water Compliance Reporting Reference: 88A		
Summary Description of Requirements	The licensee must, within 60 days after receiving a water efficiency management plan from an owner or occupier of a non-residential lot, approve the plan, request further information, or request a revised plan by written notice.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Online WEMP KCE/SACS Customer List and Due Dates Spreadsheet WEMP Submission Checklist Work Instruction: WEMP – Reviewing Reports Example of notifications generated by iApply when plans are submitted Example of notifications generated by iApply when plans are approved 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Senior Advisor – Demand Programs, Customer & Industry Partnerships 	
	Audit Procedures Performed:	<p>The <i>Customer and Industry Partnerships Business Unit</i> is responsible for monitoring compliance against this obligation. This obligation was relocated to the Water Services Regulations on 13 December 2016 with the ERA introducing the obligation in the Water Compliance Report Manual in October 2017. Therefore, this obligation was only partly applicable during our scope period (from 13 December 2016 to 30 June 2018.)</p> <p>Non-residential customers that use more than 20,000kL of water per year are required to submit a Water Efficiency Management Plan (the plan). In May 2018, the Corporation implemented a new online form management system – iApply, to process plans submitted by customers.</p> <p>The processes undertaken by the <i>Customer and Industry Partnership Business Unit</i> is outlined in</p>	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B		25/2018
		<p><i>WEMP – Reviewing Report</i> Work Instruction. An automated email is sent to the Water Efficiency inbox when a customer submits a plan. Administrator, <i>Customer and Industry Partnership Business Unit</i>, will then input the details of the plan into the <i>Online WEMP KCE/SACS Customer List and Due Dates Spreadsheet</i>, before reviewing the submitted plan for completeness. Once satisfied, Administrator, Customer & Industry Partnerships will notify Senior Advisor – Demand Programs, Customer & Industry Partnerships to perform a second review before being approved / rejected in iApply. The customer will be sent an email confirming the plan has been approved / rejected.</p> <p>We sample tested four (4) plans received by the Corporation within our scope period, to check that a written notice outlining the factors detailed in Regulations 80H was provided to the customer within 60 days of receiving the plan. No exceptions were identified through this check.</p>		
	Key Findings:	<p>We found the requirement to provide written notice to the customer within 60 days of receiving a Water Efficiency Management Plan has not been documented. This requirement should be documented to increase awareness of the compliance obligation and to ensure consistency.</p>		
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none">1. Update existing Work Instruction, <i>WEMP – Reviewing Report</i>, to be in line with the Regulations;2. Review and approve the Work Instruction in accordance with established Water Corporation processes; and3. Make the revised Work Instruction available to staff via the Intranet or via another appropriate mechanism.			

Audit Priority: 4		Compliance Rating: 1		26/2018	
Reporting Type: 2		Adequacy of Controls Rating: B			
Obligations Under		<i>Water Services Regulations 2013 Regulation 85</i>			
Licence Condition		OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Number: 89 July 2016 Water Compliance Reporting Manual Number: 89 October 2017 Water Compliance Reporting Manual Number: 89			
Summary Description of Requirements		Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.			
Work Performed		Documents Reviewed:	<ul style="list-style-type: none">Issuing Compliance Notices Work InstructionHow to issue a FOGMan non-compliance notice Work InstructionHow to issue a non-compliance Backflow Prevention Notice Work Instruction		
		Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager – Operations Performance		
		Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring the Corporation’s compliance against this obligation. We identified the following work instructions relating to the issue of Compliance Notices:</p> <ul style="list-style-type: none">Issuing Compliance Notices Work Instruction;How to issue a FOGMan non-compliance notice Work Instruction; andHow to issue a non-compliance Backflow Prevention Notice Work Instruction. <p>We tested a sample of five (5) compliance notices to check that it contains the following:</p> <ul style="list-style-type: none">The possible consequences under the Act of not complying with the notice; andThe rights of review under the Act in relation to the notice and who may apply for review. <p>No exceptions were identified through sample base testing.</p>		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B		26/2018
	Key Findings:	We noted that for four (4) out of the five (5) compliance notices selected for testing, signed (i.e. final version) compliance notices were not retained on file.		
Recommendations	We recommend that the Corporation provide training to all staff involved in the completion and issuance of compliance notices to ensure compliance notices are correctly completed, signed and filed for records management purposes.			

Audit Priority: 2		Compliance Rating: 1		27/2018
Reporting Type: 2		Adequacy of Controls Rating: B		
Obligations Under	Water Services Regulations 2013 Regulation 86 (6), Regulation 86 (9)			
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 90, 91 July 2016 Water Compliance Reporting Manual Reference: 90, 91 October 2017 Water Compliance Reporting Manual Reference: 90, 91			
Summary Description of Requirements	Compliance Reporting Manual Reference: 90 If the licensee appoints an employee as an authorised or approved officer for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, the licensee must issue the officer a certificate, badge or identity card identifying the officer as a person authorised to issue infringement notices. Compliance Reporting Manual Reference: 91 The licensee must maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, and must, on request, give a copy of the list to the CEO or to the chief executive officer of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i> .			
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Guide to Infringement notices for authorised and approved officersS511 Withdrawing Infringement Notices – Breach of Scheme Water RestrictionsProsecutions and Enforcement GuidelineIssuing Infringement NoticesAuthorised Officers Register on WaterNet		
	Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager – Operations Performance		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	27/2018
	Audit Procedures Performed:	<p>Regulation 86 (6)</p> <p>Through discussions and review of <i>S511 Withdrawing Infringement Notices</i>, we observed that the Corporation's CEO may appoint, in writing, employees or classes of employees to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 20014 Part 2</i>.</p> <p>We obtained and reviewed a list of employees appointed as authorised officers and randomly selected a sample of nine employees who have been appointed as authorised officers.</p> <p>We confirm that all employees appointed under <i>Regulation 86 (5)</i> of the <i>Water Services Regulations 2013 (WA)</i> for the purposes of issuing infringement notices under <i>Part 2</i> of the <i>Criminal Procedure Act 2004 (WA)</i> as authorised officers have been issued with a <i>Certificate of Authority</i>, which identify the officer as a person authorised to issue infringement notices in terms of the <i>Criminal Procedure Act 2004 (WA)</i>.</p> <p>Regulation 86 (9)</p> <p>Through discussion and review of the <i>Authorised Officers Register</i>, which is maintained on the Corporation's <i>WaterNet</i> information system, we confirm that the Corporation maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004 Part 2</i> and that these lists are available for review by the CEO or the CEO of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i>.</p>	
	Key Findings:	No formal policies and/or procedures are in place with regards to the selection, appointment and/or cancellation of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004 Part 2</i> .	

Audit Priority: 2	Compliance Rating: 1	27/2018
Reporting Type: 2	Adequacy of Controls Rating: B	
Recommendations	We recommend that the Corporation draft, approve and implement policies, procedures and/or work instructions for the selection, appointment and cancellation of appointed authorised officers, who were appointed for the purposes of the <i>Criminal Procedure Act 2004 Part 2</i> . This policy should include the regular review and update of the <i>Authorised Officers Register</i> maintained on WaterNet.	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	28/2018
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 93 July 2016 Water Compliance Reporting Manual Reference: 93 October 2017 Water Compliance Reporting Manual Reference: 93		
Summary Description of Requirements	The licensee must ensure that, in any 12-month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Work Planning and Scheduling Using the Planning and Commitment Tool Standard Terms and Conditions – New Services New Service Quick Reference Sheet New Service/Meter Feedback – Asset Viewer – Quick Reference Sheet 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Operations Analytics & Support, Operations Performance Business Unit 	
	Audit Procedures Performed:	<p>The Corporation is required through <i>Clause 8</i> of the <i>Water Services Code of Conduct (Customer Service Standards) 2013</i>, to complete a connection of water supply services within “10 business” days.</p> <p>We noted that the Corporation’s “<i>Standard Terms and Conditions</i>” for new services stipulates that a water supply service connection will be completed within “10 working” days.</p> <p>Through discussions and a review of the <i>Work Planning and Scheduling Using the Planning and Commitment Tool</i> work instruction, we noted that work activities, which includes the connection of water supply services, are planned and balanced to available resources. Weekly planning is held and</p>	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	28/2018
	<p>commitment obtained to ensure work activities are completed.</p> <p>The following process is followed in respect of connections of water supply services:</p> <ul style="list-style-type: none"> ▪ Customer makes an application for new a service through BuilderNet; ▪ On receipt of payment, a Grange work slip is created; ▪ Grange feeds the work slip to SAP and a work order is created; ▪ The work order can be viewed by the scheduler in SAP (PM transaction ZW05) with a “Basic Start Date” displaying same as “Created Date” and a “Latest Start Date” displaying the timeframe work is required to be completed by (10 business days); ▪ Field crews complete work according to the Install Service Work Instructions and complete feedback on the Mobile Computing Systems (MCS) device according to the New Service Quick Reference Sheet; and ▪ Completed work order can be viewed in SAP (PM transaction ZW08). <p>The Corporation monitors performance on this weekly <i>via</i> “Flash Meetings”.</p> <p>The calculation to complete the connection of water supply services within “<i>10 business days</i>” commences when payment is received and the work instruction is issued, unless otherwise agreed with the customer. The Corporation compares the actual start date with the end date to determine whether it has been delivered on time or not. This is measured in the month that the work order is completed. After each financial year, the performance with this obligation is reported to the ERA.</p> <p>With respect to “payment received”, the Corporation is unable to explain if the “start date” is when the funds are paid by the customer or when</p>	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B		28/2018
		the funds are available, cleared and recorded in the Corporation’s BuilderNet and/or Grange systems. We reviewed the <i>BPR–005437: Installations of new water connections – YTD</i> , which is an analytical extraction to calculate the performance of the Corporation in terms of this obligation, and we noted that the Corporation met the required performance target of 90% for each of the audit years.		
	Key Findings:	In respect of the payment date , which represents the starting time for calculating the performance against this obligation, the Corporation is at risk if a customer’s payment only appears on the BuilderNet or Grange systems once it has been cleared through a financial institution. The clearance process may take between one and three days, which will have a negative influence on the performance of this obligation and might lead to non–compliance.		
Recommendations	We recommend that the Corporation: 1. Investigate when a payment is recorded in BuilderNet and Grange to ensure it aligns with the date which the payment was made by the customer; and 2. Amend the “ <i>Standard Terms and Conditions</i> ” to align with <i>Clause 8 of the Water Services Code of Conduct (Customer Service Standards) 2013</i> , by changing “10 Working” days to “10 business” days.			

Audit Priority: 3		Compliance Rating: NR		29/2018	
Reporting Type: 2		Adequacy of Controls Rating: B			
Obligations Under		Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(2)(3)(4)(5)			
Licence Condition		OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1			
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 107, 108, 109, 110 July 2016 Water Compliance Reporting Manual Reference: 107, 108, 109, 110 October 2017 Water Compliance Reporting Manual Reference: 107, 108, 109, 110			
Summary Description of Requirements		<p>Compliance Reporting Manual Reference: 107 The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12–month period ending on the day on which the licensee informed the customer of the undercharging.</p> <p>Compliance Reporting Manual Reference: 108 An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill. The licensee cannot charge interest or late payment fees on an undercharged amount. The licensee must allow a customer to pay an undercharged amount by way of a repayment plan as specified in the code of conduct.</p> <p>Compliance Reporting Manual Reference: 109 The licensee must not charge interest or late payment fees on an undercharged amount.</p> <p>Compliance Reporting Manual Reference: 110 The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 16(3) is issued.</p>			
Work Performed		Documents Reviewed:	<ul style="list-style-type: none">S307 Retrospective Adjustment of Service ChargesS319 Retrospective Adjustment of Water Use ChargesS072: Financial and Legal Authorisations		
		Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance		
		Audit Procedures Performed:	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><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Audit Priority: 3 Reporting Type: 2	Compliance Rating: NR Adequacy of Controls Rating: B	29/2018
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Audit Priority: 3 Reporting Type: 2	Compliance Rating: NR Adequacy of Controls Rating: B 29/2018	
		<p><i>reasonableness and equity for both the customer and the Corporation to;</i></p> <ul style="list-style-type: none"> ■ avoid penalising the customer for any error or omission on the part of the Water Corporation or its agents; and ■ in consideration of the impact of the financial adjustment to the customer and their expectations.” <p>██</p> <p>██</p> <p>We also reviewed the <i>S072: Financial and Legal Authorisations</i> and noted that <i>Section 5 – Revenue</i>, does not include a section on authorisations in terms of undercharged fees.</p>
	Key Findings:	<p>The Corporation's Standards, S307 and S319, are silent on providing any Corporation employee or the Manager Customer Billing the delegation of authority to decide not to charge or accrue undercharged fees in its entirety.</p> <p>S072 does not include a section providing a delegation of authority to employees for not accruing fees where customers were undercharged.</p>
Recommendations	We recommend that the Corporation include, as part of Section 5 of S072, an authorisation section with regards to undercharged fees.	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	30/2018
Obligations Under	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(1)(2)</i>		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 111, 112 July 2016 Water Compliance Reporting Manual Reference: 111, 112 October 2017 Water Compliance Reporting Manual Reference: 111, 112		
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 111 If the licensee overcharges a customer, the licensee must credit the customer's account and must immediately afterwards notify the customer or inform the customer of the overcharging and recommended options for refunding or crediting the overcharged amount.</p> <p>Compliance Reporting Manual Reference: 112 The licensee must, in accordance with the customer's instructions, refund or credit the customer's account within 15 business days from starting on the day the licensee receives the instructions.</p>		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Water Corporation's Website S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges S072: Financial and Legal Authorisations S115: Processing External Customer Contacts 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	<p>Through discussions, we observed that the Corporation, in some cases, overcharged customers. Overcharging can be a result of an error such as wrong meter readings/estimations.</p> <p>When an overcharge is identified, either through a customer complaint or through internal processes, the Corporation immediately credit the customer's account and provide the customer, either by email, phone call, letter and/or an adjusted charge account</p>	

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	30/2018
		<p>(bill), with details on how the credit maybe refunded or alternatively, held on the account.</p> <p>We reviewed the Corporation's Standard S307: <i>Retrospective Adjustment of Service Charges</i>, Section 5.3.1 and Standard S319: <i>Retrospective Adjustment of Water Use Charges</i>, Section 5.4.3.</p> <p>S307 – Section 5.3.1 states that: <i>“Overcharges – i.e. correction decreases charges</i></p> <p><i>5.3.1.3 On becoming aware of an overcharge, the following action must be taken:</i></p> <p><i>5.3.1.2.1 Credit the account within 15 business days.</i></p> <p><i>5.3.1.2.2 Immediately notify the customer of the credit and provide details on how the credit maybe refunded or alternatively held on the account.”</i></p> <p>S319 – Section 5.4.3 states that: <i>“On becoming aware of an overcharge or a resulting credit adjustment to charges, clause 19 of the Water Services Code of Conduct (Customer Service Standards) 2018 stipulates that the following action must be taken:</i></p> <ul style="list-style-type: none"> ▪ <i>Any credit adjustments that pertain to the customer's account must be applied within 15 business days.</i> ▪ <i>Immediately notify the customer of the credit and provide details on how the credit may be refunded or alternatively held on the account.”</i> <p>A review of the Corporation's website, under the heading <i>“Billing and payment assistance”</i>, we noted the following:</p> <p><i>“Adjustment of bill</i> <i>We will:</i></p> <ul style="list-style-type: none"> ▪ <i>tell you if an overcharge has occurred within 15 business days of becoming aware of the overcharging</i>

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	30/2018
	<ul style="list-style-type: none"> ▪ <i>provide you with options on how to have the overcharged amount credited to your account or refunded to you</i> ▪ <i>provide the refunds of any overcharged amount within 15 business days of your lodged request."</i> <p>We randomly selected a sample of 10 accounts identified as being overcharged. We reviewed the sample to test compliance with Clause 17 (1) (2) of the Water Services Code of Conduct (Customer Service Standards) 2013 and identified the following issues:</p> <p>_____</p> <ul style="list-style-type: none"> ▪ According to Grange records the overcharge was identified on 21 November 2017; ▪ After further investigation, we identified that the date of 21 November 2017 was wrong as the <i>"Discharge Factor/Major Fixture Assessment Form"</i> was not properly completed and updated; ▪ Our investigation further revealed that the overcharge was identified on 18 January 2018 by a Plumbing Inspector, who conducted a physical site inspection; ▪ This was considered a complex review and the findings had to be checked and verified by the Plumbing Inspector's team leader before the papers were sent through to Rating Services. The review work was carried out and the report sent through to Rating Services on 31/1/2018; ▪ Adjustment was made to the account on 2 February 2018; and ▪ Customer informed on 2 February 2018 via email. <p>The dates on a <i>"Discharge Factor/Major Fixture Assessment Form"</i> was not properly updated, which caused an issue with the sequence of events during the reported overcharge. Furthermore, the same document was not uploaded onto the Grange system</p>	

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	30/2018
	<p>to support the sequence of events and establishment of an audit trail of the events.</p> <p>Account Number [REDACTED]:</p> <ul style="list-style-type: none"> A site inspection on a possible overcharge commenced on 12 August 2016 and lasted for 11 days; An overcharged was identified after the inspection was concluded and more than 12 accounts were to be adjusted/updated for this property; The customer was informed of the overcharge and the adjustments to be made to the accounts; The customer was kept updated on the progress of the matter; The adjustments on the accounts were finalised on 15 September 2016; and Customer informed on 15 September 2016 via letter. <p>The customer was informed that the issue will take longer than the required 15 business days to resolve the matter. The customer was kept up to date during the process.</p> <p>We noted a lack of evidential information, notes and documents being populated and saved onto the Grange system to serve as evidence and to support the sequence of events as this was only provided to us upon request.</p> <p>We reviewed the S115: Processing External Customer Contacts, which states the following:</p> <p><i>“Section 6.7 Officers involved in progressing/resolving Customer Contacts in GRANGE shall:</i></p> <ul style="list-style-type: none"> <i>Keep customers informed of the steps being taken to resolve their Complaint/Enquiry; How and when this is done are at the discretion of the</i> 	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	30/2018
		<p><i>officer(s) involved, but it should ensure that customers are not left wondering what is happening, or what happens next.</i></p> <ul style="list-style-type: none"> ■ <i>Record sufficient notes against the Contact to ensure that other users are aware of:</i> <ul style="list-style-type: none"> – <i>The actions taken;</i> – <i>The reason for decisions that have been made; and</i> – <i>Whether a Right of Referral has been provided.</i> <p><i>All forms of communication are to be recorded against the Contact, including copies of emails, letters and faxes, and summarised notes from telephone and face-to-face conversations."</i></p>	
	Key Findings:	Grange did not contain sufficient contact records of the communication between the Corporation and customers and artefacts of agreed actions by the Corporation, including copies of emails, letters and faxes, and summarised notes from telephone and face-to-face conversations.	
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Ensure that employees accurately and comprehensively document the contact with customers in Grange; 2. Work papers such as Discharge Factor/ Major Fixtures Assessment Forms must be accurately and comprehensively completed; and 3. All supporting documentation and information must be uploaded to Grange to evidence the processes followed. 		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	31/2018
Obligations Under	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 33</i>		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 139 July 2016 Water Compliance Reporting Manual Reference: 139 October 2017 Water Compliance Reporting Manual Reference: 139		
Summary Description of Requirements	The licensee must not reduce the rate of flow of water to a customer to below 2.3 litres each minute.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Recovery of Property Debt Restrictions Sample of accounts on Grange 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Head of Engineering, Asset Delivery Group 	
	Audit Procedures Performed:	<p>To reduce the rate of flow of water, the Corporation uses a “Flow Restriction” device, which will be installed inside the water meter to reduce the flow of water to not less than 2.3 litres per minute. Their reliance is on the manufactured tolerances of the device and that they comply with contractual specifications.</p> <p>The Corporation represented to us that the “Flow Restriction” device was tested at the Corporation’s meter testing laboratory to perform an internal check of conformance. The Corporation’s laboratory is a National Association of Testing Authorities, Australia (NATA) accredited laboratory.</p> <p>We confirm that the testing of the “Flow Restriction” device was conducted by the Corporation on 29 May 2015, but no subsequent testings were performed.</p> <p>The test conducted on the “Flow Restriction” device by the Corporation on 29 May 2015 indicated compliance with this obligation.</p>	
	Key Findings:	The Corporation does not have a policy in place for testing the “Flow Restriction” device.	

Audit Priority: 2		Compliance Rating: 1	31/2018
Reporting Type: 2		Adequacy of Controls Rating: B	
			Regular testing of the "Flow Restriction" device is not performed to ensure conformance with the requirements of section 33 of the Water Services Code of Conduct (Customer Service Standards) 2013.
Recommendations		We recommend that the Corporation draft, approve and implement a policy with regards to the testing of the "Flow Restriction" device to ensure consistency in the testing process and to ensure that regular tests are performed to check conformance with the requirements of section 33 of the Water Services Code of Conduct (Customer Service Standards) 2013.	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	32/2018
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Schedule 3 OL14: Schedule 2 OL15: Schedule 2		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 4 July 2016 Water Compliance Reporting Manual Reference: 190 Section 4 October 2017 Water Compliance Reporting Manual Reference: 190 Section 4		
Summary Description of Requirements	Urban drainage scheme infrastructure provided by the <i>licensee</i> for the purpose of protection against flooding shall be designed, constructed, operated and maintained such that the peak flows of stormwater runoff from rainfall events can be accepted into and will not overflow from the system in accordance with the standard.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PP030 Rural Drainage in Road Reservations PP002 Rural Drainage PP005 Drainage Services PCY239 Rural Drainage S478 Maintenance Standard Drainage Pumping Station and Pressure Main Drainage Maintenance Standards Design of Urban Main Drainage Projects work instruction SAP CIP Year Reports (Financial Statements) 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal Drainage & Liveable Communities Asset Investment Planning Metro Manager Drainage and Liveable Communities Manager AIP Metro Asset Investment Planning Metro 	
	Audit Procedures Performed:	Section 4.1.1 Through discussions and review of the <i>PP005 Drainage Services</i> policy, we noted that the Corporation deliver drainage services through several business units within the Corporation, namely Infrastructure Planning, Asset Management, Environment, Infrastructure Design and Water Efficiencies, together with the South West and Great Southern Regions.	

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	32/2018
		<p>We reviewed the <i>SAP CIP Year Reports</i> (Financial Spent Reports for Drainage) for the periods 2014/15, 2015/16 and 2016/17 and noted a breakdown of costs relating to the design, construction, operation and maintenance of drainage works in Metro and Urban areas.</p> <p>Section 4.1.2</p> <p>With regards to the Urban drainage scheme infrastructure provided by the Corporation for protection against flooding, we reviewed the desk audits of schemes performed by Deloitte in the prior three years and noted the following conclusions made by them:</p> <ul style="list-style-type: none"> ■ <i>"In our opinion, the Water Corporation has, in all material respects, complied with the requirements of the drainage design standard specified in Schedule 3, Section 4.2 "Drainage Services Standards" of its Operating Licence WL 32, version 13, for the period 1 July 2014 to 30 June 2015."</i> ■ <i>"In our opinion, the Water Corporation has, in all material respects, complied with the requirements of the drainage design standard specified in Schedule 3, Section 4.2 "Drainage Services Standards" of its Operating Licence WL 32, version 13, for the period 1 July 2015 to 30 June 2016." and</i> ■ <i>"In our opinion, the Water Corporation has, in all material respects, complied with the requirements of the drainage service standard specified in Schedule 2, Section 4.1 "Drainage service standards" of its Water Services Licence WL 32, version 15, for the period 1 July 2016 to 30 June 2017."</i> <p>We further noted that Deloitte recommended in all three reports that the Corporation should consider strengthening its procedures and update its work instructions to ensure sufficient information is obtained from third parties in a timely manner to</p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	32/2018
		<p>ensure the relevant drainage scheme infrastructure's compliance with the Drainage Service Standards.</p> <p>It appears that these recommendations have not been implemented.</p> <p>Section 4.1.4 Through discussions and a review of the Deloitte reports mentioned above, we noted that the Corporation considers the application of principles, concepts and recommendations of the Institution of Engineers Australia publication, <i>Australian Rainfall and Runoff (1987)</i> when conducting modelling for scheme and capacity reviews, which incorporates design rainfalls, catchment parameters and major/minor storm analysis.</p> <p>Section 4.1.5 Through discussions, we observed that no flooding activities took place in the Greats Southern Region in the audit period, to such an extent to upgrade the drainage infrastructure. There were flooding instances in the Metro area and the Corporation had a prioritised list of capital projects to deal with this. One such project constructed in 2017/18 was the C-D00093 for the Subiaco MD Churchill Avenue Soakage, which was included in the Drainage Design Register when the project was initiated.</p> <p>We further observed that many of the Corporation's existing drainage systems were designed and built many years ago to a lower standard relevant at that time and do not meet the standards as set out in <i>Section 4.1.2</i>, however the Corporation only has to upgrade any part of this lower standard system (to the new higher standard) when there is actual flooding proven due to capacity issues and not blockage.</p> <p>Section 4.1.6 The Corporation allows and accepts drainage water from Local Government works, but not unlimited drainage water as it would result in constantly upgrading the main drainage systems.</p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	32/2018
		<p>It is our understanding that there are no agreements or Memorandum of Understanding's (MOU's) in place as it has been standard and accepted drainage practice in the Metro area for many years that post development flows must be kept to pre-development levels. The Department of Planning, the various Environmental Regulators, developers, consultants and drainage service providers (such as the Corporation, Main Roads WA and Local Authorities) all work towards implementing this requirement for existing and future land developments.</p> <p>Section 4.1.7</p> <p>The standards specified in Section 4.1.2 are for the minor storm event and the Corporation is responsible for this in the main drainage catchments, which only cover about 40% of the Metro area. Major storm events are higher than those specified in Section 4.1.2 and are the responsibility of local authorities which is managed through the setting of building floor levels and road levels through their town planning schemes. The Corporation is obliged to consider the major storm event in their planning and convey their findings to local authorities for their information and action.</p> <p>We reviewed the <i>Wilson MD – Capacity Review 2018 Report</i> and can confirm that the report V contains the relevant details for their information and action.</p> <p>Section 4.1.8</p> <p>We observed that the Corporation had no instances where the period of inundation to a land exceeded 72 hours and as such no action was required by the Corporation.</p> <p>Through enquiry, we identified that the level of service for rural drainage is much lower than for urban drainage, but urban and commercial properties served by a main drainage system, pay rates to the Corporation for this higher service. Rural properties do not pay drainage rates and the</p>

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: B	32/2018
		<p>Government gives the Corporation an annual subsidy to only maintain and operate rural drains.</p> <p>We noted that the Great Southern Region routinely monitor drainage network performance and its impact on properties throughout the district.</p> <p>Section 4.1.9 We understand from discussion that these assets are located in the South West Region and are considered as flood protection works and not urban or rural drainage schemes.</p>	
	Key Findings:	We noted that Deloitte recommended in all three of their <i>Audit of Compliance with Section 4 "Drainage Services Standards" of the Water Corporation's Operating Licence</i> reports that the Corporation should consider strengthening its procedures and update its work instructions to ensure sufficient information is obtained from third parties in a timely manner to ensure the relevant drainage scheme infrastructure's compliance with the Drainage Service Standards. These recommendations have not yet been implemented.	
Recommendations	We recommend that the Corporation implement the recommendations made by Deloitte in the 2015, 2016 and 2017 <i>Audit of Compliance with Section 4 "Drainage Services Standards" of the Water Corporation's Operating Licence</i> reports.		

Audit Priority: 2	Compliance Rating: 1	33/2018						
Reporting Type: 2	Adequacy of Controls Rating: B							
Obligations Under	<i>Water Services Act Section 12</i>							
Licence Condition	OL13: Schedule 3 OL14: Not Applicable OL15: Schedule 2							
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Reference: 190 Section 6.1 July 2016 Water Compliance Reporting Reference: 190 Section 6.1 October 2017 Water Compliance Reporting Reference: 190 Section 6.1							
Summary Description of Requirements	<p>In cases where services are provided by agreement to farms the licensee must provide annual notifications to customers of the conditions under which the service is supplied.</p> <table border="1"> <thead> <tr> <th>Service Standard</th><th>How Is It Measured</th><th>Performance Indicator / Targets</th></tr> </thead> <tbody> <tr> <td>Annual notification of conditions of service.</td><td>Audit of sample areas for farmlands water services where services are provided by agreement and customers are notified of the conditions under which services supplied.</td><td>In the preceding twelve-month period 95% of customers receiving these services were notified of the conditions under which water was supplied.</td></tr> </tbody> </table>		Service Standard	How Is It Measured	Performance Indicator / Targets	Annual notification of conditions of service.	Audit of sample areas for farmlands water services where services are provided by agreement and customers are notified of the conditions under which services supplied.	In the preceding twelve-month period 95% of customers receiving these services were notified of the conditions under which water was supplied.
Service Standard	How Is It Measured	Performance Indicator / Targets						
Annual notification of conditions of service.	Audit of sample areas for farmlands water services where services are provided by agreement and customers are notified of the conditions under which services supplied.	In the preceding twelve-month period 95% of customers receiving these services were notified of the conditions under which water was supplied.						
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Process Service By Agreement Management Letter: Review of Services by Agreement for 2016, 2017 and 2018 Notification Reports for 2016, 2017, 2018 							
	Personnel Interviewed: <ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 							
	Audit Procedures Performed: <p>Through discussions, we noted that notification of service conditions on farmlands properties is an automated process, with the notification taking the form of messages on the back of water bills issued to the customer. The notifications are generated automatically when the appropriate code associated with the agreement type is attached to the account.</p> <p>We reviewed the IT control assessments issued by the auditor contracted by the Office of the Auditor General (OAG) for the financial years ended 30 June 2016, 30 June 2017, 30 June 2018; and considered the risks identified were low. Reliance could be place</p>							

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	33/2018
		<p>on the system control to reasonably operate as intended.</p> <p>The <i>Process Service By Agreement</i> provides detailed instructions on how to establish the Agreement Type Code in Grange. Based on a review of three bills issued to customers, we confirm that the customers are notified, not only annually, but every time a water bill is sent to the customer. Furthermore, we requested the three applicable agreements relating to the sample of water bills reviewed, and were provided with one agreement. We confirm for this sample, the information on the customer's bill, corresponds with the applicable agreement.</p> <p>We obtained and reviewed the <i>Management Letter: Review of Services by Agreement</i> for the audits conducted by the Management Review & Audit (MRA) branch, who provided assurance that the Corporation complied with the obligation in 2016, 2017 and 2018.</p> <p>We visited the MRA branch and reviewed the audit working files of the audits performed by the MRA for 2016 and 2018 (2017 was not applicable) and noted the following:</p> <p>Financial Year 2016</p> <ul style="list-style-type: none"> ■ The data range was from 16 May 2015 to 15 May 2016; ■ 50 samples were taken; ■ The result indicated 48/50 (96%) but two issues were corrected during the audit fieldwork, therefore they achieved 100% compliance based on the 50 samples tested; and ■ The sample tested was referenced back to the codes established in the system and not by reviewing the Service By Agreements.

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: B	33/2018
		Financial Year 2018 <ul style="list-style-type: none"> ▪ The data range was from 1 May 2017 to 30 April 2018; ▪ 39 samples were selected; ▪ The results of the sample testing indicated 38 positive and one was not applicable as it did not have a meter; and ▪ The audit concentrated on checking of the new agreements / change of ownership in respect of Agreement Type Codes, and whether the agreement has been signed.
	Key Findings:	<p>We have identified the following control improvement opportunities:</p> <ul style="list-style-type: none"> ▪ The Corporation could not provide us with the applicable agreements of two of the sample water bills reviewed [REDACTED]; and ▪ The audits performed by the Corporation's MRA branch did not include a review of the applicable Service By Agreements and relied on audits conducted when a new agreement was established in prior periods. There is a risk that controls could have deteriorated over time. In such circumstance, the mechanism by which the Corporation could detect non-conformance is thus diminished.
Recommendations	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Revisit their records management procedures and ensure that all agreements are available for audit purposes. For historical agreements that could not be located, these should be identified; 2. For agreements not signed and / or returned by customers, the Corporation should obtain legal advice on such circumstance and the implications of meeting the requirements of the obligation; and 3. MRA should include a review of the agreements for old and new Farmland agreements to ensure that the information printed on the water bills corresponds with the information contained in the agreements. 	

3.3 Observations with no recommendations

Audit Priority: 1		Compliance Rating: 1
Reporting Type: 1		Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 21 (1) (a)	
Licence Condition	OL13: Clause 27.1 OL14: Clauses 3.1.1 (a) OL15: Clauses 3.1.1 (a)	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 1 July 2016 Water Compliance Reporting Manual Reference: 1 October 2017 Water Compliance Reporting Manual Reference: 1	
Summary Description of Requirements	The licensee must provide a water service authorised by the Licence to persons entitled to the service under the Act, except to the extent otherwise provided for by the Act.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ BuilderNet Rejection List ▪ BuilderNet Cancellation List ▪ OWR–OA–309 – Operating Area Map ▪ OWR–OA–175(E) – Operating Area Map ▪ OWR–OA–175–1(B) – Operating Area Map ▪ PCY311 Service Connections ▪ OWR–OA–309 – Operating Area Map ▪ S380 Water Services By Agreement
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Manager Business Management – Development Services ▪ Compliance Manager – Operations Performance
	Audit Procedures Performed:	Through discussion and a review of policies, procedures and work instructions, we confirmed that the Corporation provides water services to persons entitled under the Water Services Act 2012 Section 21 (1) (a). The Corporation was granted a license to provide the following services: <ul style="list-style-type: none"> ▪ Water supply services: <ul style="list-style-type: none"> – Potable water supply services; and – Non-potable water supply services.

Audit Priority: 1 Reporting Type: 1	Compliance Rating: 1 Adequacy of Controls Rating: A
	<ul style="list-style-type: none"> ▪ Sewerage services; ▪ Drainage services; and ▪ Irrigation services. <p>The Corporation provide water services in the operating areas are set out in the following plans:</p> <ul style="list-style-type: none"> ▪ OWR–OA–309; ▪ OWR–OA–175(E); and ▪ OWR–OA–175–1(B). <p>The controlled areas were removed and the operating areas expanded in 2014 to match the boundary of the Contiguous Zone. We obtained the map OWR–OA–309, which depicts the Corporation’s operating areas for Water and Sewerage Supply and Drainage Services.</p> <p>BuilderNet, the system used to lodge new applications for services, runs a set of validation queries and flags properties outside the operating areas. We confirmed this by obtaining an example of a Christmas Island property, which was flagged as being outside the water supply operating areas.</p> <p>The Corporation has an arrangement with the Commonwealth Government to perform operations and maintenance service on Cocos (Keeling) and Christmas Islands. These are not water services – we confirmed that the Commonwealth Government is the water service provider.</p> <p>Through further enquiries and a review of the <i>S380 Water Services By Agreement</i>, we noted that the Corporation provides water services to persons not covered by section 21 (1) (a), who are within the operating area of the Licence and who meets the eligibility criteria as set out in the <i>S380 Water Services By Agreement</i> and the <i>Water Corporation Agreement</i>.</p> <p>We reviewed a sample selection of 25 “Rejected” applications and a sample selection of 25</p>

Audit Priority: 1 Reporting Type: 1		Compliance Rating: 1 Adequacy of Controls Rating: A
		"Cancelled" applications and did not identify any discrepancies with the requirements as stipulated in Section 21 (1) (b) of the Water Services Act 2012.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 21 (1) (b)	
Licence Condition	OL13: Clause 27.1 OL14: Clauses 3.1.1 (b) OL15: Clauses 3.1.1 (b)	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 2 July 2016 Water Compliance Reporting Manual Reference: 2 October 2017 Water Compliance Reporting Manual Reference: 2	
Summary Description of Requirements	If requested to provide a water service authorised by the Licence to a person not covered by section 21(1)(a) but within the operating area of the Licence, the licensee must offer to provide the service on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ BuilderNet Rejection List ▪ BuilderNet Cancellation List ▪ OWR–OA–309 – Operating Area Map ▪ OWR–OA–175(E) – Operating Area Map ▪ OWR–OA–175–1(B) – Operating Area Map ▪ PCY311 Service Connections ▪ OWR–OA–309 – Operating Area Map ▪ S380 Water Services By Agreement
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Manager Business Management – Development Services ▪ Compliance Manager – Operations Performance
	Audit Procedures Performed:	<p>Through enquiries we observed the Corporation provides water services to persons not covered by section 21 (1) (a), who are within the operating area of the Licence, on reasonable terms or under the <i>Water Services By Agreement</i>.</p> <p>We reviewed a sample selection of 25 “<i>Rejected</i>” applications and a sample selection of 25 “<i>Cancelled</i>” applications and did not identify any discrepancies with the requirements as stipulated in Section 21 (1) (b) of the Water Services Act 2012.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 21 (1) (b) <i>Water Services Act</i> Section 77(3)	
Licence Condition	Water Services Act Section 21 (1) (b) OL13: Clause 27.1 OL14: Clauses 3.1.1 and 3.5 OL15: Clauses 3.1.1 and 3.5 Water Services Act Section 16 OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 3, 16 July 2016 Water Compliance Reporting Manual Reference: 3, 16 October 2017 Water Compliance Reporting Manual Reference: 3, 16	
Summary Description of Requirements	Compliance Reporting Manual Reference: 3 The licensee must provide, operate and maintain the water service works specified by the ERA in the Licence. Compliance Reporting Manual Reference: 16 The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PP045 Minimising Water Service Disruption to Customers
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager – Operations Performance
	Audit Procedures Performed:	Through discussions and review of the “ <i>Minimising Water Service Disruption to Customers</i> ” position paper, we observed that the Corporation follows certain processes and steps immediately to, prior and during a service interruption to minimise its extent or duration: <ul style="list-style-type: none"> Notification of Faults / Unplanned Outages – Notification process – by whom and who to report the faults/outages to; Planned Outages – Causes, notifications, timeframes of notifications and impacted customers; and

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<ul style="list-style-type: none"> ■ KPI's – Performance measures created to monitor how effectively processes are minimising customer disruption. <p>For unplanned outages, in summary, the Corporation adopts the following measures:</p> <ul style="list-style-type: none"> ■ Notification of faults (including service disruptions) from customers to the Corporation via the Operations Centre (OC). Through discussions with the caller the OC determines the location of, and conducts preliminary assessment of the nature and extent of the fault. The OC will then either: <ul style="list-style-type: none"> – For lower priority work – dispatches the work order to the relevant Region for follow-up within the timeframes outlined in the task type KPI categorisation and classification – For high priority work – contact the relevant Region directly during business hours or after hours the nominated contact directly. High priority work includes faults where customers would already be experiencing a service outage. ■ After the notification the OC will create an outage event in the Outage Management system for all high priority work. If the outage is determined to be impacting >2 properties the Outage Management system will automatically publish to the Water Corporations website as a reference for impacted customers. ■ For faults requiring immediate fixes, safe job planning will occur, the area will be made safe and then work will commence. The OC will be notified of the work and the likely duration. Where the work will impact key or high priority customers (e.g. schools, business, major consumers, hospitals etc) the customer will be notified. ■ Records of the length of outage time are kept in SAP PM against the work order.

Audit Priority: 3 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<ul style="list-style-type: none"> Where the outage will take over 6 hours to fix or where and when requested by customers for a reasonable circumstance (e.g. newborn baby in the house), bottled water is made available to impacted customers. For large outages, the locations of where bottled water are available for impacted customers is also posted on the Water Corporations website. Reviews of significant events (incidents) are conducted after the event to gather lessons learnt so as to minimise disruption in the future. <p>In terms of Planned outages, Planned outages may result from:</p> <ul style="list-style-type: none"> Capital renewal programs; Asset replacement programmes; Planned maintenance programs, e.g. mains cleaning; and Lower priority fault repairs. <p>In this respect, notifications of planned outages are issued to all known impacted customers as a minimum 48 hours prior to the outage occurring. The OC also creates an outage event in the Outage Management System in advance of any planned outage.</p> <p>Where possible planned work is scheduled to be conducted off-peak to minimise customer impacts, i.e. between 9am and 3pm (on weekdays) or 11pm to 5am (if noise can be kept to a minimum).</p> <p>As per unplanned outages, the OC is kept informed of the status of the work in progress, any changes to estimated completion times and when it is completed.</p> <p>We reviewed the KPI reports for the period May 2016, May 2017 and May 2018 and confirmed that the Corporation monitored the effectiveness of processes to minimise customer disruption and that</p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		the Corporation takes, through its policies, procedures and performance management processes, reasonable steps to minimise the extent of interruptions.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Sections 24(1)(a), (b) and (c) and 24(2) Water Services Act Section 12	
Licence Condition	OL13: Clauses 20.1, 20.2, 20.3, 20.6 OL14: Clauses 4.1.1, 4.1.2, 4.4.2, 4.1.3, 4.1.6 OL15: Clauses 4.1.1 4.1.2, 4.1.3, 4.1.6	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 6, 7, 8, 171, 172 July 2016 Water Compliance Reporting Manual Reference: 6, 7, 8, 171, 172 October 2017 Water Compliance Reporting Manual Reference: 6, 7, 8, 171, 172	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 6 The licensee must have an asset management system that provides for the operation and maintenance of the water service works.</p> <p>Compliance Reporting Manual Reference: 7 The licensee must give details of the asset management system and any changes to it to the ERA.</p> <p>Compliance Reporting Manual Reference: 8 A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.</p> <p>Compliance Reporting Manual Reference: 171 The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.</p> <p>Compliance Reporting Manual Reference: 172 The licensee must cooperate with the independent expert and comply with the ERA's standard guidelines dealing with the asset management system review.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Asset Management System Manual ID#14247282 Management of ERA Asset Management System Compliance 2017–18 ID#16800150 Management of ERA Asset Management System Compliance ID#16800510 Business Systems Quick Reference Sheet Overview of Investment Governance Committee Executive Performance Meeting 7 June 2018 ID#19360415

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> Asset Management System Review February 2016 Letter to Mrs Sue Murphy dated 31/03/2016
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Assets Planning Group, Asset Strategy
	Audit Procedures Performed:	<p>Section 24(1)(a) and (2), Clauses 20.1 and 4.1.1. We confirmed through inspection of the relevant documentation that the Corporation has an asset management system in place that provides for the operation and maintenance of the water service works.</p> <p>The Corporation's asset management system consists of a number of systems and processes, including:</p> <ul style="list-style-type: none"> Asset Management Planning System (AMPS) – A portal where users can access and publish asset management information; FICO (SAP Finance and Control) – SAP module for managing financial transactions, including asset transactions and information (e.g. value, useful life and depreciation); PM / ABP (Plant Maintenance / Activity Based Planning) – SAP modules used for asset management and budgeting; AMOSS (Asset Management and Operation Support System) – Contains attribute information for the Perth Region's Water Sewerage and Drainage system; ODSS (Operational Data Storage System) – Captures and stores information that support the operational functions of Water Supply and Distribution and Water Quality; and SCM (System Capability Matrix) – provides users with risk information for the Corporation's asset systems throughout the state. <p>The Corporation's asset management system is supported by a number of strategic documents, including the Asset Management Manual, the Asset</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>Management Strategy and Asset Management System Improvement Plans.</p> <p>Sections 12 and 24(1)(b) and Clauses 20.2 and 4.1.2</p> <p>We observed that there were no changes made to the asset management system during the audit period.</p> <p>The requirement to notify the ERA of material changes to the asset management system within ten days is documented in the Management of ERA Asset Management System Compliance 2017–18 procedure, which we reviewed. We note that previously, the process was documented in the Notification to ERA of Changes to Asset Management System procedure, which was made obsolete in April 2018.</p> <p>Where a material change may have occurred, the Head of Asset Strategy will liaise with the Head of Risk and Assurance to determine if the change is material and provide written advice to the ERA within ten business days, if required.</p> <p>Material changes are presented to the Investment Government Committee meetings as a standing agenda item. Investment Governance Committee meetings occur on a monthly basis.</p> <p>Section 24(1)(c) and Clauses 20.3 and 4.1.3</p> <p>We confirmed that the last Asset Management System Review was published in February 2016. It covers the period of 1 July 2012 to 30 June 2015. It can be accessed from the ERA's website.</p> <p>The frequency of the review specified in the Licence is at least every 24 months, however the ERA has agreed a 36-month frequency with the Corporation. We obtained a letter from the ERA confirming their approval of the 36-month frequency and confirming that the next review will cover the period from 1 July 2015 to 30 June 2018.</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>Section 12 and Clauses 20.6 and 4.1.6</p> <p>We confirmed that the Management of ERA Asset Management Compliance procedure documents the requirement to perform an Asset Management System Review as per the ERA's standard guidelines.</p> <p>The Head of Asset Strategy is accountable for managing the Asset Management System Review as per the Licence requirements and the ERA guidelines.</p> <p>Through inspection of the procedure, we confirmed that the Asset Management System Review process is as follows:</p> <ul style="list-style-type: none"> ■ The ERA advises the Corporation that a review is due within a given period and appoints a reviewer provider; ■ The Head of Strategy appoints a Project Manager to coordinate the internal aspects of the review; ■ The Project Manager establishes an Asset Management System Review Committee, which shall meet monthly or as required until the review report is finalised; ■ A draft plan is submitted by the reviewer to the ERA and the Corporation is invited to provide comments prior to finalisation; ■ The reviewer undertakes on–sites visits and commences the review; ■ The reviewer prepares and submits a draft report to the ERA, which is finalised based on the ERA and the Corporation's comments; ■ A Post Review Implementation Plan (PRIP) is developed by the Project Manager in consultation with Process Managers, which once approved by the CEO is submitted to the ERA; and

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> Progress Reports are provided to the ERA as requested with updates on actions within the PRIP.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 25
Licence Condition	OL13: Clause 14.1, 25.1 OL14: Clauses 4.3.1, 5.6.1 OL15: Clauses 4.3.1, 5.6.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 9 July 2016 Water Compliance Reporting Manual Reference: 9 October 2017 Water Compliance Reporting Manual Reference: 9
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 9</p> <p><i>July 2016 & October 2017 Compliance Reporting Manual:</i></p> <p>A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.</p> <p><i>April 2014 Compliance Reporting Manual:</i></p> <p>A licensee must, not less than once every 24 months, or such longer period as determined by the Authority, provide the Authority with an operational audit conducted by an independent expert acceptable to the Authority</p>
Work Performed	<p>Documents Reviewed:</p> <ul style="list-style-type: none"> ■ PwC 2015 Operational Audit Report ■ Letter to Mrs Sue Murphy dated 18 December 2015 from the ERA ■ Operational Audit Work Instruction ID#368798
	<p>Personnel Interviewed:</p> <ul style="list-style-type: none"> ■ Specialist – Water Services Licence, Risk and Assurance
	<p>Audit Procedures Performed:</p> <p>We confirmed that the previous operational audit was completed in October 2015 and covered the period of 1 July 2012 to 30 June 2015. We reviewed correspondence from the ERA stating that the previous operational audit was completed in accordance with the Water Services Act 2012.</p>
	<p>Key Findings:</p> <p>No issues identified.</p>
Recommendations	Not applicable

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 12 and 60
Licence Condition	OL13: Clauses 14.4, 16.1, 16.2, 18.1 and 25.1 OL14: Clauses 4.3.4, 3.8.1, 3.8.2, 2.7.1 and 5.6.1 OL15: Clauses 4.3.4, 3.8.1, 3.8.2, 2.7.1 and 5.6.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 14, 162, 165, 166, 169, 181 July 2016 Water Compliance Reporting Manual Reference: 14, 162, 165, 166, 169, 181 October 2017 Water Compliance Reporting Manual Reference: 14, 162, 165, 166, 169, 181
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 14 If the licensee is the supplier of last resort for a designated area, the licensee must perform the functions of the supplier of last resort and must comply with the relevant duties and carry out the relevant operations prescribed.</p> <p>Compliance Reporting Manual Reference: 162 The licensee must cooperate with the independent expert and comply with the ERA's standard audit guidelines dealing with the operational audit.</p> <p>Compliance Reporting Manual Reference: 165 The licensee must provide the Authority any information that the Authority may require in connection with its functions under the Act in the time, manner and form specified by the Authority.</p> <p>Compliance Reporting Manual Reference: 166 The licensee must comply with any information reporting requirements prescribed by the Authority, including but not limited to the provisions of the Water Compliance Reporting Manual that apply to the licensee.</p> <p>Compliance Reporting Manual Reference: 181 If the licensee is appointed as the supplier of last resort for a designated area, the licensee must perform the functions of a supplier of last resort, comply with the duties imposed by the Act and carry out its operations under or for the purpose of the last resort plan in accordance with the Act.</p>
Work Performed	<p>Documents Reviewed:</p> <ul style="list-style-type: none"> Supplier of Last Resort Procedure ID#13109526 Letter to Mrs Sue Murphy dated 18 December 2015 from the ERA Operational Audit Work Instruction ID#368798

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> Annual Performance Reporting Work Instruction ID#368796 Correspondence and Action Tracking Register ID# #12499141 Annual Compliance Reports for 2016, 2017 and 2018 Annual performance reporting submissions for 2016 and 2017 The National Performance Report – 2015/16 Audit
	Personnel Interviewed:	<ul style="list-style-type: none"> Specialist – Water Services Licence, Risk and Assurance
	Audit Procedures Performed:	<p>Section 60 and 12 Clause 25.1 and 5.6.1</p> <p>The ERA may appoint the Corporation as a last resort supplier. Where the Corporation is appointed as a last resort supplier, the Corporation will:</p> <ul style="list-style-type: none"> Respond to the ERA's expression of interest or notification of direct appointment; Form a Supplier of Last Resort Committee; Draft and submit a Last Resort Supply Plan to the ERA for approval; and Implement the Last Resort Supply Plan. <p>This is documented in the Supplier of Last Resort Procedure. Through a review of the ERA Correspondence register, we confirmed that the Corporation was not appointed as a supplier of last resort during the audit period.</p> <p>Section 12 Clause 14.4 and 4.3.4</p> <p>We reviewed correspondence from the ERA dated 18 December 2015 stating that the previous operational audit was completed in accordance with the Water Services Act 2012.</p> <p>We inspected the Corporation's operational audit work instruction and noted that that it directly refers</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>to the ERA's <i>Audit and Review Guidelines for Water Licences</i>.</p> <p>Clause 16.1 and 3.8.1 The Corporation uses the correspondence and action tracking register to ensure that it provides the ERA requested information in a timely manner. Letters of correspondence from the ERA are added to the register with action items where required. We inspected the correspondence and action tracking register, which indicates that the ERA's requests for information have been met within the audit period.</p> <p>We note that Obligations 4, 7, 8, 9, 163 and 171 require the provision of information to the ERA and that these have been assessed individually for compliance.</p> <p>Clause 16.2 and 3.8.1 It was confirmed that the Corporation reports information to the ERA as per the requirements of the Compliance Reporting Manual. We inspected the following:</p> <ul style="list-style-type: none"> ▪ Final Annual Compliance Reports for 2016 and 2017 ▪ Draft Annual Compliance Report for 2018 ▪ Annual performance reporting submissions for 2016 and 2017 ▪ The National Performance Report – 2015/16 Audit <p>We note that there were no Type 1 Non-compliances identified within the audit period and therefore this was not reported.</p> <p>The National Performance Audit is required to be submitted to the ERA every three years.</p> <p>The Performance Reporting work instruction provides information on the performance data that is to be reported to the ERA.</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		Clause 18.1 and 2.7.1 We noted that all formal correspondence between the Corporation and the ERA is in writing via email or letter. The correspondence and action tracking register is used to record the correspondence.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 66 Water Services Act Section 12	
Licence Condition	OL13: Clause 21.1 OL14: Clause 5.5.1 OL15: Clause 5.5.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 15, 173 July 2016 Water Compliance Reporting Manual Reference: 15, 173 October 2017 Water Compliance Reporting Manual Reference: 15, 173	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 15 Licensees who are required to be a member of the water services ombudsman scheme agree to be bound by, and compliant with, any decision of direction of the water services ombudsman under the scheme.</p> <p>Compliance Reporting Manual Reference: 173 The licensee must not supply water services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Energy and Water Ombudsman Western Australia (EWOWA) Register of Members EWOWA Information Sheet Charter of EWOWA EWOWA Annual Report 2015/16 EWOWA Annual Report 2016/17
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Priority One Communications, Media and Government Relations
	Audit Procedures Performed:	<p>The Media and Governance Relations Team is responsible for administering the Water Services Ombudsman Scheme at the Corporation.</p> <p>We checked the Register of Members published on the EWOWA website to confirm that the Corporation is a member of the Water Services Ombudsman Scheme.</p> <p>Review of the EWOWA Annual Reports, indicated that there has been no binding decisions or directions from the EWOWA during 2015–16 and 2016–17 Financial Years.</p>

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		We were unable to check the 2017–18 EWOWA Annual Report as it is yet to be published. However, through discussions with the Team Leader – Priority One Communications, we confirmed that there has been no binding decisions or directions from the EWOWA in the 2017–18 Financial Year.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 1 Reporting Type: 1		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 95 (3)		
Licence Condition	OL13: Clause 27.1 OL14: Clauses 3.1.1 and 3.5 OL15: Clauses 3.1.1 and 3.5		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 21 July 2016 Water Compliance Reporting Manual Reference: 21 October 2017 Water Compliance Reporting Manual Reference: 21		
Summary Description of Requirements	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Disconnection of water services, Development Services Fact SheetTechnical Information Management System (TIMS)Work Instruction – Disconnect Water ServiceMeter relocation / disconnection application	
	Personnel Interviewed:	<ul style="list-style-type: none">Senior Advisor – Business Management (Compliance) Development ServicesSpecialist – Water Services Licence, Risk & Assurance	
	Audit Procedures Performed:	<p>Through discussion and review of the <i>Disconnection of water services, development Services Fact Sheet</i>, we noted that the Corporation will not disconnect the supply of water to an occupied dwelling. This is also documented on the Corporation’s website and the <i>Technical Information Management System (TIMS)</i> portal and the <i>Work Instruction – Disconnect Water Service</i>.</p> <p>The Corporation prevent the disconnection of water services to an occupied dwelling as follows:</p> <ul style="list-style-type: none">If a dwelling is “declared” as occupied by an applicant in a <i>Meter relocation / disconnection application form</i>, the Building Services Officer (BSO) will not process the relocation / disconnection application;	

Audit Priority: 1 Reporting Type: 1		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> ■ The BSO will also, before a disconnection takes place, check the owner/occupier status on the property and check the usage of water against the meter to ensure it is not being used before disconnecting; and ■ If operational employees visited a dwelling to disconnect the water supply and establish that the dwelling is occupied, they will report it to the team leader and not disconnect the water supply. <p>We further observed that if the operations team visits a dwelling and it appears to be unoccupied, and they disconnect the water supply and later establish that it is occupied, it will be reported as a breach to the <i>Risk and Assurance</i> team, and thereafter to the ERA.</p> <p><i>Development Services</i> confirmed that no breaches have occurred during the audit period. This was also confirmed by the Risk and Assurance team.</p> <p>We reviewed the list of disconnections made by the Corporation for the period 1 July 2015 to 30 June 2018 and randomly selected a sample of 30 properties that were disconnected, 10 for each year in the audit scope.</p> <p>We did not identify any exceptions.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 96 (1) & (5)
Licence Condition	<p>Water Services Act Section 96(1) OL13: Clause 5.1 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1</p> <p>Water Services Act Section 96(5) OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1</p>
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Number: 22, 23 July 2016 Water Compliance Reporting Manual Number: 22, 23 October 2017 Water Compliance Reporting Manual Number: 22, 23
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 22 If the licensee provides water supply reticulation works, or enters into an agreement for the provision of water supply reticulation works, the licensee must install fire hydrants attached to those works in accordance with the requirements of FESA, or the relevant local government as to the location and type of hydrant.</p> <p>Compliance Reporting Manual Reference: 23 The licensee must comply with requests made by FESA or a local government under sections 96(3) and 96(4) of the Act to the extent practicable and within a reasonable time.</p>
Work Performed	<p>Documents Reviewed:</p> <ul style="list-style-type: none"> ■ Developers' Manual ■ Design Standard DS 63 Water Reticulation Standard ■ List of contracts entered into by the Corporation to supply reticulation works ■ Water Reticulation Design Appraisal ■ Water Corporation Land Development Agreement 1816081 ■ Frontal – Design Submission for Subdivision ■ Memorandum of Understanding between Department of Fire and Emergency Services (DFES) and Water Corporation for the installation, maintenance and servicing of fire

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		hydrants in Fire Districts in Western Australia made on 29 January 2016
	Personnel Interviewed:	<ul style="list-style-type: none"> Senior Advisor – Business Management (Compliance), Development Services
	Audit Procedures Performed:	<p>Section 96 (1)</p> <p>Through discussions we noted that water reticulation applications can be submitted online through the Corporation's DeveloperNet system. After receiving the water reticulation application, the Corporation perform a design appraisal, which includes the consideration of the hydrants. Progress on the appraisal process is recorded on DeveloperNet.</p> <p>After the appraisal, the Corporation enters into agreements for the provision of water supply reticulation works that includes the installation of fire hydrants in accordance with the requirements of DFES, or the relevant local government, as to the location and type of hydrant (according to whose district the works are provided in).</p> <p>The water supply reticulation works and hydrants must be installed in accordance with the:</p> <ul style="list-style-type: none"> Developers Manual, section 6.11 – Pre-handover inspection, section 6.12 – Final takeover inspection and section 7.1.1 – Water as-constructed information requirements; and Design Standard DS 63, Water Reticulation Standard Section 2.2.1.5 – Appurtenances (b) Hydrants. <p>Regular inspections are conducted during the construction phase of the water supply reticulation works and a final inspection is performed by the Asset Inspector (an officer of the Corporation responsible for assessing and/or inspecting the works) together with the construction Engineer.</p> <p>We reviewed a sample of three (3) Water Reticulation Design Appraisals and the notes</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		<p>recorded on DeveloperNet and did identify issues with this obligation.</p> <p>Section 96 (5) We confirmed that the Corporation complies with requests of the DFES for the installation, removal, maintenance and repair of fire hydrants in fire districts where water supply services are provided.</p> <p>The Memorandum of Understanding (MoU) between the Corporation and the DFES outlines the roles and responsibilities for the installation, removal, maintenance and repair of fire hydrants.</p> <p>We also confirmed that the Corporation complies with requests of the local government for the installation, removal, maintenance and repair of fire hydrants where the area is not in a fire district and water supply services are provided.</p>	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 106 (2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 25 July 2016 Water Compliance Reporting Manual Reference: 25 October 2017 Water Compliance Reporting Manual Reference: 25		
Summary Description of Requirement	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Trade Waste WI 5–2–3 How to issue a FOGMan non–compliance notice	
	Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager – Operations Performance	
	Audit Procedures Performed:	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><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Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>initial notice, the time period is reduced to 14 days. Copies of issued compliance notices are saved on the Corporation's Midas information system.</p> <p>We obtained a list of Trade Waste compliance notices issued and randomly selected a sample of seven (7) for review.</p> <p>From the sample selection, we confirm that the Corporation complies with the requirements of Section 106 (2) of the Water Services Act 2012.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 125(2)
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 30 July 2016 Water Compliance Reporting Manual Reference: 30 October 2017 Water Compliance Reporting Manual Reference: 30
Summary Description of Requirements	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the <i>Strata Titles Act 1985</i> .
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Processing Multi Unit Residential Property Records ID#218119
	Personnel Interviewed: <ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed: <p>Section 125(2) Customer Billing & Assurance is responsible for Obligation 30. Through discussions with relevant personnel, we confirmed that where a service is provided to two or more dwellings on a land that are metered separately, each dwelling is charged according to its Gross Rental Value (GRV). This is documented in the Processing Multi Unit Residential Property Records procedure.</p> <p>We also confirmed that, where tenants have not been nominated to receive the accounts and there is only one meter, the charges are not apportioned and are sent to the property owner.</p>
	Key Findings: <p>No issues identified.</p>
Recommendations	Not applicable

Audit Priority: 3	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	<i>Water Services Act</i> Section 139(3)
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 33 July 2016 Water Compliance Reporting Manual Reference: 33 October 2017 Water Compliance Reporting Manual Reference: 33
Summary Description of Requirements	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> External Approvals Manual Template Cover Letter Regarding Intention to Alter a Fence Flow chart of Water Corporation General Works procedure Flow chart of Water Corporation Major Works procedure Sample documentation
	Personnel Interviewed: <ul style="list-style-type: none"> Team Leader – Best Practice, Project Management; and Project Director Metro – Water Source, Project Management.
	Audit Procedures Performed: <p>The Project Management Business Unit is responsible for monitoring compliance against this obligation. Section 2.3 of the <i>External Approvals Manual</i> requires the Corporation to take all reasonable steps to notify the owner and occupier of the land before removing or making a gate in, or erecting a fence. Additionally, we observed the flow charts for major and general works outline the requirement to provide notice of any changes required to gates or fences.</p> <p>Our enquiry revealed that Project Managers are responsible for providing notice to the owner or occupier of the land, in these instances. Each project is assigned a Community Engagement</p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Officer who is responsible for drafting the written notices to be issued. In all instances, a written notice is provided which is followed up with a phone call to the owner and occupier of the land.</p> <p>Through discussions, it was identified that the Corporation does not currently have a register to record instances where a fence is required to be removed, or erected. Therefore, we were unable to obtain a listing to select samples. We were provided with two (2) examples of instances where the Corporation provided written notices. We confirmed that the notice was provided to the owner and occupier of the land (where relevant) before removing or erecting a fence / gate. No issues were identified through this check.</p>
	Key Findings:	No issue identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 144(3) Water Services Act Section 145(2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 38, 39 July 2016 Water Compliance Reporting Manual Reference: 38, 39 October 2017 Water Compliance Reporting Manual Reference: 38, 39		
Summary Description of Requirements	Compliance Reporting Manual Reference: 38 The licensee must have regard to an objection or submission lodged within the relevant period.		
	Compliance Reporting Manual Reference: 39 If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">External Approvals ManualProject Management Category ABC ProceduresFlow chart of Water Corporation Major Works ProcedureExternal Approvals Tracking SpreadsheetPrerequisites to Works Quick Reference GuideWater Corporation website – External Approvals pageSample documentation	
	Personnel Interviewed:	<ul style="list-style-type: none">Team Leader – Best Practice, Project Management; andProject Director Metro – Water Source, Project Management.	
	Audit Procedures Performed:	Section 144(3) and Section 145(2) The Project Management Business Unit is responsible for monitoring compliance against these obligations. Section 3 of the <i>External Approvals Manual</i> clearly outlines the steps to be undertaken by the Project Managers before seeking approval from the Minister. Additionally, the Corporation had	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>developed a <i>Flow chart of Water Corporation Major Works Procedure</i>, which provides a detailed summary of the requirements of the Act. The individual Project Managers are responsible for ensuring all the steps outlined in the <i>Flow chart of Water Corporation Major Works procedure</i> are completed and that the Prerequisites to Works requirements are met.</p> <p>We reviewed the <i>Flow chart of Water Corporation Major Works Procedure</i> and sections 3.3 and 3.4 of the <i>External Approvals Manual</i> to determine if these documents are in line with the requirements of the Act. No issues were identified through this check.</p> <p>Furthermore, we selected a sample of five (5) major projects undertaken during the scope period to check that the requirements of the Act have been met. Specifically, we checked that:</p> <ul style="list-style-type: none"> ■ Prior to the submission of the proposal to the Minister: <ul style="list-style-type: none"> – The Corporation has considered any objections or submissions lodged within the relevant period (Section 144 (3)); and – If alterations were made to the plans and details, that the Corporation has provided written notice to any person likely to be adversely affected by the alterations (Section 145 (2)). ■ Prior to the commencement of major works (Section 142): <ul style="list-style-type: none"> – The Corporation has complied with Section 143 and 144; – The Minister has authorised the provision of Major Works; and – The Corporation has given notice required by Section 148 (if applicable).

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Our testing noted the following:</p> <ul style="list-style-type: none"> No objections or submissions were lodged within the relevant period for the samples selected for testing; and No alterations were made to the published plans and details for the samples selected for testing. <p>No issues were identified as part of our testing.</p>
	Key Findings:	Not issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	<i>Water Services Act</i> Section 152(3) <i>Water Services Act</i> Section 153(3)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 44, 45 July 2016 Water Compliance Reporting Manual Reference: 44, 45 October 2017 Water Compliance Reporting Manual Reference: 44, 45	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 44 The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).</p> <p>Compliance Reporting Manual Reference: 45 If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> External Approvals Manual Project Management Category ABC Procedures Flow chart of Water Corporation General Works Procedure External Approvals Tracking Spreadsheet Water Corporation website – External Approvals page Sample documentation
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Best Practice, Project Management Project Director Metro – Water Source, Project Management.
	Audit Procedures Performed:	<p>Section 152(3) and Section 153(3) The Project Management Business Unit is responsible for monitoring compliance against these obligations. Section 4 of the <i>External Approvals Manual</i> outlines the steps to be undertaken by the Project Managers before undertaking general works. Additionally, the Corporation had developed a <i>Flow chart of Water Corporation General Works</i></p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p><i>Procedure</i>, which provides a detailed summary of the requirements of the Act.</p> <p>The individual Project Managers are responsible for ensuring all the steps outlined in the <i>Flow chart of Water Corporation General Works procedure</i> are completed and that the Prerequisites to Works requirements are met.</p> <p>We reviewed the <i>Flow chart of Water Corporation General Works Procedure</i> and Sections 4.3.3 and 4.4.3 of the <i>External Approvals Manual</i> to determine if these documents are in line with the requirements of the Act (Sections 152(3) and Section 153(3)). No issues were identified through this check.</p> <p>Furthermore, we selected a sample of five (5) general projects undertaken during the scope period to check that the requirements of the Act have been met. Specifically, we checked that the Corporation:</p> <ul style="list-style-type: none"> ▪ The Corporation has considered any objections or submissions lodged within the relevant period (Section 152(3)); and ▪ If alterations were made to the plans and details, that the Corporation has provided written notice to any person likely to be adversely affected by the alterations (Section 153(3)). <p>Our testing noted the following:</p> <ul style="list-style-type: none"> ▪ No objections or submissions were lodged within the relevant period for the samples selected for testing; and ▪ For one (1) out of the five (5) general projects sampled, an alteration was made by the Corporation to the published plans. We confirmed that the Corporation had provided written notice to personnel likely to be adversely affected by the alterations. No issues were identified as part of our testing.
	<p>Key Findings: No issues identified.</p>

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Recommendations	Not applicable

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 166(5), 166(6), 170
Licence Condition	Water Services Act Section 166(5); Water Services Act Section 166(6); Water Services Act Section 170 OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 46, 47, 48 July 2016 Water Compliance Reporting Manual Reference: 46, 47, 48 October 2017 Water Compliance Reporting Manual Reference: 46, 47, 48
Summary Description of Requirements	Water Compliance Reporting Manual Reference: 46 On being advised by the Minister that an interest in land is appropriate to the licensee's needs, the licensee is required to acquire the interest. Water Compliance Reporting Manual Reference: 47 Any costs incurred in taking an interest in land are to be paid by the licensee. Water Compliance Reporting Manual Reference: 48 The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the <i>Planning and Development Act 2005</i> , unless the Minister permits the licensee to do so
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> PCY023 Real Estate Management Guideline for Disposing of Freehold Land Property Acquisitions Private Treaty Freehold Land Taking Order and Mediation Process Mediation process Flow Chart
	Personnel Interviewed: <ul style="list-style-type: none"> Manager Property Acquisitions Manager Property Portfolio
	Audit Procedures Performed: <p>Through discussions and review of the <i>PCY023 Real Estate Management</i> policy, the <i>Property Acquisitions Private Treaty Freehold Land</i> flow chart, and the <i>Taking Order and Mediation Process</i> flow chart, the Corporation follows well-documented processes in the acquiring, leasing and disposing of land and property. It also documents the</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>circumstances under which employees are able to purchase (or lease) Water Corporation real estate on behalf of the Water Corporation.</p> <p>We observed that, any costs incurred in taking an interest in land, are paid by the Corporation.</p> <p>Through discussions and a review of the <i>Guideline for Disposing of Freehold Land</i>, we noted that the Corporation shall consider the disposal of freehold land only if it is not needed by the Corporation for current operational purposes and/or future operational or business needs.</p> <p>The Corporation does not sell an interest in a land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the <i>Planning and Development Act 2005</i>, unless the Minister permits the licensee to do so.</p> <p>We reviewed a sample of two files where the Corporation acquired land or portions of land, to test compliance with the requirements of Sections 166(5)(6) of the Water Services Act and did not identify issues with the processes followed.</p> <p>We reviewed two files where the Corporation disposed of land and did not identify any issues with the processes followed.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 3	Compliance Rating: 1	
Reporting Type: 2	Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 174(3)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 51 July 2016 Water Compliance Reporting Manual Reference: 51 October 2017 Water Compliance Reporting Manual Reference: 51	
Summary Description of Requirements	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Procedure for Entry onto Private Property Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors Reinstatement Guideline
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance Team Leader – Civil Albany, Great Southern Region Manager – Operations Analytics & Support, Operations Performance Business Unit
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring this obligation.</p> <p>The <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i>, defines what constitutes routine inspection and routine maintenance. Furthermore, we note that the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i>, outlines the processes to be carried out when performing works that require entry to a property.</p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Where the Corporation has entered a place under the Act, without having to give notice of proposed entry, operational staff are required to issue a notice in writing, wherever practicable after entering the property, detailing the works carried out and of any further intention the Corporation has in respect of the property, to the owner or occupier. Examples of these instances are outlined below:</p> <ul style="list-style-type: none"> ▪ Routine Inspection or maintenance not likely to affect the property; ▪ Meter reading; ▪ Owner or Occupier requests; ▪ Investigation of offences; and ▪ Emergency works. <p>The <i>Notification of Entry</i> form is used in the above instances.</p> <p>Interviews conducted with the <i>Team Leader – Civil Albany, Great Southern Region</i> indicated that a notice is left at a prominent location if the property was not occupied at the time of entry.</p>
	Key Findings:	No issues identified.
	Recommendations:	Not applicable

Audit Priority: 3	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 175(2)
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 52 July 2016 Water Compliance Reporting Manual Reference: 52 October 2017 Water Compliance Reporting Manual Reference: 52
Summary Description of Requirements	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Procedure for Entry onto Private Property Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors Reinstatement Guideline
	Personnel Interviewed: <ul style="list-style-type: none"> Compliance Manager, Operations Performance Team Leader – Civil Albany, Great Southern Region Manager – Operations Analytics & Support, Operations Performance Business Unit Operations Support Manager, Great Southern Region
	Audit Procedures Performed: <p>Section 175(2) We interviewed the Team Leader – Civil Albany, Great Southern Region and the Operations Support Manager, Great Southern Region to assess their understanding of the requirements of the Act. No exceptions were identified through these interviews.</p> <p>Additionally, Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> and Section 2.4 of the <i>Guide to compliance powers for compliance officers under the Water</i></p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p><i>Services Act 2012</i>, outlines the processes to be carried out by staff when the occupier is present during entry.</p> <p>We reviewed the abovementioned guidelines for consistency with the requirements of the Act. Through this check, no issues were observed.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 176(1) Water Services Act Section 176(3) Water Services Act Section 176(4) Water Services Act Section 181	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 54, 55, 56, 57 July 2016 Water Compliance Reporting Manual Reference: 54, 55, 56, 57 October 2017 Water Compliance Reporting Manual Reference: 54, 55, 56, 57	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 54 If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.</p> <p>Compliance Reporting Manual Reference: 55 The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.</p> <p>Compliance Reporting Manual Reference: 56 If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.</p> <p>Compliance Reporting Manual Reference: 57 The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Procedure for Entry onto Private Property Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors Reinstatement Guideline

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance Team Leader – Civil Albany, Great Southern Region Manager – Operations Analytics & Support, Operations Performance Business Unit
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring these obligations.</p> <p>Section 176(1) – 54</p> <p>Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> and Section 2.4 of the <i>Guide to compliance powers for compliance officers under the Water Services Act 2012</i>, outlines that an authorised person must leave the premises as soon as practicable after being notified of the withdrawal or refusal of consent. Training material for <i>Authorised Person – Entry to Property</i>, requires the following actions to be undertaken by the field staff:</p> <ul style="list-style-type: none"> If possible, quickly make the worksite safe; Take a photo of the worksite; Remove tools and equipment and leave the property; and Once off the property, contact Team Leader / Supervisor. <p>Additionally, we interviewed Team Leader – Civil Albany, Great Southern Region and Operations Support Manager, Great Southern Region to assess their understanding of the requirements of the Act. No exceptions were identified through these interviews.</p> <p>Section 176(3) and 176(4)</p> <p>Section 2.4 of the <i>Guide to compliance powers for compliance officers under the Water Services Act 2012</i>, outlines that a compliance officer “must produce his or her certificate of authority if asked to do so, and the compliance officer must not perform, or continue to perform, the compliance power if he or</p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>she is unable to produce his or her certificate of authority”.</p> <p>Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> outlines that an authorised person should carry his or her security card when exercising an entry power. If an authorised person is unable to do so, they must leave the place unless the owner or occupier agrees otherwise.</p> <p>Additionally, we interviewed Team Leader – Civil Albany, Great Southern Region and Operations Support Manager, Great Southern Region to assess their understanding of the requirements of the Act. No exceptions were identified through these interviews.</p> <p>Section 181</p> <p>Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> outlines that an authorised person “exercising an entry power and taking an action for the purposes of that entry power or a person who is assisting such an authorised person must, so far as is practicable, comply with any reasonable request of the owner or occupier concerned intended to limit interference with the lawful activities of the owner or occupier.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 218(2)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 63 July 2016 Water Compliance Reporting Manual Reference: 63 October 2017 Water Compliance Reporting Manual Reference: 63	
Summary Description of Requirements	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Procedure for Entry onto Private Property; Guide to entry powers for authorised persons under the Water Services Act 2012; Guide to compliance powers for compliance officers under the Water Services Act 2012; and Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors.
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance; Team Leader – Civil Albany, Great Southern Region; and Manager – Operations Analytics & Support, Operations Performance Business Unit.
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring this obligation.</p> <p>As required by Section 218(2) of the Act, Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> outlines that, “in the exercise or purported exercise of an entry power or other power under the Water Services Act, the Water Corporation (including an authorised person) is to ensure, to the extent practicable, that:</p>

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		<ul style="list-style-type: none">▪ The free use of any place is not obstructed; and▪ As little harm or inconvenience is caused and as little damage is done as is possible.” <p>We observed that field staff are provided training on worksite set up. Discussions with Manager – Operations Analytics & Support, Operations Performance Business Unit, revealed that quality assurance checks are performed on a random basis by Team Leaders and Supervisors to ensure worksites are set up appropriately. Furthermore, we observed that customer surveys are sent out following the completion of works.</p> <p>In addition, we interviewed Team Leader – Civil Albany, Great Southern Region to assess his understanding of the requirements of the Act. No exceptions were identified through this interview.</p>	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 3 Reporting Type: 2		Compliance Rating: A Adequacy of Controls Rating: 1
Obligations Under	Water Services Act Section 218(3)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 64 July 2016 Water Compliance Reporting Manual Reference: 64 October 2017 Water Compliance Reporting Manual Reference: 64	
Summary Description of Requirements	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Procedure for Entry onto Private Property Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Training material for Authorised Person – Entry to Property, Team Leaders/Supervisors Reinstatement Guideline
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance Team Leader – Civil Albany, Great Southern Region Manager – Operations Analytics & Support, Operations Performance Business Unit
	Audit Procedures Performed:	<p>As required by Section 218(3) of the Act, Section 2.3 of the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> outlines that, “if any physical damage is done to any place or other thing in the exercise or purported exercise of a works power or entry power, by or on behalf of the Water Corporation (including an authorised person), the Water Corporation must:</p> <ul style="list-style-type: none"> Ensure that the damage is made good, to the extent that it is practicable to do so; and

Audit Priority: 3 Reporting Type: 2		Compliance Rating: A Adequacy of Controls Rating: 1	
		<ul style="list-style-type: none">▪ <i>To the extent that it is not practicable to do so, pay compensation to the person suffering loss from the damage.”</i> <p>Instructions on how reinstatements are to be carried out are outlined in the <i>Reinstatement Guidelines</i>, provides high level guidance on how to ensure the damage is made good. The ex-gratia payment register provides evidence of payment of compensation where the damage is not able to be made good by the Corporation.</p> <p>We were provided with examples of ex–gratia payments made to customers where the damage was not able to be made good. Additionally, we interviewed Team Leader – Civil Albany, Great Southern Region to assess his understanding of the requirements of the Act. No exceptions were identified.</p>	
	Key Findings:	No issue identified.	
Recommendations	Not applicable		

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Regulations 2013 – Regulations 23(2), 29(1) and (2), and 53(3)	
Licence Condition	OL13: Clauses 5.1 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 65, 69 and 73 July 2016 Water Compliance Reporting Manual Reference: 65, 69 and 73 October 2017 Water Compliance Reporting Manual Reference: 65, 69 and 73	
Summary Requirement of Descriptions	<p>Compliance Reporting Manual Reference: 65 If the licensee provides a water supply service in respect of a multi-unit development, the licensee must, on the request of the owner or the strata company, assess whether a meter is satisfactory for measuring the quantity or flow of water passing through a pipe supplying water to the unit.</p> <p>Compliance Reporting Manual Reference: 69 <i>October 2017 Compliance Manual:</i> The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the contribution unless regulations 29(3) or 29(4) applies.</p> <p><i>April 2014 Compliance Manual & July 2016 Compliance Manual:</i> If the developer of a lot makes a request to the licensee to defer payment of an infrastructure contribution, the licensee must, subject to regulations 29(3) and 29(4), allow the payment to be deferred.</p> <p>Compliance Reporting Manual Reference: 73 The licensee must provide a person with a plan of the existing drainage plumbing for a building on request and on receipt of payment from the person.</p> <p><i>October 2017 Compliance Manual: NOT USED</i></p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ■ Metering of Multi Unit Properties ID#6710604 ■ Sub metering agreement ID#9750279 ■ Sub metering application form ID#366566 ■ Sub metering for strata properties ID#9745881 ■ Multi-Metering – Takeover Checklist ID#17861632 ■ Infrastructure contributions Deferral for residential subdivisions ID#1322884

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> Infrastructure Contributions – Applications ID#9626871 E Plans and Plumbing Plan (flimsy) requests work instructions ID#9654035
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Business Management, Development Services Senior Advisor – Business Management (Compliance), Development Services
	Audit Procedures Performed:	<p>Regulation 23(2)</p> <p>We confirmed that Building Services is the area responsible for Obligation 65. We reviewed the documentation relating to meters in multi-unit developments and confirmed the relevant processes with relevant personnel.</p> <p>Where the strata body or owner requests that the Corporation takes over their existing sub-meters, the Corporation will direct them to fill out a Sub metering application form. Applications can be submitted manually (i.e. email or by post) or online through BuilderNet.</p> <p>Once an application is submitted, it is entered in the Sub Metering Register and a note is entered in Grange on the associated account with the details of the application.</p> <p>Based on the information provided in the application, the Corporation will assess whether the strata body or owner meets the eligibility requirements. Where the Corporation is not satisfied that the requirements are met, the Corporation may perform an inspection of the property to obtain further information. The <i>Multi-Metering – Takeover Checklist</i> is used to ensure that all requirements are taken into account. The customer will be informed of what needs to be completed in order to meet the Corporation's requirements.</p>

Audit Priority: 5 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>Once the property is deemed to meet the Corporation's requirements, the Corporation and the owner will enter into a sub metering agreement.</p> <p>Where there is a request to supply and install a new meter, the builder or developer is to submit a supply and install a new meter application. Generally, this will be done as part of a Multi Residential or Mix Use / Commercial building application. There is no assessment process required as the meters and the internal plumbing are placed as per the Corporation's requirements.</p> <p>Regulation 29(1) and (2) We confirmed that the Land Servicing area is responsible for Obligation 69. As per the Water Service Regulation 29, the Corporation allows for the deferral of infrastructure contributions in respect of a subdivided lot, unless it is satisfied that the developer has on one or more previous occasions been allowed to defer a payment but did not pay the contribution in full when due, or did not comply with an agreement about the deferral of the contribution.</p> <p>The process for deferring infrastructure contributions is documented in the Infrastructure Contributions – Applications, which we inspected. The process is initiated when a developer applies, in writing, for the deferral. The Corporation will allow the applicant to defer infrastructure contributions if the applicant agrees to entering into an agreement and meets the required eligibility criteria. Once the applicant is approved, a memorial is lodged over the subject land.</p> <p>Regulation 53(3) – 2016 and 2017 only We confirmed that Building Services is responsible for Obligation 73. The Corporation will provide a person with a plan of the existing drainage plumbing for a building on request and receipt of payment of the prescribed fee from the person. We confirmed that this is documented in the E Plans and Plumbing Plan (flimsy) requests work instructions document.</p>

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		If no plan of the existing drainage plumbing is held, the Corporation may still provide (free of charge) a confirmation letter stating that the property is connected to the Corporation sewer, and / or an E-Plan showing the junction(s) where the drainage plumbing for a building connects to the Corporation sewer.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Regulations 2013 Regulations 65 (1) Water Services Regulations 2013 Regulations 65 (2) Water Services Regulations 2013 Regulations 67	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 76, 77, 79 July 2016 Water Compliance Reporting Manual Reference: 76, 77, 79 October 2017 Water Compliance Reporting Manual Reference: 76, 77, 79	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 76 The licensee must maintain records for all land in respect of which water service charges apply.</p> <p>Compliance Reporting Manual Reference: 77 The records for all land in respect of which water service charges apply must contain prescribed information.</p> <p>Compliance Reporting Manual Reference: 79 Except as otherwise provided under the Act, the records maintained by the licensee for a period in relation to land are the basis upon which the licensee must determine the water service charges applicable for the period.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PCY320 Maintain Property Records (PCY320); PCY319 Maintain Customer Records; Call Centre Security Policy Guidelines; and Corporation's website.
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance.
	Audit Procedures Performed:	<p>Regulation 65(1) and 65(2) Customer Billing and Operations Contact Centre are the business areas responsible for maintaining records for all land in respect of which water charges apply. We observed that the Corporation uses GRANGE (Customer Management System) to store and maintain all property and customer information,</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>with access being restricted to staff members in Customer Billing and Operations Contact Centre.</p> <p>As outlined in PCY320, records are maintained in response to advice from the:</p> <ul style="list-style-type: none"> ▪ Customer, builder, approved contractor, Local Government, State Government statutory authorities, internal service files or through a physical inspection of the property. <p>We obtained a screenshot from GRANGE to confirm that the system records the following:</p> <ul style="list-style-type: none"> ▪ Description and situation of the land; ▪ Name and address of the owner of the land; ▪ Account number (if any); ▪ Gross rental value, the unimproved value or the area of the land (if applicable); ▪ Classification of the land; and ▪ Unpaid charges; and ▪ Any other information that the Corporation requires for the determination of a charge in respect of the land.

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Regulation 67</p> <p>As outlined on the Corporation's website, Wastewater / Sewage and Drainage charges for residential customers are calculated based on the rateable value of the property. The rateable value is based on the annual rental value of the property provided by Landgate Property Valuation Services (Western Australian Land Information Authority) and stored in Grange. Water use charges are based on an actual meter reading or through an estimate of the quantity of water used. Water Service charges for residential customers is a fixed charge that is set by the Corporation annually.</p> <p>Wastewater / Sewage charges for commercial customers are based on the number of fixtures in the property, with drainage charges being calculated based on the rateable value of the property. Like residential customers, the rateable value is based on the annual rental value of the property provided by Landgate Property Valuation Services (Western Australian Land Information Authority) and stored in Grange. Water use charges for commercial customers are based on an actual meter reading or through an estimate of the quantity of water used. Water Service charges for commercial customers are based on the size of their meter.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4	Compliance Rating: 1	
Reporting Type: 2	Adequacy of Controls Rating: A	
Obligations Under	Water Services Regulations 2013 Regulations 68(5)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 80 July 2016 Water Compliance Reporting Manual Reference: 80 October 2017 Water Compliance Reporting Manual Reference: 80	
Summary Description of Requirements	The licensee must consider an objection to the records maintained by a licensee under regulation 65 as soon as practicable.	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ■ Objection to State Administrative Tribunal (SAT) ■ S115 Processing External Customer Contacts
	Personnel Interviewed:	<ul style="list-style-type: none"> ■ Team Leader – Rating Services, Customer Billing; and ■ Officer – Rating Services, Customer Billing.
	Audit Procedures Performed:	<p>We observed that the Customer Billing and Assurance Business Unit is responsible for monitoring these obligations, with the Rating Investigation Team being responsible for the day to day operations.</p> <p><i>S115 Processing External Customer Contacts</i> provides:</p> <ul style="list-style-type: none"> ■ <i>Officers responsible for resolving Customer Contacts shall:</i> <ul style="list-style-type: none"> – <i>Provide a meaningful response to the customer within the following timeframe as indicated;</i> – <i>For ENQUIRIES, within 10 working days as indicated in Our Promise to You</i> – <i>For COMPLAINTS, with 15 business days as indicated in clause 35 of the Water Services Code of Conduct (Customer Service Standards) 2013</i> <p>Through discussions with the process owners, we observed that Customers can lodge an objection to</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		a change in property classification via the Contact Centre or the Rating Services inbox. We observed the Corporation considers an objection within 15 days of receiving such a request (in line with the Code of Conduct requirements).
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Regulations 2013 Regulations 68(6) Water Services Regulations 2013 Regulations 68(7)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 81, 82, 83 July 2016 Water Compliance Reporting Manual Reference: 81, 82, 83 October 2017 Water Compliance Reporting Manual Reference: 81, 82, 83	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 81 The licensee must give the person by whom the objection was made written notice of the licensee's decision on the objection together with a brief statement of the licensee's reasons for the decision.</p> <p>Compliance Reporting Manual Reference: 82 If the licensee allows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person who objected of any consequent amendment of the records.</p> <p>Compliance Reporting Manual Reference: 83 If the licensee disallows an objection, wholly or in part, to entries in the records maintained by a licensee under regulation 65, the licensee must advise the person of the time within which and the manner in which a review of the decision may be sought.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ Objection to State Administrative Tribunal (SAT) ▪ Sample documentation.
	Personnel Interviewed:	<ul style="list-style-type: none"> ▪ Team Leader – Rating Services, Customer Billing ▪ Officer – Rating Services, Customer Billing.
	Audit Procedures Performed:	<p>The Customer Billing and Assurance Business Unit is responsible for monitoring these obligations, with the Rating Investigation Team being responsible for the day to day operations.</p> <p>As outlined in the <i>Objection to State Administrative Tribunal</i> procedure, consideration must be given to a customer's objection to entries in records, with an initial investigation being carried out by a Rating Services staff member. Following the completion of</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>the initial review, if the customer's objection is disallowed, a written response is provided to the customer outlining the reasons for the decision along with a statement supporting the reason for the decision.</p> <p>We tested one (1) instance where a customer's objection was disallowed by the Corporation, to check that a written notice including, the reasons for the Corporation's decision, was issued to the concerned customer. Additionally, we checked that the written notice included references to the time and the manner in which a review of the decision must be sought. No issues were identified through these tests.</p> <p>If the customer remains dissatisfied following the initial investigation, the customer can lodge a subsequent objection. The Rating Services Team will then consult and seek advice from Manager, Billing Services or Manager, Policy and Compliance and / or Legal Services. The purpose of the consultation process is to seek confirmation that the legislation was applied correctly in the Corporation's initial investigation. Following the consultation process, a written notice is provided to the customer reiterating the reasons for the Corporation's decision to disallow the customer's objection including, any supporting information compiled during the consultation process.</p> <p>We obtained an example of the notice provided to customers to check that it includes the customer's rights and obligations to have their objection referred to the State Administrative Tribunal (SAT) if dissatisfied with the Corporation's decision.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Regulations 2013 Regulations 75 (1)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 88 July 2016 Water Compliance Reporting Manual Reference: 88 October 2017 Water Compliance Reporting Manual Reference: 88		
Summary Description of Requirements	If a person is liable, under an agreement with the owner of land, for payment of the water service charges in respect of certain land, the person is entitled to receive from the licensee all information necessary for the person to assess his or her liability under the agreement.		
Work Performed	Documents Reviewed:	▪ Water Corporation website	
	Personnel Interviewed:	▪ Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	As outlined on the Call Centre Security Policy, the Managing Agent or Tenant authorised by the owner can request the below information by contacting the Contact Centre, provided the authorisation criteria have been met: ▪ Managing Agent: <ul style="list-style-type: none">– Everything from the date the Agent /Authority was established;– Add a 3rd Party as a “Tenant Bill” to the account; and– Request a payment transfer over the phone. ▪ Tenant: <ul style="list-style-type: none">– Water Usage amounts in KL and \$;– Confirm whether usage amounts are paid or not;– Copies of accounts issued in their name;– Update tenant details;– Request a Tenant Bill Payment Arrangement;	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		<ul style="list-style-type: none">– Set up a Tenant Bill Direct Debit; and– Tenant concession applications. <p>Additionally, as outlined on the Corporation’s website, the Corporation will issue accounts to either the Managing Agent or Tenant at the Owner’s request. If an account sent to anyone other than the Owner is unpaid after the due date, recovery action will be taken against the Owner.</p> <p>We observed that the property owner will remain responsible for all service and water use charges. Additionally, the Corporation’s website details that any arrangements between an Owner and the Tenant regarding payment of charges is a private matter between those parties.</p>	
	Key Findings:	No issues identified.	
	Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 7		
Licence Condition	OL13: Clauses 5.3 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 92 July 2016 Water Compliance Reporting Manual Reference: 92 October 2017 Water Compliance Reporting Manual Reference: 92		
Summary Description of Requirements	The licensee must have written information for customers about the specified matters.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Corporation’s website: “Standard terms and conditions” https://www.watercorporation.com.au/legal/standard-terms-and-conditionsWater Corporation’s website: “Construction conditions” https://www.watercorporation.com.au/legal/construction-conditionsWater Corporation’s website: “Service agreement” https://www.watercorporation.com.au/about-us/our-commitments/customer-service-commitments/services-provided-by-agreementS380 Water Services By Agreement ID#9348540Water Supply Fire Service Agreement ID#9808890Non-Standard Wastewater Service Agreement ID#2361420Water Corporation’s website: “Building” https://www.watercorporation.com.au/home/builders-and-developers/buildingWater Corporation’s website: “Fees & charges [for Building]” https://www.watercorporation.com.au/home/b	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p><u>uilders-and-developers/building/fees-and-charges?pid=bd-b-np-fc</u></p> <ul style="list-style-type: none"> Water Corporation's website "Applying for services" https://www.watercorporation.com.au/home/builders-and-developers/applying-for-services Water Corporation's website "Water supply service fees" https://www.watercorporation.com.au/home/builders-and-developers/building/fees-and-charges/water-supply-service-fees Water Corporation's website: "Fees & charges [for subdivided properties]" https://www.watercorporation.com.au/home/builders-and-developers/subdividing/fees-and-charges
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Business Management, Development Services Senior Advisor – Business Management (Compliance), Development Services
	Audit Procedures Performed:	<p>We checked the Corporation's website and documentation to confirm that it refers to the relevant information.</p> <p>Clause 7(2)(a)</p> <p>The "Standard terms and conditions" webpage contains information on customers' entitlements under section 73 of the Act for water supply, wastewater and drainage services. It also includes a link to the standard terms and conditions that apply to water services.</p> <p>The "Construction conditions" webpage refers to the conditions that apply to construction activities that are undertaken within the prescribed proximity to water service works. A link to these conditions is included on the webpage.</p> <p>Additionally, we confirmed that the Water Supply Application and Sewer Junction Application forms</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>contain terms and conditions or refer to the relevant terms and conditions.</p> <p>We confirmed that the water service charges are referred to in the Land Servicing Fees and Charges, Building Services Fees and Charges and Standard Infrastructure Contributions Fact Sheets.</p> <p>Clause 7(2)(b) We confirmed that the Corporation provides water services authorised by the Licence to persons entitled to the services under the Act, and to persons not entitled to the services under the Act but within the operating areas of the Licence specified for the service. We also confirmed that written information is available regarding the Corporation's responsibility to provide, operate and maintain the water service works.</p> <p>The "Applying for services webpage" contains information on the services that the Corporation provides and how to apply for these services.</p> <p>Where services are not covered by the Licence's term and standard terms and conditions, the Corporation may offer the services under a Service Provided by Agreement. This information is available on the Corporation's website on the "Service agreement" webpage.</p> <p>Clause 7(2)(c) This clause requires that the Corporation have information relating to the regulations that prescribe requirements for the purpose of section 21(2)(c) or (3)(c) of the Act, which state that the Corporation may refuse to provide, or suspend water services under the prescribed circumstances.</p> <p>We noted that Section 95 (3) of the Act states: "Despite any other provision of this Act, a licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that."</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>To comply with Section 95 (3), the Corporation has therefore not referred to the information in section 21(2)(c) and (3)(c) in its standard terms and conditions. The standard terms and conditions do specify that the “Water Corporation may require the service to be disconnected, if in its opinion, its assets are at risk of damage or misuse.” We noted that this statement relates to unoccupied dwellings.</p> <p>The Corporation did refer to the information in its non-standard wastewater service agreement (C11), its water supply fire service agreement (C12) and the Water Service by Agreement (4.1.2).</p> <p>Clause 7(2)(d) and (e) We confirmed that the website has information on how to apply for a connection for multi and non-multi residential, non-residential or mixed-use properties. Building applications can be lodged online through BuilderNet, an online self-service system.</p> <p>Clause 7(2)(f) We also confirmed that the information on the fees that apply in relation to connections and when they are payable is available on the Corporation website on the “Water supply service fees” webpage.</p> <p>Clause 7(2)(g) The Standard Terms and Conditions available on the website state that upon payment, a standard 20mm potable water supply service connection will be provided within ten working days.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	<p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 9</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(2)</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(3)</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(4)</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 10(5)</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 11</p>
Licence Condition	<p>OL13: Clause 5.1</p> <p>OL14: Clause 3.1.1</p> <p>OL15: Clause 3.1.1</p>
Water Compliance Reporting Manual Reference	<p>April 2014 Water Compliance Reporting Manual Reference: 94, 95, 96, 97, 98, 99</p> <p>July 2016 Water Compliance Reporting Manual Reference: 94, 95, 96, 97, 98, 99</p> <p>October 2017 Water Compliance Reporting Manual Reference: 94, 95, 96, 97, 98, 99</p>
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 94 The licensee must issue a bill for non–quantity charges to each customer at least once in every 12–month period.</p> <p>Compliance Reporting Manual Reference: 95 The licensee must issue a bill for usage to each customer at least once in every 6–month period.</p> <p>Compliance Reporting Manual Reference: 96 The licensee must ensure a bill for usage is based on a meter reading to ascertain the quantity supplied or discharged.</p> <p>Compliance Reporting Manual Reference: 97 If an accurate meter reading is not possible, a bill for usage must be based on an estimate (in accordance with the prescribed regulations) of the quantity of water supplied or waste water discharged</p> <p>Compliance Reporting Manual Reference: 98 If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Work Performed	Compliance Reporting Manual Reference: 99 The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	
	Documents Reviewed:	<ul style="list-style-type: none"> PCY321 Bill Customer; S300 Billing; S308 Estimating and Projecting Water Use;
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed:	<p>Clause 9 and 10(2) Customer Billing and Assurance is responsible for billing activities with GRANGE being the primary billing system. The Corporation's Billing processes are outlined in the following documents:</p> <ul style="list-style-type: none"> PCY321 Bill Customer; S300 Billing; and S308 Estimating and Projecting Water Use. <p>Through discussions and review of the Corporation's website, we confirmed that the Corporation bills customers for service charges (i.e. non-quantity) and water use charges (i.e. bill for usage) every two (2) months. As outlined in <i>PCY321 Bill Customer</i>, Customers may elect to have service charges (non-quantity) billed annually.</p> <p>Clause 10(3) – 10(5) As outlined on the Corporation's website, service charges (i.e. non-quantity) are calculated based on the number of days in the billing period while, water use charges (i.e. bill for usage) are calculated based on the actual meter reading (from the date of the customer's last meter reading to the current meter reading). If applicable, water use information may be obtained from an alternative service provider (Busselton and Bunbury), for Volumetric Sewer Charges.</p>

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>Where an actual meter reading is not possible (i.e. out of order meters, access obstructions, etc.), an estimate or a projected read is used to calculate water use charges. A projected read is used where the Corporation is unable to obtain a meter reading due to obstructions. <i>S308 Estimating and Projecting Water Use</i> provides further details on different types of obstructions (i.e. pets, gate, missing meter, etc.). An estimate is used when a meter is found to be out of order or not registering and is calculated using the same algorithm as a projected read.</p> <p>As outlined in <i>S308 Estimating and Projecting Water Use</i>, the Corporation may project the current meter reading by reference to the daily average of the quantity of water supplied during a similar period, the last completed cycle or on another basis the Corporation determines. Methods for calculating a projection / estimate may include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ A previous period of water use – based on the actual water use recorded during a similar period in the previous year or years where applicable (e.g. the first previous similar period had a leak so the second previous year is used instead); or ▪ Reasonable water use based on similar situations – where a relevant previous period is not available, a similar situation may be used (e.g. the average known usage for construction of new houses). <p>The Corporation may estimate the quantity of water by reference to the daily average of the quantity of water supplied during a similar period in the previous year, the last completed cycle, other relevant period or on another basis the Corporation determines. Methods for calculating the estimate may include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ A period of current water use – Where the meter is reported as no longer recording accurately, and the meter reading supplied is similar to the

Audit Priority: 4 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>expected water use, the actual meter reading may be applied in preference to the estimate.</p> <ul style="list-style-type: none"> ▪ A period of future water use – The estimate can be calculated using a future period if there is no satisfactory water use history of recorded water use to base the estimate (e.g. reading to be taken 3 – 4 weeks after new meter is fitted); ▪ A previous period of water use – based on the actual water use recorded during a similar period; or ▪ Customer documentation – An estimate supplied by the customer may be accepted when it can be established that the information supplied is a fair and reasonable basis for an estimate. <p>We confirmed that the above methods of calculations are in line with Clause 10(4) and 10(5) and that none of the estimations performed during the audit period, had to be agreed with a customer.</p> <p>Clause 11</p> <p>Through discussions and review of the Corporation's website, we confirmed that the Corporation issues bills to the owner of the property or a nominated third party (i.e. property agent / tenant) at their last notified postal or email address. Additionally, customers and their nominated third party are also able to view receive and view their bills electronically through the <u>My Water</u> system.</p> <p>Customers can update their account details or add a third party by completing a Change of details form or by contacting the Contact Centre on 13 13 85.</p> <p>We confirmed that there is process in place to investigate and resend bills returned to the Corporation.</p>
	<p>Key Findings:</p> <p>No issues identified.</p>
Recommendations	Not applicable

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 101 July 2016 Water Compliance Reporting Manual Reference: 101 October 2017 Water Compliance Reporting Manual Reference: 101		
Summary Description of Requirements	Compliance Reporting Manual Reference: 101 Each bill for usage for a metered water service must, in addition to the requirements of clause 12(1), contain the specified information. [Does not come into operation until 18 November 2015]		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Use and Service Charge Account (Customer Bills) – ID#0113, #0102 and #0104	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	Clause 12(2) We obtained examples of bills from the past three financial years and confirmed that they contained the following information: <ul style="list-style-type: none">Whether a bill was based on a meter reading or on an estimate;The billing period and the number of days to which the bill applies,The two most recent dates on which the quantity of water supplied or the quantity of waste water discharged was ascertained;If the bill was based on a meter reading, the total quantity of water supplied or the quantity of waste water discharged;If the bill was based on an estimate, the total quantity of water supplied or waste water discharged based on the estimate; andInformation about the customer’s water usage compared with the customer’s previous usage.	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>We also confirmed that the bills informed the customer of the following and where further details could be obtained:</p> <ul style="list-style-type: none">▪ That the customer may request a meter reading and bill to determine outstanding charges for a period that is not the same as the usual billing cycle;▪ That the customer may request the testing of a meter and if the customer so requests, information about the fees that apply and when the fees may be reimbursed;▪ That the bill can be reviewed in accordance with the licensee’s review procedure; and▪ That complaints about the provision of a water service by the licensee or a failure by the licensee to provide a water service can be made in accordance with the licensee’s complaints procedure.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 13(1) and (2)		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 103, 104 July 2016 Water Compliance Reporting Manual Reference: 103, 104 October 2017 Water Compliance Reporting Manual Reference: 103, 104		
Summary Description of Requirements	April 2014 Water Compliance Reporting Manual Reference: 103 If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate. July 2016 Water Compliance Reporting Manual Reference: 104 The licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Retrospective Adjustment of Service Charges ID#333972;Estimating and Projecting Water Use ID#333973;Advices of Adjustment – examples; andNotes in Grange detailing customer requests to re–assess estimates and the information that was provided to support their claim – examples.	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	We confirmed that the Water Use Investigations Team (part of Customer Billing Services) is responsible for Obligation 103 and 104. Clause 13(1) We confirmed through our discussions with the relevant personnel that, on request, the Corporation will inform the customer of the reason for the estimate, and the basis of the estimate.	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		Clause 13(2) The Corporation considers all customer enquiries on disputed estimates. We walked through examples of disputed estimates and confirmed that the Corporation made the necessary adjustments to the next bills. We also reviewed the Estimating and Projecting Water Use standard, which provides guidance on disputed estimates. The customer is required to provide information to support their claim to reassess the estimate. This may include supplying their own meter reading. This information is stored in Grange. The Corporation assesses the customer's claim and, if the Corporation deems that the customer's claim is valid, issue an Advice of Adjustment that lists the customer's adjusted charges.	
	Key Findings:	No issues identified.	
	Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 14(1)		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 105 July 2016 Water Compliance Reporting Manual Reference: 105 October 2017 Water Compliance Reporting Manual Reference: 105		
Summary Description of Requirements	The licensee must provide to the customer on request a meter reading and a bill in the prescribed circumstances.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Processing Special Meter Reading Requests ID#11006672Water Corporation’s website: “Apply for a meter reading” https://www.watercorporation.com.au/home/business/property-and-settlement-agents/apply-for-a-meter-reading	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	<p>Clause 14(1) The Concessions and Conveyancing Services Team (part of Customer Billing Services) is responsible for Obligation 105.</p> <p>Through enquiries, we observed that the Corporation provides customers special meter readings on request. We also reviewed the Processing Special Meter Reading Request work instructions.</p> <p>The Conveyancing Team is responsible for processing special meter reading requests.</p> <p>Property managers can log in to the Online Special Meter Request (SMR) facility and complete the online form to request a Special Meter Reading.</p> <p>Owner, tenants and property managers may call the Corporation to request a reading. The Contact</p>	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		Centre will then enter the reading in to the Special Meter Reading (SMR) E-Form. The Conveyance Team will compare the details provided in the E-Form with the Grange account details and mark off the E-Form as completed. At the end of the day, a SMR file is generated and uploaded to Grange. Normal and urgent reads will be usually read within five and two business days respectively. Once the reading is taken, a Special Meter Reading Certificate is issued to the customer. Customers may also request a 'Specific' date meter read.	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 15		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 106 July 2016 Water Compliance Reporting Manual Reference: 106 October 2017 Water Compliance Reporting Manual Reference: 106		
Summary Description of Requirements	The licensee must have a publicly available written policy, standard or set of guidelines in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Leak Allowance Policy on the Water Corporation website https://www.watercorporation.com.au/-/media/files/residential/faults/leak-allowance-information.pdfLeak Allowance Application Form on the Water Corporation website https://www.watercorporation.com.au/-/media/files/residential/faults/leak-allowance-form.pdf	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	Clause 15 The Water Use Investigations Team (part of Customer Billing Services) is responsible for Obligation 106. We visited the Corporation’s website and verified that the required information is publicly available. The website states that water charges may be reduced if the customer has undetectable leaks repaired by a licensed plumber. To apply for the allowance, the customer must meet a number of conditions, which are outlined in the Leak Allowance Policy and the Leak Allowance Application Form (available on the website). We confirmed with the relevant personnel that customers are also able to access the information by	

Audit Priority: 4	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
	calling the Corporation and requesting that the information be posted to their address.
	Key Findings: No issues identified.
Recommendations	Not applicable

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18	
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 113, 114, 115, 116, 117 July 2016 Water Compliance Reporting Manual Reference: 113, 114, 115, 116, 117 October 2017 Water Compliance Reporting Manual Reference: 113, 114, 115, 116, 117	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 113 The licensee must review a bill on the customer's request.</p> <p>Compliance Reporting Manual Reference: 114 The license must have a written procedure for the review of a bill on the customer's request.</p> <p>Compliance Reporting Manual Reference: 115 The review procedure in clause 18(2) must include the specified information and be publicly available.</p> <p>Compliance Reporting Manual Reference: 116 The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 35 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review or, the decision under regulations mentioned in section 222(2)(k) of the Act</p> <p>Compliance Reporting Manual Reference: 117 The licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 15 business days from the day the customer's request for review was received.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Review Bill and Processing ID#10776336 Water Corporation's website: "Customer and Service Commitments" https://www.watercorporation.com.au/about-us/our-commitments/customer-service-commitments?pid=res-au-oc-np-scs

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed:	<p>Clause 18 Customer Assurance & Billing is responsible for Obligations 113 to 117.</p> <p>We confirmed through discussions with relevant personnel that the Corporation reviews customer bills on their request and that the Corporation informs the customer of the outcome of a review within a period of fifteen days.</p> <p>We visited the Corporation's website and verified that the required information regarding the review of water use charges is publicly available. We confirmed that the following information is available:</p> <ul style="list-style-type: none"> Requesting meter readings or testing, the fees that apply and the reimbursement of those fees; What happens when it is found that the customer has been undercharged or overcharged; and What the customer can do if unsatisfied with the outcome of the review, including the option to complain through the Corporation's internal complaints process, or through the Energy and Water Service Ombudsman. <p>Through enquiries, we identified that customers are also able to access the information by calling the Corporation and requesting that the information be posted to their address.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 5		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 20, 21(1) and (2), 22, 23(1) and 24	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 118, 119, 120, 121, 122, 123 July 2016 Water Compliance Reporting Manual Reference: 118, 119, 120, 121, 122, 123 October 2017 Water Compliance Reporting Manual Reference: 118, 119, 120, 121, 122, 123	
Description Summary of Requirements	<p>Compliance Reporting Manual Reference: 118 The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.</p> <p>Compliance Reporting Manual Reference: 119 The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.</p> <p>Compliance Reporting Manual Reference: 120 The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.</p> <p>Compliance Reporting Manual Reference: 121 Before receiving a bill payment by direct debit, the licensee must obtain the express consent, either orally or in writing, of the holder of the account to be debited and of the customer or an adult person nominated by the customer, to do so.</p> <p>Compliance Reporting Manual Reference: 122 The licensee must accept payment in advance from a customer on a customer's request.</p> <p>Compliance Reporting Manual Reference: 123 The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.</p>	

Audit Priority: 4 Reporting Type: 5		Compliance Rating: 1 Adequacy of Controls Rating: A	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Water Use and Service Charge Account (Customer Bills) – ID#0113, #0102 and #0104 Water Corporation’s website: “Set up direct debit” https://www.watercorporation.com.au/my-account/i-want-to/set-up-direct-debit Direct debit request service agreement on the Water Corporation website https://www.watercorporation.com.au/-/media/files/residential/my-account/direct-debit-service-agreement.pdf S325 Customer Payments ID#2025044 PCY321 Bill Customer ID#333965 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	<p>Clause 20 Customer Assurance & Billing is responsible for Obligation 118. We obtained examples of bills from the past three financial years and confirmed that each had a payment date that was at least fourteen days from the date of issue.</p> <p>Clause 21 – 23(1) The Payments and Sundry Billing Team (part of Customer Billing Services) is responsible for Obligations 119 to 122.</p> <p>Clause 21(1) and (2) We obtained examples of bills from the past three financial years and confirmed that each indicated that the following methods of payment were available:</p> <ul style="list-style-type: none"> Direct debit Centrepay Internet Telephone Post 	

Audit Priority: 4 Reporting Type: 5		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Potential fees and charges were referred to where applicable.</p> <p>Clause 22 We noted that customers are able to set up direct debit through the Corporation website or by registering and logging in to their online water account (My Water). Alternatively, they can also fill out a Direct Debit Request application and send it by email or mail, or they can call the Corporation. To set up direct debit, the customer is required to declare that they agree to the Direct Debit Service Agreement.</p> <p>By requiring customers to set up direct debit on the website, via their online account or by filling out the application, the Corporation obtains their written consent. Oral consent is obtained when customers request direct debit to be set up via phone.</p> <p>Clause 23(1) We observed that the Corporation accepts payments in advance from customers.</p> <p>Clause 24 The Contact Centre is responsible for Obligation 123. We confirmed that customers are able to redirect their bills to another person at no charge. They may do this by updating their details on the Corporation website or by calling the Corporation.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 25		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference:124 July 2016 Water Compliance Reporting Manual Reference 124 October 2017 Water Compliance Reporting Manual Reference:124		
Summary Description of Requirements	The licensee must allow a customer to pay a bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or to pay arrears if the customer is assessed by the licensee as experiencing payment difficulties.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Payment Arrangements and Contact Centre CXC GuidelinesS391 Payment Difficulties and Debt Recovery AuthorisationsEstablishing Payment Arrangements	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	<p>Through discussions, we observed that customers experiencing payment difficulties can either email the Corporation asking for assistance or access the Corporations website under the option “<i>Need help with your bill?</i>” to ascertain the different payments options available. Under this section of the Corporation’s website, customers can choose between the following options:</p> <ul style="list-style-type: none">Due date extensions;Flexible payment arrangements; andAutomatic payment options i.e. Direct Debit, Centrepay, Time Assist and Hardship Utility Grant Scheme. <p>Customers can also phone the Corporation asking for assistance. The Contact Centre employees will provide customers with the same options mentioned above. Contact Centre employees are guided by the</p>	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Corporation’s internal “<i>Payment Arrangements and Contact Centre CXC Guidelines</i>”, which provides information on the different types of payment arrangements that are available, guidelines, minimum amounts and what they can do when a property is for sale.</p> <p>Customers are also informed about payment arrangements through their account statements (bills), which states, “<i>Need more time to pay? Visit watercorporation.com.au/financial assistance or call 1300 659 752.</i></p> <p>We reviewed a sample of accounts with payment arrangements and noted that customers are provided extension to pay their bills as required by <i>Clause 25 of the Water Services Code of Conduct (Customer Service Standards) 2013.</i></p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under		Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26 (1)(2)(3)(4)(6)	
Licence Condition		OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 125, 126, 127, 129 July 2016 Water Compliance Reporting Manual Reference: 125, 126, 127, 129 October 2017 Water Compliance Reporting Manual Reference: 125, 126, 127, 129	
Summary Description of Requirements		<p>Compliance Reporting Manual Reference: 125 The licensee must have a written policy in relation to financial hardship that is approved by the ERA.</p> <p>Compliance Reporting Manual Reference: 126 If the licensee's licence was in place before the commencement of the Act, the licensee must have a financial hardship policy before the end of the 6 month period starting on the day on which section 27 of the Act comes into effect.</p> <p>Compliance Reporting Manual Reference: 127 If the licensee's licence was granted after the day on which the Act came into effect, the licensee must have a financial hardship policy within 6 months of the day of the grant of the license.</p> <p>Compliance Reporting Manual Reference: 129 The licensee must review its financial hardship policy at least once in every 5–year period and, as part of the review process, consult with relevant consumer organisations</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PCY 304 Financial Hardship Policy; and Decision to approve Water Corporation's amended financial hardship policy dated 20 May 2015. 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	Through discussions and review of the Corporation's Financial Hardship Policy, we identified the following:	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>Clause 26 (1)(2) The Corporation has a documented Financial Hardship Policy, policy number PCY 304. The policy was approved by the ERA on 16 May 2014 and, as this policy did not include “tenants”, the policy was amended and again approved by the ERA on 20 May 2015, which included “tenants”. The Corporation’s Contact Centre Manager is responsible for the strategic direction, operation and management of the policy and associated programs, including monitoring the effectiveness of the policy.</p> <p>Clause 26 (3) The Corporation’s Licence, Version 13, was granted on 13 February 2014. The Corporation’s Financial Hardship Policy was first approved by the ERA on 16 May 2014, which is within six months after the Licence was granted, as required by this clause.</p> <p>Clause 26 (4) As Clause 26 (3) is applicable to the Corporation, Clause 26 (4) is not applicable to the Corporation.</p> <p>Clause 26 (6) The Corporation’s Financial Hardship Policy was approved on 20 May 2015 and to be reviewed in May 2020 as required by this clause. We reviewed the Corporation’s <i>Financial Hardship Policy PCY304 – Process for Review and Updating</i> work instruction, which outlined that the Corporation intends to review the Financial Hardship Policy every two years. We noted that the policy is currently under review (August 2018).</p>
	Key Findings:	No issues identified.
	Recommendations	Not applicable

Audit Priority: 2	Compliance Rating: 1	
Reporting Type: 2	Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 27 (2)(3) and 28 (1)(4)(5)	
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 130, 131, 132, 133 July 2016 Water Compliance Reporting Manual Reference: 130, 131 132, 133 October 2017 Water Compliance Reporting Manual Reference: 130, 131 132, 133	
Summary Description Requirements	<p>Compliance Reporting Manual Reference: 130 The licensee must allow a customer experiencing financial hardship to pay a bill under an interest-free or fee-free payment plan other arrangement under which the customer is given more time to pay the bill or to pay arrears.</p> <p>Compliance Reporting Manual Reference: 131 The licensee must also consider reducing the amount owed, review and revise, if appropriate, how a customer is paying a bill under clause 27(2) and provide the specified written information to a customer.</p> <p>Compliance Reporting Manual Reference: 132 Before the licensee enters into a payment plan or other similar arrangement with a customer who is not the owner of the land in respect of which the water service is provided, the licensee must ensure that the owner is aware of the proposed plan or arrangement.</p> <p>Compliance Reporting Manual Reference: 133 The licensee must have publicly available written information regarding the payment plans, arrangements and other assistance that is available to customers.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ PCY 304 Financial Hardship Policy ▪ S391 Payment Difficulties and Debt Recovery Authorisations ▪ The Corporation's website – "Need help with your bill" ▪ Water Assist Program ▪ Hardship Utility Grant Scheme ▪ Tenant Bill Payment Arrangements

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed:	<p>Through discussions and a review of policies, procedures and water bills, we noted that the Corporation allows for the following:</p> <ul style="list-style-type: none"> Reducing the amount owed by the customer through the “Water Assist” program; Auto renegotiation process is used to review and revise how a customer is paying a bill; Written information to a customer is available on the Corporation’s website under “Need help with your bill”, “Concessions”, “Time Assist”, “Water Assist”, “Hardship Utility Grant Scheme”, “Other Options”; and Owners are also informed through the “<i>Tenant Bill Payment Arrangements</i>” process. <p>We reviewed a sample of accounts where the customers were identified as being under financial hardship and noted that:</p> <ul style="list-style-type: none"> The customers were assessed appropriately as experiencing financial hardship; Customers can pay a bill interest free and fee-free or other arrangement under which the customer is given more time to pay the bill or pay the arrears; and The Corporation assists customers through the Water Assist program, which is a regular and interest free payment where the Corporation matches any payments made by the customer. <p>We also reviewed a sample of accounts where the customer identified as being under financial hardship is not the owner of the land but a tenant, and noted the following:</p> <ul style="list-style-type: none"> Owners of the land are informed by the Corporation about the proposed plan or arrangement with the tenant;

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> The Corporation has written information on their website about the payment plans, arrangements and other assistance that it has available to customers for the purpose of experiencing financial difficulties and financial hardship.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 29		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 134 July 2016 Water Compliance Reporting Manual Reference: 134 October 2017 Water Compliance Reporting Manual Reference: 134		
Summary Description of Requirements	The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Recovery of Property Debt Legal ActionRecovery of property debt – restrictionsS391 Payment Difficulties and Debt Recovery Authorisations	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	<p>Through enquiries, we observed the Corporation does not commence or continue with proceedings to recover debt from a customer who is complying with a payment plan, is under assessment for experiencing payment difficulties or financial hardship, or any other arrangement.</p> <p>A “recovery action” is recorded against each account, with the action updated as bills are issued, accounts are paid, customers enter into arrangements or as the account proceeds through each stage of the recovery cycle.</p> <p>Senior Credit Management Officers reviews a "Recovery Action List" and exclude properties where the customer has been identified as a customer with financial hardship and Grange automatically excludes customers in a payment plan or other arrangement when issuing debt recovery notices.</p>	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>The Corporation is also guided by the “Recovery of Property Debt Legal Action” work instruction, which states, inter alia, that:</p> <p>Section 1.2.1</p> <ul style="list-style-type: none">▪ <i>“Review the circumstances surrounding the charges to ensure the Corporation has the ability to prove the claim.</i>▪ <i>Check if customer has been identified as ‘Financial Hardship’ and consider alternative action including referral to a financial counsellor.”</i> <p>We reviewed a list of all accounts (541,369) with a recovery status from “reminder notice” to “restricted” and compared a sample of account numbers to determine if the Corporation commenced or continued with proceedings to recover debt from a customer who is complying with a payment plan, is under assessment for experiencing payment difficulties or financial hardship, or any other arrangement.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 30 (1)(2), 31, 32		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 135, 136, 137, 138 July 2016 Water Compliance Reporting Manual Reference: 135, 136, 137, 138 October 2017 Water Compliance Reporting Manual Reference: 135, 136, 137, 138		
Summary Description of Requirements	Compliance Reporting Reference: 135 If the licensee has reduced the rate of flow of drinking water to land under section 95(1)(b) of the Act, the licensee must restore the supply of water if the amount owing is paid, or if the customer enters into a payment arrangement for the amount owing that is satisfactory to the licensee.		
	Compliance Reporting Reference: 136 If the licensee has, under section 95(1)(a), (c), (d) or (e) of the Act, cut off or reduced the flow of water, the licensee must restore the supply of water if the licensee is satisfied that the reason for the disconnection or reduction no longer applies.		
	Compliance Reporting Reference: 137 The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of drinking water to a customer without having first used its best endeavours to inform the customer in person of its intention to do so if the amount owing is not paid.		
	Compliance Reporting Reference: 138 The licensee must not start a water supply restriction if the specified circumstances apply.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Recovery of Property Debt RestrictionsSample of accounts on Grange	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	Through discussions and review of the <i>Recovery of Property Debt Restrictions</i> , the Corporation cannot restrict the water flow to a property if: <ul style="list-style-type: none">The occupier is not the owner;	

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<ul style="list-style-type: none"> ■ Against customers that are identified as being in financial hardship unless they refuse to engage with the Corporation; and ■ A complaint made by the customer in relation to water service charges is not resolved. <p>The Corporation's Credit Management must, prior to restrict the water flow, and once an account becomes overdue, issue the following notices, generated in Grange:</p> <ul style="list-style-type: none"> ■ Reachtel SMS sent 7 days after the due date; ■ Reminder Notice, Reachtel SMS/Email issued 14 days after the due date; ■ Intention to Restrict (ITR) Notice issued 24 days after the due date; and ■ Electronic Contact Intention to Restrict issued 7 days after the due date. <p>Thereafter the "Restriction Action List" in Grange must be updated to:</p> <ul style="list-style-type: none"> ■ Commercial properties – a briefing note must be submitted seeking approval for the action and after approval the Local Council Environmental Health Officer must be notified; ■ Country Regions – Senior Consultant creates SAP work orders via Grange 'Leave Restriction Card' and Depot staff to schedule the work orders; and ■ Metropolitan Regions – The Field Services Coordinator will access the 'Recovery Action List' and progress property accounts "Approved Restrict Field Services" to "Leave Restriction Card" to suit their daily scheduling requirements. <p>Prior to any restriction action taking place a Field Services Officer (metropolitan properties) will visit the property and deliver a card advising of the pending action.</p>

Audit Priority: 2 Reporting Type: 2	Compliance Rating: 1 Adequacy of Controls Rating: A
	<p>The Corporation will not restrict the water supply if: The customer is experiencing payment difficulties;</p> <ul style="list-style-type: none"> ▪ The customer is being assessed under the licensee's financial hardship policy as a customer who is experiencing financial hardship; ▪ After 3 p.m. on a Friday, Saturday, Sunday, public holiday or day before a public holiday; ▪ The customer requires water to operate a life support machine or requiring water for a special need; and ▪ The outstanding amount is below a specific threshold. <p>The Corporation must restore the flow of water if the account has been paid, the customer enters into an arrangement satisfactory to the Corporation and/or if satisfied that the reason for the disconnection or reduction no longer applies.</p>
	<p>Key Findings:</p> <p>No issues identified.</p>
Recommendations	Not applicable

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 34 (2) (3) (5)		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 140, 141, 143 July 2016 Water Compliance Reporting Manual Reference: 140, 141, 143 October 2017 Water Compliance Reporting Manual Reference: 140, 141, 143		
Summary Description of Requirements	Water Compliance Reporting Manual Reference: 140 The Water Corporation must restore a water supply to land in the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.		
	Water Compliance Reporting Manual Reference: 141 The Water Corporation must restore a water supply to land outside the metropolitan region within the specified timeframe, unless the licensee and customer expressly agree otherwise.		
	Water Compliance Reporting Manual Reference: 143 The Water Corporation must ensure that there is a 90% compliance rate with clauses 34(2) and 34(3) in any 12–month period ending on 30 June.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Field Support – Credit Management ActionsWork Instruction for Manual Data Entry (MDE) for BPR Flow Restoration reported data Input	
	Personnel Interviewed:	<ul style="list-style-type: none">Compliance Manager – Operations Performance	
	Audit Procedures Performed:	Clause 34 (2) (3) Through discussions and a review of the <i>Field Support – Credit Management Actions</i> we noted that the Corporation will carry out restoration to supply services by following these guidelines: Metro <ul style="list-style-type: none">If the restoration event occurs before 4:30pm on a business day, restoration of the supply will be within 3 hours;	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> ■ If the restoration event occurs at any other time, restoration of the supply will be by the next business day; and ■ Unless the Water Corporation and customer expressly agree otherwise. <p>Regional</p> <ul style="list-style-type: none"> ■ If the restoration event occurs before 3:00pm on a business day, restoration of the supply will be within the next 2 business days; and ■ If the restoration event occurs at any other time, restoration of the supply will be within the next 3 business days. <p>Records are saved in SAP under individual work order number for each property – work orders are saved in Grange in the event history folders.</p> <p>Clause 34 (5) Through discussions and a review of the <i>Work Instruction for Manual Data Entry (MDE) for BPR Flow Restoration reported data Input</i> we noted that the Corporation measure the performance of this obligation by performing Business Performance Reporting (BPR) from data sourced from SAP and Grange. KPI rules were recorded on the Cascade portal, which is used to extract the information and calculate the performance percentage. The output report data is exported as MS Excel spreadsheet format.</p> <p>Performance against this requirement is measured monthly in the Corporate Business Performance Report.</p> <p>We obtained and reviewed the Corporate Business Performance Reports (MS Excel spreadsheet format) for the audit period and confirmed that the Corporation had a performance rate of more than 90% in any 12-month period ending on 30 June.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 3		Compliance Rating: 1
Reporting Type: 2		Adequacy of Controls Rating: A
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 35 (1)(2)(3)(4)(6)	
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual	April 2014 Water Compliance Reporting Manual Reference: 145, 146, 147, 148, 149 July 2016 Water Compliance Reporting Manual Reference: 145, 146, 147, 148, 149 October 2017 Water Compliance Reporting Manual Reference: 145, 146, 147, 148, 149	
Summary Description of Requirements	<p>Water Compliance Reporting Manual Reference: 145 The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.</p> <p>Water Compliance Reporting Manual Reference: 146 The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of the AS ISO 10002–2006 and the ERA's guidelines (if any).</p> <p>Water Compliance Reporting Manual Reference: 147 The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.</p> <p>Water Compliance Reporting Manual Reference: 148 The licensee's complaints procedure must inform the customer that they do not have to use the licensee's complaints procedure, provide details of procedures under the Act, and set out the costs and benefits to the customer if the use the complaint resolution procedure or instead of the procedures under the Act.</p> <p>Water Compliance Reporting Manual Reference: 149 The licensee's complaints procedure must be publicly available.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> PCY 225: Customer Complaints dated 4 December 2013; PCY 225: Customer Complaints dated 12 June 2018; and

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<ul style="list-style-type: none"> Water Corporation's website – Customer and Service Commitments.
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance
	Audit Procedures Performed:	<p>Through discussions, we identified that the Corporation has a written complaints policy in place, the <i>PCY 225: Customer Complaints</i>, which was drafted based on the standards of ISO 10002 – 2006 and the ERA's guidelines.</p> <p>On the Corporation's website, complaints procedures are listed under <i>Customer and service commitments, Resolving Complaints – Complaints and resolution procedure</i>.</p> <p>We reviewed the Corporation's website and noted that:</p> <ul style="list-style-type: none"> The Corporation promises customers a quick and effective resolution free of charge; Complaints will be handled in accordance with the Australian Standard and the Water Services Code of Conduct; Complaints will be investigated objectively, equitably and in an unbiased manner; Complaints will be investigated and resolved within 15 business days of reporting it; and Customers can direct their complaints to an external body, the Energy and Water Ombudsman, before reporting it to the Corporation. <p>The process is further explained under the heading "<i>Feedback and complaints</i>" on the Corporation's website.</p> <p>Customers can lodge their complaints by:</p> <ul style="list-style-type: none"> Phoning the Corporation on phone numbers provided on their website; Using the online complaints form;

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		<ul style="list-style-type: none">▪ Writing to the Corporation; and▪ “Chat with us”. <p>The Corporation also provides speech or hearing assistance and an interpreter service. Feedback on complaints will be provided to customers by phone, email or in writing.</p> <p>We noted that the ISO 10002 – 2006 has been superseded by the AS/NZS 10002:2014, which was published on 29 October 2014 and that the Water Services Code of Conduct (Customer Service Standards) 2018 has been updated to reflect the new standard.</p> <p>The Corporation’s policy, PCY 225: Customer Complaints still reflects the old standard.</p>	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under		Water Services Code of Conduct (Customer Service Standards) 2013 Clause 36 (1)(2)	
Licence Condition		OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 150, 151, 152 July 2016 Water Compliance Reporting Manual Reference: 150, 151, 152 October 2017 Water Compliance Reporting Manual Reference: 150, 151, 152	
Summary Description of Requirements		<p>Compliance Reporting Manual Reference: 150 The licensee must provide a customer with the specified services on request and at no charge.</p> <p>Compliance Reporting Manual Reference: 151 The licensee must provide a customer with the specified services on request and at no charge.</p> <p>Compliance Reporting Manual Reference: 152 The licensee must make available to each customer the customer's personal account information.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Security Policy Guidelines; and Review of the Corporation's website. 	
	Personnel Interviewed:	<ul style="list-style-type: none"> Principal – Policy and Compliance, Customer Billing and Assurance 	
	Audit Procedures Performed:	<p>Through discussions and a review of the Corporation's website, we noted that the Corporation provide the following services free of charge:</p> <ul style="list-style-type: none"> Services for account, payment and general enquiries for use by customers with hearing or speech impairment; Interpreter services for account, payment and general enquiries; and A large-print version of any of the Corporation's publicly available information i.e. A3 printed documents. 	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>The Corporation's bills also indicate the hearing or speech impairment and interpreter services they provide to customers.</p> <p>The Corporation, through the <i>"My Water"</i> program, provide customers with their personal account information for each of the properties they own. Customers can also obtain their personal account information via email or by phone. Telephonic requests will be provided following the requirements of the <i>"Security Policy Guidelines"</i>.</p> <p>The Corporation only provides personal information to a customer which relates to the specific customer or an authorised third party.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 37 (1)(2)		
Licence Condition	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 153, 154 July 2016 Water Compliance Reporting Manual Reference: 153, 154 October 2017 Water Compliance Reporting Manual Reference: 153, 154		
Summary Description of Requirements	Compliance Reporting Manual Reference: 153 The licensee must make the prescribed information publicly available.		
	Compliance Reporting Manual Reference: 154 The licensee must ensure that the specified information about bill may be obtained from its website. [Commences operation on 18 November 2015]		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Services Code of Conduct (Customer Service Standards) 2013 Clause 37(1)(2)The Corporation’s website	
	Personnel Interviewed:	<ul style="list-style-type: none">Principal – Policy and Compliance, Customer Billing and Assurance	
	Audit Procedures Performed:	Through discussions and a review of a sample of bills and the Corporation’s website, we noted that the Corporation complies with the requirements of section 37 (1)(2) of the Water Services Code of Conduct (Customer Service Standards) 2013 in that the required information is public available to customers through their water bills and on the Corporation’s website.	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 2	Compliance Rating: 1
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 12
Licence Condition	OL13: Clause 5.4 OL14: Clause 3.1.2 OL15: Clause 3.1.2
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 159 July 2016 Water Compliance Reporting Manual Reference: 159 October 2017 Water Compliance Reporting Manual Reference: 159
Summary Description of Requirements	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Letter to Mrs Sue Murphy dated 8 February 2018 from the ERA Performance reporting submission for 2014/15 dated 15 October 2015 Performance reporting submission for 2015/16 dated 19 October 2016
	Personnel Interviewed: <ul style="list-style-type: none"> Specialist – Water Services Licence, Risk and Assurance
	Audit Procedures Performed: <p>Section 12 – Clause 5.4 and 3.1.2</p> <p>If the Corporation receives a written direction notice from the ERA, the notice will be recorded in the Corporation's ERA Correspondence register and action register. The Corporation uses the Correspondence register and action register to ensure that the ERA's directions are complied with within the specified timeframe.</p> <p>There was one instance where the Corporation received a direction from the ERA to correct or prevent a breach of any applicable legislation. We reviewed the correspondence from the ERA, where they requested that Minor Town data include all the water and sewerage supply systems that supply more than 1,000 connected properties.</p> <p>We obtained evidence that the ERA's direction had been complied with. We reviewed the data that was submitted in 2016 as part of the annual performance reporting submission and noted that the number of</p>

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		minor towns reported increased to 34 (there were 24 minor towns reported in the previous year).
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Clauses 12 and 15.1(a), (b) and (c) OL14: Clauses 3.6.1 and 3.7.1(a), (b) and (c) OL15: Clauses 3.6.1 and 3.7.1(a), (b) and (c)		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 160, 163 July 2016 Water Compliance Reporting Manual Reference: 160, 163 October 2017 Water Compliance Reporting Manual Reference: 160, 163		
Summary Description of Requirements	Compliance Reporting Manual Reference: 160 The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.		
	Compliance Reporting Manual Reference: 163 The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a material change in the circumstances upon which the Licence was granted which may affect a licensee’s ability to meet its obligations.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Independent Auditor’s Report for 2016, 2017, 2018Notification to ERA under WSL – External Administration Procedure ID#19750722	
	Personnel Interviewed:	<ul style="list-style-type: none">Group Finance	
	Audit Procedures Performed:	Clause 12 and 3.6.1 We obtained the audited financial statements for 2016, 2017 and 2018; and confirmed that these were issued with unqualified audit opinions. The financial statements were audited by the Office of the Auditor General. As per the Office of the Auditor General’s opinion, the financial reports complied with Australian Accounting Standards. Clause 15.1(a), (b) and (c) and Clause 3.7.1(a), (b) and (c) Through discussions with relevant personnel, we confirmed that the Corporation, at no time, was under external administration during the audit period, and that the Corporation did not experience a material change to its corporate, financial or	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>technical circumstances. We also confirmed that the Corporation's name, ABN, address or the description of its water service works did not change.</p> <p>The Notification to ERA under WSL External Administration Procedure documents the requirement to notify the ERA if the Corporation is under external administration.</p>
	Key Findings:	No findings were identified.
Recommendations	Not applicable	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Clauses 16.3 OL14: Clauses 3.8.3 OL15: Clauses 3.8.3		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Reference: 167 July 2016 Water Compliance Reporting Manual Reference: 167 October 2017 Water Compliance Reporting Manual Reference:167		
Summary Description of Requirements	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Annual Performance Reporting Work Instruction ID#368796Performance reporting submission for 2016 dated 19 October 2016Performance reporting submission for 2017 dated 11 October 2017The National Performance Report – 2015/16 AuditEmail correspondence from the ERA dated 17 August 2016Email correspondence from the ERA dated 16 August 2017	
	Personnel Interviewed:	<ul style="list-style-type: none">Specialist – Water Services Licence, Risk and Assurance	
	Audit Procedures Performed:	Clause 16.3 and 3.8.3 The Water, Sewerage and Irrigation Licence Performance Reporting Handbook specifies the performance data that a licensee is required to submit. The ERA has published reporting datasheets for 2016, 2017 and 2018. We confirmed that the Corporation submitted the completed datasheets appropriately in 2016 and 2017 to the ERA. We also confirmed that the Corporation submitted the major towns data to the Bureau of Meteorology’s online portal in both years.	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>We obtained email correspondence from the ERA regarding data submission due dates and confirmed that the Corporation's data submissions were submitted on time.</p> <p>We also confirmed that the Corporation submitted the National Performance Report in 2016. The National Performance Audit is required to be undertaken every three years. The auditor issued an unqualified audit opinion.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 12	
Licence Condition	OL13: Clauses 22.1, 23.3, 24.1, 24.2 and 24.4 OL14: Clauses 5.1.3, 5.3.1, 5.3.2 and 5.3.4 OL15: Clauses 5.1.3, 5.3.1, 5.3.2 and 5.3.4	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 174, 177, 179 and 180 July 2016 Water Compliance Reporting Manual Reference: 174, 177, 179 and 180 October 2017 Water Compliance Reporting Manual Reference: 174, 177, 179 and 180	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 174 Subject to the Act and the terms of a customer contract that apply to the water service, the licensee must supply water services in accordance with the terms and conditions set out in Schedule 4 (if any).</p> <p>Compliance Reporting Manual Reference: 177 The licensee may only amend the customer contract with the ERA's approval.</p> <p>Compliance Reporting Manual Reference: 179 Unless clause 24.3 (OL13) or 5.3.3 (OL14 & OL15) applies, the licensee cannot enter into an agreement with a customer to provide water services that exclude, modify or restrict the terms and conditions of the Licence or the requirements of the <i>Code of Conduct</i> without the prior approval of the ERA.</p> <p>Compliance Reporting Manual Reference: 180 If the licensee enters into an agreement that excludes, modifies or restricts the terms and conditions of the Licence or the requirements of the <i>Code of Conduct</i>, the licensee must publish an annual report containing the information specified.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> ▪ Versions and changes to "Agreement for a Water Supply Service" ▪ Email from the ERA dated 11 June 2018 regarding changes to the Agreement for a Water Supply Service ▪ Email from the ERA dated 12 March 2018 regarding changes to the Agreement for a Water Supply Service

Audit Priority: 4 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Business Management, Development Services Senior Advisor – Business Management (Compliance), Development Services 	
	Audit Procedures Performed:	<p>Clause 22.1 (2016 only) It was confirmed through inspection that the Corporation does not have customer contracts with Standard Terms and Conditions of Service that apply to water services.</p> <p>Clauses 23.3, 24.1 and 24.2 and clauses 5.1.3, 5.3.1 and 5.3.2 The Corporation utilises agreements as opposed to customer contracts. The service by agreement template was approved by the ERA in 2008.</p> <p>We inspected the number of versions for the service agreement template and confirmed that amendments were made in consultation with the ERA and / or were approved prior to being implemented. Correspondence between the ERA and the Corporation was reviewed to confirm this. Six versions of the service agreement were created during the audit period.</p> <p>Clause 24.4 and 5.3.4 We inspected the Corporation's Services Provided by Agreement annual reports for 2016, 2017 and 2018. We confirmed that the correct information was included, including:</p> <ul style="list-style-type: none"> Properties with service agreements by region; Total number of agreements entered into by type; and Total number of agreements entered into by location and land use. 	
	Key Findings:	No issues identified.	
Recommendations		Not applicable	

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 12	
Licence Condition	OL13: Clauses 23.1, 23.2, 23.6, 24.1, 24.2, 24.4 and 28.1(b) OL14: Clauses 5.1.3, 5.1.2, 5.1.5, 5.3.1, 5.3.2, 5.3.4 and 3.4.1(b) OL15: Clauses 5.1.3, 5.1.2, 5.1.5, 5.3.1, 5.3.2, 5.3.4 and 3.4.1(b)	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 4, 175, 176, 178 and 182 July 2016 Water Compliance Reporting Manual Reference: 4, 175, 176, 178 and 182 October 2017 Water Compliance Reporting Manual Reference: 4, 175, 176, 178 and 182	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 4 The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the license.</p> <p>Compliance Reporting Manual Reference: 175 If directed by the ERA, the licensee must submit a draft customer contract for approval.</p> <p>Compliance Reporting Manual Reference: 176 The licensee must comply with any Customer Contract Guidelines that apply to the licensee.</p> <p>Compliance Reporting Manual Reference: 178 The licensee must comply with any direction by the ERA to amend the customer contract.</p> <p>Compliance Reporting Manual Reference: 182 If the licensee provides a water service outside of the operating area the licensee must apply to amend the Licence unless otherwise notified by the ERA.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> OWR–OA–309 dated 5 April 2016 Service Delivery Arrangement between the Commonwealth of Australia and the State of Western Australia – Christmas Island & Cocos (Keeling) Islands #ID17341269
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager Business Management – Development Services Senior Advisor – Business Management (Compliance) Development Services

Audit Priority: 5 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
	Audit Procedures Performed:	<p>Clauses 23.1, 23.2 and 23.6 and Clauses 5.1.1, 5.1.2 and 5.1.5</p> <p>It was confirmed through inspection that the Corporation does not have customer contracts with Standard Terms and Conditions of Service that apply to water services. As a result, the Customer Contract Guidelines are not applicable to the Corporation for the audit period.</p> <p>Clauses 28.1(b) and 3.4.1(b)</p> <p>The controlled areas were removed and the operating areas expanded in 2014 to match the boundary of the Contiguous Zone. We obtained the map OWR-OA-309, which depicts the Corporation's operating areas for Water and Sewerage Supply and Drainage Services.</p> <p>BuilderNet, the system used to lodge new applications for services, runs a set of validation queries and flags properties outside the operating areas. We confirmed this by obtaining an example of a Christmas Island property, which was flagged as being outside the water supply operating areas.</p> <p>The Corporation has an arrangement with the Commonwealth Government to perform operations and maintenance service on Cocos (Keeling) and Christmas Islands. These are not water services – we confirmed that the Commonwealth Government is the water service provider.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Clauses 31.1 OL14: Clauses 6.1.1 OL15: Clauses 6.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 184 July 2016 Water Compliance Reporting Manual Reference: 184 October 2017 Water Compliance Reporting Manual Reference: 184		
Summary Description of Requirements	April 2014 Compliance Reporting Manual: The licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date.		
	July 2016 & October 2017 Compliance Reporting Manual: The licensee must enter into a Memorandum of Understanding with the Department of Health as soon as practicable after the commencement date or as otherwise agreed with Department of Health.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water dated 28 November 2017Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water dated 5 November 20Email correspondence from the Department of Health dated 6 August 2013	
	Personnel Interviewed:	<ul style="list-style-type: none">Manager – Framework and Systems, Water Quality	
	Audit Procedures Performed:	Clause 6.1.1 We confirmed through our discussions with relevant personnel that the Corporation has a current Memorandum of Understanding (MoU) with the Department of Health (DoH). The MoU was endorsed by the DoH and the Corporation on 29 November 2017 for a period of five years. The MoU which was previously in place was endorsed on 2007 for a period of five years. We obtained email correspondence (dated 6 August 2013) from the Department of Health confirming that	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		the MoU was extended up until the date of endorsement of the current MoU.
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Obligations Under		Water Services Act Section 12
Licence Condition		OL13: Clauses 31.2, 31.3, 31.4, 31.5 and 31.6 OL14: Clauses 6.1.2, 6.1.3, 6.1.4, 6.1.5 and 6.1.6 OL15: Clauses 6.1.2, 6.1.3, 6.1.4, 6.1.5 and 6.1.6
Water Compliance Reporting Manual Reference		April 2014 Water Compliance Reporting Manual Reference: 185, 186, 187, 188, 189 July 2016 Water Compliance Reporting Manual Reference: 185, 186, 187, 188, 189 October 2017 Water Compliance Reporting Manual No. 185, 186, 187, 188, 189
Summary Description of Requirements		<p>Compliance Reporting Manual Reference: 185 The Memorandum of Understanding must comply with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.</p> <p>Compliance Reporting Manual Reference: 186 The licensee must comply with the terms of the Memorandum of Understanding.</p> <p>July 2016 & October 2017 Reporting Manual Reference: 187 The licensee must publish in the form agreed with the Department of Health, the Memorandum of Understanding and any amendments to the Memorandum of Understanding within one month of signing or making the amendment.</p> <p>April 2014 Compliance Manual Reference: 187 The licensee must publish the Memorandum of Understanding and any amendments to the Memorandum of Understanding within one month of signing or making the amendment.</p> <p>Compliance Reporting Manual Reference: 188 The licensee must publish the audit report on compliance with its obligations under the Memorandum of Understanding on its website within one month of the completion of the audit.</p> <p>Compliance Reporting Manual Reference: 189 The licensee must publish any reports required by the Department of Health or set out in the Memorandum of Understanding on the licensee's website quarterly or at a reporting frequency specified by the Department of Health.</p>

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water endorsed on 28 November 2017 Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water endorsed on 5 November 2007 Summary of 2017 Drinking Water Quality Management Performance Audit – July 2018 ID#19727869 Drinking Water Quality Annual Report 16/17 Drinking Water Quality Annual Report 15/16 MoU Binding Protocol 2 (List of Water Quality Management Processes and Procedures) – PM#18144050 Water Corporation's website: "Drinking water quality" https://www.watercorporation.com.au/about-us/our-performance/drinking-water-quality Email correspondence from the Water Quality branch dated 7 December 2017
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager – Framework and Systems, Water Quality
	Audit Procedures Performed:	<p>Clauses 31.2 and 6.1.2 We confirmed that a compliance audit was undertaken in 2017 by Deloitte. The compliance audit covered a five-year period from 1 July 2012 to 30 June 2017. The Auditor issued an unqualified audit opinion.</p> <p>Clauses 31.3 and 6.1.3 A compliance audit that covered a five-year period from 1 July 2012 to 30 June 2017 was performed to ensure that the Corporation complied with the terms of the MoU. Additionally, we obtained and inspected a list of the internal documents that are maintained by the Corporation to ensure compliance with the MoU. These have been endorsed by the Department and are referred to in the current and previous MoU's</p>

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>as "Binding Protocol 2 – List of Water Quality Management Processes and Procedures".</p> <p>Clauses 31.4 and 6.1.4 We inspected the Water Corporation's website and confirmed that the MoU was published on the Water Corporation website. We obtained email correspondence that indicated that the MoU was published on the website within a month of it being completed.</p> <p>Clauses 31.5 and 6.1.6 We inspected the Water Corporation's website and confirmed that the compliance audit report was published on the Water Corporation website within one month of it being completed.</p> <p>Clauses 31.6 and 6.1.6 We inspected the Water Corporation's website and confirmed that water quality annual reports were published in 2016, 2017 and 2018 as per Section 13.2 of the current MoU and Section 11.2 of the previous MoU.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Schedule 3 OL14: Schedule 2 OL15: Schedule 2		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 1.3 July 2016 Water Compliance Reporting Manual Reference: 190 Section 1.3 October 2017 Water Compliance Reporting Manual Reference: 190 Section 1.3		
Summary Description of Requirements	Licensee must notify the ERA annually of any restrictions applied in accordance with the <i>Water Services Regulations 2013</i> to a <i>potable water</i> supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">Water Restrictions RegisterPCY142 Temporary Water Restrictions policyRegional Temporary Water Restrictions ProcedureMetropolitan Perth Temporary Water Restrictions ProcedureTemporary water restrictions register maintenance – Work InstructionAnnual ERA Performance Reporting Work Instruction	
	Personnel Interviewed:	<ul style="list-style-type: none">Specialist, External Policy – Strategy, Policy and AnalyticsSpecialist, Water Services Licence – Risk & Assurance	
	Audit Procedures Performed:	Since 1998, nine water restrictions (permanent or temporary) were imposed in Western Australia, which were approved by the Minister of Water. Through discussions and a review of the Corporations <i>Water Restrictions Register – Water Services Regulations 2013</i> , we observed that the Corporation applies permanent and/or temporary water restrictions in accordance with the <i>Water Services Regulations 2013</i> and that this is reported to the ERA on an annual basis, as required by <i>Schedule 3 – Section 5.4 and Schedule 2 – Section 1.3</i> of the Licence.	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
		<p>Based on further enquiries and a review of the <i>Annual ERA Performance Reporting Work Instruction</i> and the <i>Performance Reports submitted</i> to the ERA, we confirm that the Corporation, through its Performance Reports for 2014/15 and 2015/16, reported the water restrictions applied during the applicable years, to the ERA. The Corporation's Performance Reports included the restrictions by scheme, type (severity), duration, start date and number of services affected, as required by the licence.</p> <p>We noted that, in the Performance Report for 2016/17, as no temporary water restrictions were applied during this period, the Corporation failed to report the restriction information, however, this was clarified and corrected by the Corporation <i>via</i> email one week later.</p>	
	Key Findings:	No issues identified.	
Recommendations	Not applicable		

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A	
Obligations Under	Water Services Act Section 12		
Licence Condition	OL13: Schedule 3 OL14: Section 3.8.2 OL15: Section 3.8.2		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 190 Section 7.1, 8.1 July 2016 Water Compliance Reporting Manual Reference: 190 Section 7.1, 8.1 October 2017 Water Compliance Reporting Manual Reference: 190 Section 7.1, 8.1		
Summary Description of Requirements	The licensee must provide the data required by clauses 16.3(a) and 16.3(b) of this Licence		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">▪ Email – 2016/17 Performance Reporting Submission – Water Corporation comprised of:<ul style="list-style-type: none">– Minor town data;– Water Corporation Licence specific datasheet;– Ord Irrigation datasheet; and– Information on restrictions, drainage and farmlands areas water services.▪ Email – 2015/16 Performance Reporting Submission – Water Corporation comprised of:<ul style="list-style-type: none">– Minor town data;– Water Corporation Licence specific datasheet;– Information on restrictions, drainage and farmlands areas water services; and– NPR Audit Report conducted by Deloitte.▪ Email – 2014/15 Performance Reporting Submission – Water Corporation comprised of:<ul style="list-style-type: none">– Water Corporation Performance Report 2014/15;– ERA Performance Report Datasheet 2015; and– ERA Minor Towns Submission 2014/15.	

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
	Personnel Interviewed:	<ul style="list-style-type: none"> Specialist, Water Services Licence – Risk & Assurance
	Audit Procedures Performed:	<p>Through discussions and a review of information provided to the ERA via email, we observed the following:</p> <ul style="list-style-type: none"> On 15 October 2015 the Corporation provided the following information to the ERA: <ul style="list-style-type: none"> Water Corporation Performance Report 2014/15; ERA Performance Report Datasheet 2015; and ERA Minor Towns Submission 2014/15. On 19 October 2016 the Corporation provided the following information to the ERA: <ul style="list-style-type: none"> Water Corporation Performance Report 2015/16; Water Corporation Licence Specific Information – ERA Data Submission 2015/16; Minor Town Data Submission to ERA; NPR Major Boundaries; and 15–16 NPR audit – Final Report. On 11 October 2017 the Corporation provided the following information to the ERA: <ul style="list-style-type: none"> Services provided by Agreement 2016/17; Water Corporation 2017 Drainage Service Standards Audit; Water Corporation Minor Town Data 2017; Water Corporation Licence Specific Datasheet 2017; Water Corporation Ord Irrigation Datasheet 2017.

Audit Priority: 2 Reporting Type: 2		Compliance Rating: 1 Adequacy of Controls Rating: A
		<p>The performance reporting for the 2017/18 will be provided to the ERA during October 2018 as per the ERA's request.</p> <p>We confirm that the required performance reporting data was provided to the ERA.</p>
	Key Findings:	No issues identified.
Recommendations	Not applicable	

3.4 Obligations rated not performed or not applicable during the audit period

Audit Priority: 2 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 26(3) Water Services Act Section 12	
Licence Condition	OL13: Clause 5.2 OL14: Clause: N/A OL15: Clause: N/A	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 10, 157 July 2016 Water Compliance Reporting Manual Reference: 10, 157 October 2017 Water Compliance Reporting Manual Reference: 10, 157	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 10 The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.</p> <p>Compliance Reporting Manual Reference: 157 The licensee must comply with any code of practice made by the Minister to the extent it applies to the licensee.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Legislation Register ID#763213
	Personnel Interviewed:	<ul style="list-style-type: none"> Specialist – Water Services Licence, Risk & Assurance
	Audit Procedures Performed:	<p>Through enquiries, we confirmed that during the audit period, the Minister had not made a Code of Practice applicable to the Corporation or its Water Services Licence. As per Section 26(9) of the Act, the Minister is required to consult with the Corporation before making a Code of Practice. This consultation requirement will help ensure the Corporation is notified when a Code is made, which will allow the Corporation to implement appropriate actions to ensure compliance with the Code.</p> <p>The Corporation has a Legislation Register in place, which describes the high-level compliance requirements and documents controls that are in place to meet those requirements. A Code of Practice will be added to this register should one be made by the Minister.</p>

Audit Priority: 2	Compliance Rating: NR	
Reporting Type: 2	Adequacy of Controls Rating: A	
	Key Findings:	Not applicable
Recommendations	Not applicable	

Audit Priority: 2	Compliance Rating: NR
Reporting Type: 2	Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 36
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 13 July 2016 Water Compliance Reporting Manual Reference: 13 October 2017 Water Compliance Reporting Manual Reference: 13
Summary Description of Requirements	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Decommission and Dispose Assets Guideline; S087 Disposals Standard PCY233 Disposals S072 Financial Authorisations Standard
	Personnel Interviewed: <ul style="list-style-type: none"> Compliance Manager – Operations Performance
	Audit Procedures Performed: <p>Through discussions and enquiries, there were no activities associated with this obligation during the scope period.</p> <p>The Corporation does not cut off the water supply to an area, and if they were to do it, the <i>Asset Planning Group</i> are the decision makers who would need to seek approval from the Minister.</p> <p>If approval is provided, the <i>Asset Planning Group</i> would guide the process in conjunction with the following decommission documents and guidelines:</p> <ul style="list-style-type: none"> Decommission and Dispose Assets Guideline; S087 Disposals Standard; Notification of Asset Change; Notification of Asset Disposal; Asset 'Handover' Guideline; Decommission and Dispose Assets Plan; and

Audit Priority: 2 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A	
		<ul style="list-style-type: none">S072 Financial Authorisations Standard. <p>We reviewed the Corporation's <i>Disposals</i> policy and noted that:</p> <ul style="list-style-type: none"><i>“Disposal of surplus or obsolete Goods and Materials will be undertaken in an efficient manner in accordance with this policy and standard S087 Disposals Standard.</i> <p>Based on our enquiries, there were no activities associated with this obligation during the scope period.</p>	
	Key Findings:	Not applicable	
Recommendations	Not applicable		

Audit Priority: 4 Reporting Type 2		Compliance Rating: NR Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 84 (2) and Section 87 (2)	
Licence Condition	OL13: Clause 5.1 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 18, 19 July 2016 Water Compliance Reporting Manual Reference: 18, 19 October 2017 Water Compliance Reporting Manual Reference: 18, 19	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 18 If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the licensee must give the person 21 days' notice of its intention to commence the works.</p> <p>Compliance Reporting Manual Reference: 19 If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Land Subdivision Overview Water Corporation Land Development Agreement
	Personnel Interviewed:	<ul style="list-style-type: none"> Manager Business Management – Development Services Senior Advisor – Business Management (Compliance) Development Services
	Audit Procedures Performed:	<p>Section 84(2) Through discussions, we understand that the Corporation had no activities under Section 84 (2) (providing a 21-day notice of its intention to commence with the works) as it did not request proponents, applicants or the owner of a land to provide information about water supply, sewerage or drainage works relating to the development or subdivision of land through a notice.</p> <p>Instead, the Corporation uses Section 84 (3) of the Water Services Act 2012, and enters into</p>

Audit Priority: 4 Reporting Type 2		Compliance Rating: NR Adequacy of Controls Rating: A
		<p>agreements with the proponents, applicants or the owner of the land prior to the approval of a development or building works. This ensures that the person complies with the necessary development and building requirements.</p> <p>We reviewed the <i>Water Corporation Land Development Agreement</i>, used for the purposes of Section 84 (3), and it states that “<i>when the terms of this Agreement have been completed to the Water Corporation’s satisfaction, a clearance that satisfies the requirements of the Western Australian Planning Commission will be issued</i>”.</p> <p>Section 87(2) This section states that a person can make an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee's notice.</p> <p>In this regard, the Corporation had no activities as they are only using the agreement process as described in Section 84 (3) of the Water Services Act.</p> <p>In the event that Development Services issues a notice under section 83 (3) (a) of the Water Services Act, they will follow the compliance notice process as described in the Corporation’s <i>Issuing Compliance Notices</i> work instruction.</p>
	Key Findings:	Not applicable
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 98 (3) Water Services Act Section 110(3) Water Services Act Section 112(5)	
Licence Condition	OL13: Clause 5.1 OL14: Clauses 3.1.1 OL15: Clauses 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 24, 26, 27 July 2016 Water Compliance Reporting Manual Reference: 24, 26, 27 October 2017 Water Compliance Reporting Manual Reference: 24, 26, 27	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 24 If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.</p> <p>Compliance Reporting Manual Reference: 26 If required to by the Minister, the licensee must connect a drainage asset on land to the drainage works of the licensee.</p> <p>Compliance Reporting Manual Reference: 27 If required by the Minister, the licensee must modify the property drainage connection.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Mintrack Report Ministerial Liaison Unit (MLU) Media and Government Relations Work Instruction Poems Process For Minister / CEO Correspondence
	Personnel Interviewed:	<ul style="list-style-type: none"> Senior Advisor – Business Management (Compliance), Development Services
	Audit Procedures Performed:	<p>Through discussions and enquiries, we observed the Corporation had no activities with these obligations.</p> <p>Should a matter arise:</p> <ul style="list-style-type: none"> The Corporation would undertake the activity based on the procedures, terms and conditions of the time and the requirements of the Minister; Any ‘Ministerial’ written notice requiring the Water Corporation to connect a wastewater inlet

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
		<p>on land to the sewerage works of the licensee, will typically come <i>via</i> 'official channels' (email to the Ministerial Liaison Unit (MLU) and be saved on a specifically created Aqua file; and</p> <ul style="list-style-type: none"> Alternatively, a Ministerial enquiry (P1) will be saved on Poems (Priority One Enquiry Management System) and processed and tracked via Mintrack, which is the Corporation's system that tracks Priority One (P1) correspondence. P1 includes all correspondence addressed to the Corporation's Minister, CEO or COO. <p>We requested a Mintrack report for the audit period, which indicated the Minister did not require the Corporation to:</p> <ul style="list-style-type: none"> Connect a wastewater inlet on land to the sewerage works of the Corporation; Connect a drainage asset on land to the drainage works of the licensee; and Modify the property drainage connection.
	Key Findings:	Not applicable
Recommendations	Not applicable	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: NP
Obligations Under	Water Services Act Section 147(3) Water Services Act Section 147(4)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 40, 41 July 2016 Water Compliance Reporting Manual Reference: 40, 41 October 2017 Water Compliance Reporting Manual Reference: 40, 41	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 40 The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).</p> <p>Compliance Reporting Manual Reference: 41 If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> External Approvals Manual Project Management Category ABC Procedures Flow chart of Water Corporation Major Works Procedure External Approvals Tracking Spreadsheet Prerequisites to Works Quick Reference Guide Water Corporation website – External Approvals page Sample documentation
	Personnel Interviewed:	<ul style="list-style-type: none"> Team Leader – Best Practice, Project Management Project Director Metro – Water Source, Project Management

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: NP
	Audit Procedures Performed:	<p>The Project Management Business Unit is responsible for monitoring compliance against this obligation. Section 3.6 of the <i>External Approvals Manual</i> details the powers of the Minister in respect to a major works proposal.</p> <p>The Minister may:</p> <ul style="list-style-type: none"> ▪ Direct that further notices be given; or ▪ Authorise the Major Works to proceed; or ▪ Decline to authorise the proposed Major Works. <p>As outlined in Section 3.6.2 of the <i>External Approvals Manual</i>, the Water Corporation must comply with a direction given by the Minister. If the Minister issues a direction under section 147 (1)(a), the Project Manager is required to amend and resubmit the proposal as per the requirements of the Act. We compared the <i>External Approvals Manual</i> against the requirements of the Act to check for compliance; no exceptions were identified through this check.</p> <p>Additionally, we observed that the Corporation has not received a direction from the Minister as part of the approval process.</p>
	Key Findings:	Not applicable
Recommendations	Not applicable	

Audit Priority: 3 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
Obligations Under	Water Services Act Section 186 Water Services Act Section 187(1)(3) Water Services Act Section 190(4) Water Services Act Section 190(5)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 58, 59, 60, 61 July 2016 Water Compliance Reporting Manual Reference: 58, 59, 60, 61 October 2017 Water Compliance Reporting Manual Reference: 58, 59, 60, 61	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 58 If the licensee applies for a warrant, the application must contain the prescribed information.</p> <p>Compliance Reporting Manual Reference: 59 If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.</p> <p>Compliance Reporting Manual Reference: 60 Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.</p> <p>Compliance Reporting Manual Reference: 61 On completing the execution of a warrant, the licensee must record the prescribed information on that warrant</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Guide to entry powers for authorised persons under the Water Services Act 2012 Guide to compliance powers for compliance officers under the Water Services Act 2012 Warrant Register
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance Principal Lawyer – Legal Services, Legal Services Team Leader – Civil Albany, Great Southern Region

Audit Priority: 3 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
	Audit Procedures Performed:	<p>The Operations Performance Business Unit is responsible for monitoring the Corporation's compliance against these obligations. We reviewed the Warrant Register held by Legal Services to confirm that no warrants had been issued by the Corporation during our scope period.</p> <p>The processes to be undertaken when applying for a warrant is detailed in the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> and <i>Guide to compliance powers for compliance officers under the Water Services Act 2012</i>.</p> <p>We compared the guides mentioned above against the requirements of the Act; no exceptions were identified.</p> <p>Additionally, we interviewed Team Leader – Civil Albany, Great Southern Region and Manager – Operations Support, Great Southern Region, to assess their understanding of the requirements of the Act. No exceptions were identified through these interviews.</p>
	Key Findings:	Not applicable
Recommendations	Not applicable	

Audit Priority: 4	Compliance Rating: NR	
Reporting Type: 2	Adequacy of Controls Rating: A	
Obligations Under	Water Services Regulations 2013 Regulations 42(2) Water Services Regulations 2013 Regulations 43(3) Water Services Regulations 2013 Regulations 43(6)	
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 70, 71, 72 July 2016 Water Compliance Reporting Manual Reference: 70, 71, 72 October 2017 Water Compliance Reporting Manual Reference: 70, 71, 72	
Summary Description of Requirements	<p>Compliance Reporting Manual Reference: 70 The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given).</p> <p>Compliance Reporting Manual Reference: 71 The compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or maintained in accordance with the standard by a specified date (which must be at least 7 days after the notice is given).</p> <p>Compliance Reporting Manual Reference: 72 The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given).</p>	
Work Performed	Documents Reviewed:	<ul style="list-style-type: none"> Backflow Prevention Device Order Template; Backflow Prevention Notice of Non-Compliance Template; and How to issue a non-compliance Backflow Prevention Notice Work Instruction.
	Personnel Interviewed:	<ul style="list-style-type: none"> Compliance Manager, Operations Performance.
	Audit Procedures Performed:	<p>Regulations 42(2)</p> <p>The Operations Performance Business Unit is responsible for monitoring the Corporation's compliance against this obligation.</p> <p>We obtained the <i>Backflow Prevention Device Order Template</i> and confirmed that the date by which the</p>

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A
		<p>backflow prevention device must be installed and tested is recorded.</p> <p>Relevant Corporation personnel represented that no written orders have been issued during the scope period under Regulation 42(2). There was no activity during the audit period for the exercise of this obligation.</p> <p>Regulations 43(3) and 43 (6) Relevant Corporation personnel represented that no written orders have been issued during the scope period under Regulations 43(3) and 43 (6). There was no activity during the audit period for the exercise of this obligation.</p> <p>We obtained the <i>Backflow Prevention Notice of Non-Compliance Template</i> and confirmed that it contains the following:</p> <ul style="list-style-type: none"> ▪ That the device must be tested or maintained in accordance with the standard; and ▪ The date by the testing or maintenance is required to be done; and ▪ The work that is required to be done to ensure the device is made good as specified in the notice; and ▪ The manner in which the work is to be done; and ▪ The date by which the work is required to be done. <p>Additionally, we observed that the <i>How to issue a non-compliance Backflow Prevention Notice Work Instruction</i> provides further guidance on the processes to be followed when issuing a compliance notice to the customer.</p>
	Key Findings:	Not applicable
	Recommendations	Not applicable

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A	
Obligations Under	Water Services Regulations 2013 Regulations 74(1) Water Services Regulations 2013 Regulations 74(2)		
Licence Condition	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1		
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 86, 87 July 2016 Water Compliance Reporting Manual Reference: 86, 87 October 2017 Water Compliance Reporting Manual Reference: 86, 87		
Summary Description of Requirements	Compliance Reporting Manual Reference: 86 The licensee must make any amendment of the records necessary as a consequence of an allowance, wholly or in part, of an objection under the Act or the <i>Valuation of Land Act 1978</i> or as a consequence of a review by the State Administrative Tribunal.		
	Compliance Reporting Manual Reference: 87 The licensee must, if necessary as a consequence of the amendment to the records under regulation 74(1) re–determine and if necessary provide a rebate or refund.		
Work Performed	Documents Reviewed:	<ul style="list-style-type: none">▪ Objection to State Administrative Tribunal (SAT);▪ SATeForm;▪ S307 Retrospective Adjustment of Service Charges; and▪ Sample documentation.	
	Personnel Interviewed:	<ul style="list-style-type: none">▪ Team Leader – Rating Services, Customer Billing; and▪ Officer – Rating Services, Customer Billing.	
	Audit Procedures Performed:	As outlined in the <i>Objection to State Administrative Tribunal</i> procedure, if the SAT upholds the objection to classification from the customer, the Rating Services Team must: <ul style="list-style-type: none">▪ Amend the Corporation’s records of the concerned customer,▪ Determine or re–determine any water service charge; and▪ Provide a refund or rebate (if required).	

Audit Priority: 4 Reporting Type: 2		Compliance Rating: NR Adequacy of Controls Rating: A	
		<i>S307 Retrospective Adjustment of Service Charges</i> details the processes to be followed when water service charges are to be determined or re-determine and/ or when a refund or rebate is to be provided to the customer. Through enquiries, we observed that no objections to classification has been upheld by the SAT during our scope period. There was no activity during the audit period to exercise these obligations.	
	Key Findings:	Not applicable	
Recommendations	Not applicable		

Audit Priority: 3	Compliance Rating: NR
Reporting Type: 2	Adequacy of Controls Rating: NP
Obligations Under	Water Services Act Section 12
Licence Condition	OL13: Clause 17.2 OL14: Clauses 2.8.1 and 2.8.2 OL15: Clauses 2.8.1 and 2.8.2
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 168 July 2016 Water Compliance Reporting Manual Reference: 168 October 2017 Water Compliance Reporting Manual Reference: 168
Summary Description of Requirements	<p>April 2014 Compliance Reporting Manual: Subject to clause 17.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 17.1.</p> <p>July 2016 & October 2017 Compliance Reporting Manual: Subject to clause 2.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 2.8.1.</p>
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> ■ Obligation 168: Position Statement – Risk and Assurance.
	Personnel Interviewed: <ul style="list-style-type: none"> ■ Specialist – Water Services Licence, Risk & Assurance.
	Audit Procedures Performed: <p>The <i>Risk & Assurance</i> branch is responsible for monitoring compliance against this obligation.</p> <p>We observed that the Corporation has not been directed by the ERA to publish any information during the scope period. In the event the Corporation is directed to publish information, the Corporation assumes the ERA will put their direction in writing, which will be tracked in the Corporation's <i>ERA Correspondence and Action register</i>.</p> <p>There was no activity during the audit period to exercise this obligation.</p>
	Key Findings: <p>Not applicable</p>
Recommendations	Not applicable

Audit Priority: 5	Compliance Rating: NR
Reporting Type: 2	Adequacy of Controls Rating: NP
Obligations Under	Water Services Act Section 12
Licence Condition	OL13: Clause 20.1 OL14: N/A OL15: N/A
Water Compliance Reporting Manual Reference	April 2014 Water Compliance Reporting Manual Reference: 170 July 2016 Water Compliance Reporting Manual Reference: 170 October 2017 Water Compliance Reporting Manual Reference: 170
Summary Description of Requirements	The licensee must provide for, and notify the Authority of, an asset management system within the specified time unless otherwise notified by the Authority.
Work Performed	Documents Reviewed: <ul style="list-style-type: none"> Asset Management System Manual ID#14247282 Business Systems Quick Reference Sheet
	Personnel Interviewed: <ul style="list-style-type: none"> Manager – Assets Planning Group, Asset Strategy
	Audit Procedures Performed: <p>Through enquiry, the Corporation represented to us that an asset management system was not acquired during the audit period.</p>
	Key Findings: <p>No issues identified.</p>
Recommendations	Not applicable

Appendix 1: Personnel Contacted During the Audit

We would like to thank the following personnel for their assistance in the conduct of this audit.

Name	Title
Alison Luobikis	Manager – Operations Analytics & Support, Operations Performance Business Unit
Andrew Pascoe	Manager – Regulation & Compliance
Bob Espie	Principal – Policy & Compliance, Customer Billing & Assurance, Customer & Community Group
Brian Handcock	Manager – Property Portfolio
Craig Masarei	Head of Legal Services & Company Secretary
Daniel Rossi	Project Director Metro – Water Source, Project Management
David Hughes–Owen	Manager AIP Metro – Asset Investment Planning Metro
Deepak Sharma	Senior Principal – Infrastructure Markets
Dominic Papalia	Lead – Property Acquisitions, Procurement & Property Branch
Emily Hatton	Support Officer – Customer Financial Solutions Team
Evan Hambleton	Head of Asset Investment Planning Regional
Greer Gilroy	Specialist – External Policy, Strategy, Policy & Analytics
Holly Simpson–Zucal	Principal Lawyer – Legal Services
Jackie Mclean	Team Leader – Best Practice, Project Management
James Wegner	Principal – Drainage & Liveable Communities, Asset Investment Planning Metro
Jasmine Hart	Support Officer – Water Use Investigations, Customer Billing
Jessica Smith	Specialist – Water Services Licence, Risk & Assurance
Kel Medbury	Senior Advisor – Demand Programs, Customer & Industry Partnerships
Lara Elborough	Team Leader – Rating Services, Customer Billing
Maren Scriven	Officer – Operations Performance
Meredith Blais	Head of Asset Strategy
Michael Sillifant	Manager – Operations Support, Great Southern Region
Monique Brajkovich	Team Leader – Water Use Investigations, Customer Billing

Name	Title
Nicola Baxter	Principal Lawyer – Legal Services
Peter McGuire	Manager – Business Management, Development Services
Ray Willis	Senior Advisor – Business Management (Compliance) Development Services
Renae Farmer	Head of Group Finance
Robbie Stewart	Team Leader – Priority One Communications, Media & Government Relations
Rod Holme	Manager – Framework & Systems Water Quality Branch
Rodger Makins	Head of Engineering, Asset Delivery Group
Russel Lamb	Head of Infrastructure Markets, Strategy & Stakeholders Group
Shelley Ditewig	Officer – Rating Services, Customer Billing
Steven Ellis	Manager – Property Management Corporate Real Estate Branch
Stuart Penney	Compliance Manager – Operations Performance
Suzanne Brown	Manager – Drainage & Liveable Communities
Terrence Van Nieuwkerk	Team Leader – Civil Albany, Great Southern Region
Wayne Kearney	Head of Risk & Assurance

Appendix 2: Crowe Horwath's Audit Team

Name	Position	Hours
Robyn Cooper	Senior Partner	67
Duy Vo	Associate Partner	177
Nick Goosen	Senior Auditor	182
Jasmin Santhosh	Auditor	164
Jessica Antonopoulos	Auditor	143
Total		733

Appendix 3: Obligations audited in the Great Southern Region

No.	Obligations Under	Licence Condition	Summary Description
13.	<i>Water Services Act</i> Section 36	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.
16.	<i>Water Services Act</i> Section 77(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.
32.	<i>Water Services Act</i> Section 129(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.
34.	<i>Water Services Act</i> Section 141(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours' notice to the public authority managing the road.
49.	<i>Water Services Act</i> Section 173(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.
50.	<i>Water Services Act</i> Section 174(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.
51.	<i>Water Services Act</i> Section 174(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.
52.	<i>Water Services Act</i> Section 175(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.
53.	<i>Water Services Act</i> Section 175(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.
54.	<i>Water Services Act</i> Section 176(1)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.

No.	Obligations Under	Licence Condition	Summary Description
55.	<i>Water Services Act</i> Section 176(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.
56	<i>Water Services Act</i> Section 176(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable to do so unless the owner or occupier agrees otherwise.
60.	<i>Water Services Act</i> Section 190(4)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.
61.	<i>Water Services Act</i> Section 190(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	On completing the execution of a warrant, the licensee must record the prescribed information on that warrant.
62.	<i>Water Services Act</i> Section 210(5)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate of authority that includes certain prescribed information.
63.	<i>Water Services Act</i> Section 218(2)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.
64.	<i>Water Services Act</i> Section 218(3)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.
75.	<i>Water Services Regulations 2013</i> Regulation 63	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.
90.	<i>Water Services Regulations 2013</i> Regulation 86(6)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	If the licensee appoints an employee as an authorised or approved officer for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, the licensee must issue the officer a certificate, badge or identity card identifying the officer as a person authorised to issue infringement notices.
91.	<i>Water Services Regulations 2013</i> Regulation 86(9)	OL13: Clause 5.1 OL14: Clause 3.1.1 OL15: Clause 3.1.1	The licensee must maintain a list of persons appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2, and must, on request, give a copy of the list to the CEO or to the chief executive officer of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i> .

No.	Obligations Under	Licence Condition	Summary Description
93.	<i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8</i>	OL13: Clause 5.3 OL14: Clause 3.1.1 OL15: Clause 3.1.1	The licensee must ensure that, in any 12-month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.
190.	Clause 6.2		<p>Subject to customers complying with <i>licensee</i> requirements the <i>licensee</i> must ensure that customers connected to its Farmlands Water Systems shall have, at the outlet of the water meter to their property, a water pressure and flow as follow:</p> <ul style="list-style-type: none"> Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region: Max static pressure = 200 and Min flow = 3kL/day per service Rural water supply schemes: Max static pressure = 200 and Min flow = 1.8kL/day per service.

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