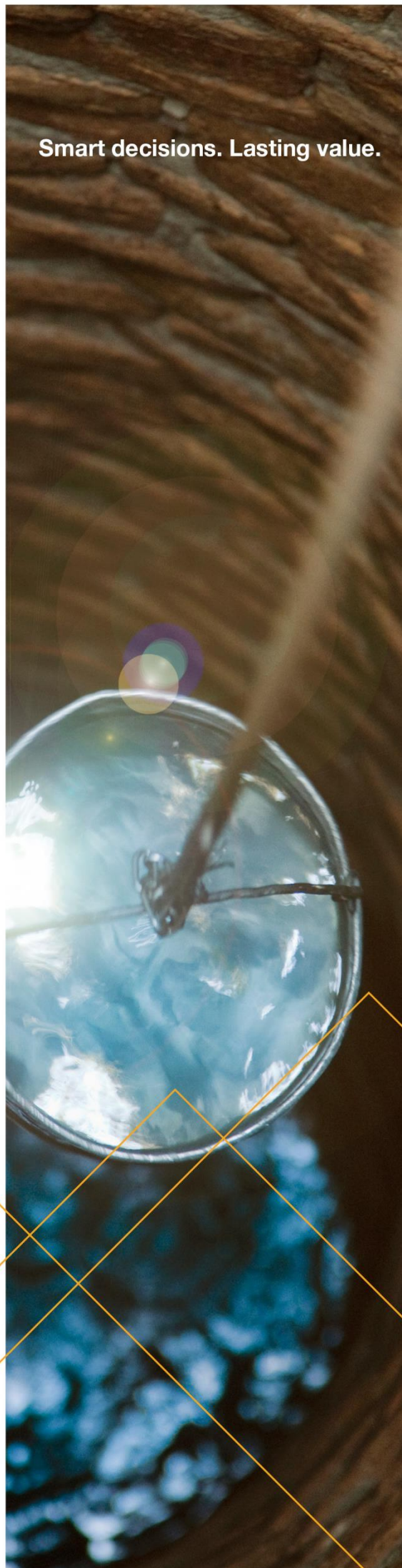


10 February 2021

Water Corporation

2020 Operational Audit
Report to the Economic
Regulation Authority Western
Australia



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10 February 2021

Ms Nicola Cusworth, Chair
Economic Regulatory Authority
Level 4, Albert Facey House
469 Wellington Street, Perth WA 6000

Dear Ms Cusworth

RE: APPROVAL LETTER

The Economic Regulation Authority (ERA) is responsible for administering the licensing scheme in the *Water Services Act 2012* (Act). Under the Act, water services licensees are required to provide reports on an operational audit (audit) once every 24 months, or another period that has been specified by the ERA.

In line with the Act, Crowe was appointed to undertake an operational audit of Water Corporation for the period 01 July 2018 to 30 June 2020.

Please find attached our report in respect of the Operational Audit of the Water Corporation for the period 01 July 2018 to 30 June 2020.

I hereby approve the attached Water Corporation 2020 Operational Audit Report to the Economic Regulation Authority Western Australia and confirm the report to be a true and accurate presentation of the findings and opinions of our engagement team.

Please do not hesitate to contact us if you have any enquiries.

Yours sincerely,
Findex (Aust) Pty Ltd
trading as Crowe Australasia

Robin Rajadhyaksha
Partner

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1. Executive Summary

1.1 Context

The Water Corporation (**the Corporation**) is the principal supplier of water, wastewater and drainage services to homes, businesses and farms, including bulk water to farms for irrigation, in Western Australia.

The Corporation is licenced under the *Water Services Act 2012*. As a licensee, the Corporation is required to meet the conditions specified in its Water Services Licence WL32, which include general licence conditions, individual licence conditions and legislative obligations called up by the licence.

The Corporation is required to provide the Economic Regulation Authority Western Australia (**ERA**) with a report on an operational audit, conducted by an independent expert appointed by the ERA, once every 24 months or another period specified by the ERA.

Crowe Australasia (**Crowe**), formerly Crowe Horwath, conducted the 2018 Operational Audit of the Corporation for the period 1 July 2015 to 30 June 2018 and provided a final report to the ERA in December 2018.

On 21 May 2020, the ERA engaged Crowe to undertake the operational audit of the Corporation for the period 1 July 2018 to 30 June 2020, to assess the Corporation's level of compliance with the conditions specified in the following Water Services Licences applicable to the audit period:

- Water Services Licence 32 – Version 15, dated 19 July 2016; and
- Water Services Licence 32 – Version 16, dated 1 May 2020.

During October 2020, we have audited the compliance of the Corporation with the conditions specified in Water Services Licence 32 – Version 15, dated 19 July 2016, and Water Services Licence 32 – Version 16, dated 1 May 2020, (**Water Licences**) as measured by the criteria set out in our approved Audit Plan for the period 1 July 2018 to 30 June 2020.

1.2 Approach

The operational audit was conducted as a reasonable assurance engagement in accordance with Australian Standard on Assurance Engagements (**ASAE**) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board and in line with the requirements detailed in the ERA's 2019 Audit and Review Guidelines – Water Licences (**Guidelines**) and the Audit Plan approved by the ERA (**approved Audit Plan**).

Our procedures primarily consisted of:

- Using the Guidelines as a reference for the risk assessment and development of the Audit Plan;
- Developing audit procedures for each obligation included in the Audit Plan, for approval by the ERA;
- Reviewing the Corporation's documentation and walkthrough of processes, systems and controls to confirm our understanding of the control environment;
- Interviewing and obtaining representations from relevant Corporation personnel, to gain an understanding of process controls;
- Sample testing of compliance with obligations as per the approved Audit Plan;
- Visiting Northam for the audit of Goldfields and Agricultural Region; and
- Validating findings and recommendations with the Corporation's management stakeholders to confirm our observations.

1.3 Overall Assessment of the Control Environment

Our responsibility is to express a conclusion on the adequacy and effectiveness of the Corporation's processes, systems and other measures designed to ensure compliance with the obligations, standards, outputs and outcomes prescribed in the Water Licences.

Our procedures primarily consisted reviewing documentation, conducting walkthrough examination of processes, systems and controls and performing tests of compliance with licence obligations. We obtained representations from management and undertook a site visit to Northam as part of our audit procedures related to the Goldfields and Agricultural Region.

In conducting our procedures, we made assessments of the control environment as it relates to the Corporation's compliance processes and its effectiveness in meeting compliance obligations associated with its licence agreements. We made the following observations in relation to our assessments of the control environment:

- The Corporation has developed and implemented policies, procedures and a range of associated work instructions for operational processes;
- There are established protocols for risk assessments in place and we observed a regular monitoring system to address compliance risks;
- An accountability framework is in place which defines roles and responsibilities that provides clarity of responsibilities for staff at all levels in the Corporation; and
- The Corporation's processes support open communication and encourages critique and challenge of the effectiveness of current practices to support continuous improvement.

During the conduct of our audit procedures we observed that process and control owners were receptive to the audit process, provided appropriate support and cooperation and recognised the audit process as an opportunity to identify ways of improving the effectiveness of the control environment.

We noted that the Corporation had taken proactive steps to implement the recommendations made during the previous 2018 Operational Audit with respective business units taking responsibility for implementing identified control improvements to enhance the control environment. As a consequence, the Corporation has successfully addressed the recommendations from the previous operational audit with no further actions being required to be taken.

We observed that records management practices have improved to demonstrate compliance with relevant obligations.

1.4 Assurance Practitioner's Report to the ERA

1.4.1 Basis of this Audit

Crowe was engaged by the ERA to undertake the 2020 Operational Audit (**operational audit**) of the Corporation in accordance with the requirements set out in Section 25 of the *Water Services Act 2012*.

Our audit was conducted as a **reasonable assurance engagement**, in accordance with Australian Standard on Assurance Engagements (**ASAE**) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board and in line with the requirements detailed in the ERA's 2019 Audit and Review Guidelines – Water Licences.

1.4.2 Responsibilities

The Corporation's responsibilities include:

- Complying with its licence conditions;
- Establishing and maintaining an effective control environment, comprising procedures and controls designed and implemented, to ensure support compliance with the conditions specified in the Water Licences; and
- Continuously evaluating and monitoring of the effectiveness of the control environment, including the procedures and controls, and where necessary taking corrective actions to prevent instances of non-compliance.

Our responsibility is to express a conclusion on the Corporation's compliance with the conditions specified in the Water Licences, as measured by the criteria set out in the approved Audit Plan, in all material respects, for the period 1 July 2018 to 30 June 2020.

1.4.3 Limitations of Use

This report has been prepared for the ERA, in accordance with the terms of our engagement, and is not intended for, and should not be used by, any other person or entity. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the ERA, or for any purpose other than that for which it was prepared.

1.4.4 Inherent Limitations

Our audit has been conducted as a reasonable assurance engagement. Reasonable assurance engagements provide a higher level of assurance than limited assurance engagements but do not provide an absolute level of assurance. Our audit has not been designed to detect all instances of non-compliance with the Water Licences as an audit is not performed continuously throughout the period, the audit procedures performed are undertaken on a test basis, evidence obtained may be persuasive rather than conclusive and professional judgement is exercised in gathering and evaluating evidence and forming conclusions.

The audit conclusion expressed in this report has been formed on the above basis.

1.4.5 Independence

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

1.4.6 Conclusion

In our opinion, based on the procedures performed and except for the matters set out in *Section 6.1.2 - Table B* of this report, the Corporation has, in all material respects, complied with the conditions of the Water Licences for the period 1 July 2018 to 30 June 2020.

1.5 Summary of Findings and Recommendations

We have provided findings and recommendations, based on the results of our audit procedures, in *Sections 2, 3 and 6* of this report.

We identified some instances of non-compliance caused by incorrect application of rules or specifications within system dependent processes and/or unintentional human error. We have assessed that the instances of non-compliance each have a low impact on customers or third parties, however in one instance, relating to the overcharging of some customers, it had a moderate impact on customers. None of the instances of non-compliance have been assessed as having a major impact on customers or third parties.

1.5.1 Corporation's Response to Previous Audit Recommendations

A summary of the actions taken by the Corporation in response to the recommendations made in the 2018 Operational Audit is provided in *Table A of Section 2* of this report.

Table A of Section 2 contains, per *Recommendation Reference* from the previous audit, a high-level description of the actions taken by the Corporation to address the findings and recommendations.

1.5.2 Summary of Current Findings and Recommendations

A summary of the findings and recommendations arising from the current audit is detailed in *Tables A & B of Section 3* of this report.

2. Corporation's Response to Previous Audit Recommendations

The table below summarises the recommendations arising from the 2018 Operational Audit of the Corporation for the period 1 July 2015 to 30 June 2018 and the responses to those recommendations by the Corporation since the previous audit. These recommendations are detailed in *Section 6.1.1* of this report.

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
01/2018	B2 Water Services Act Section 128(4) Obligation: 31 The audit identified that Memorials were not lifted when outstanding charges had been paid to avoid multiple memorials needing to be lodged and withdrawn	On 20 November 2018 the Corporation implemented regular reviews and withdraw Memorials once payment of the original amount is received.	No
02/2018	B2 Water Services Act Section 129(5) Obligations: 32, 49, 50 The audit identified that written notices were provided to owners / occupiers after the Corporation visited the property and that procedural documents needed updating.	From 1 July 2019, training was provided and supporting documents were updated.	No
03/2018	C2 Water Services Act Section 142, 143(2)(3) Obligations: 35, 36, 37 The audit revealed record management issues and that some notices issued were incomplete and in breach of Section 143 (4).	On 20 May 2019 the Corporation updated its Major Works Checklist, template letters and Notice of Proposals and documented the definition of the term "likely to be adversely affected".	No
04/2018	B2 Water Services Act Section 151(1)(2) Obligations 42, 43 The audit revealed that plans and details of proposed general works were not published and that some notices issued were incomplete and in breach of Section 151 (3).	On 20 May 2019 the Corporation updated its Major Works Checklist, template letters and Notice of Proposals and documented the definition of the term "likely to be adversely affected". In October 2019 the Corporation updated its General Works Checklist and its templates based on legal advice to ensure the Notice of Proposals and plans are	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
		published and made available for inspection. The Corporation communicated these changes to all relevant staff internally through a Notification of Change email on the 21 st November 2019.	
05/2018	B2 Water Services Act Section 175(5) Obligation 53 The audit revealed that the <i>Notice of Entry</i> Form does not detail the employee's full name and official title as required by the <i>Water Services Act 2012</i> .	The Corporation's position on this has been agreed with the ERA and the issue will be reviewed as part of the <i>Water Services Act 2012</i> review by the Department of Water and Environmental Regulation (DWER).	Not applicable
06/2018	B2 Water Services Regulations 2013 Regulations 26(3)(5) Obligations: 67, 68 The audit identified that procedural documents and work instructions have not been approved by the CEO as required by the regulations.	On 8 January 2019 the Corporation updated corporate process documentation and in June 2019, the Head of Engineering, as per delegated authority from the CEO, approved additional work instructions and procedures.	No
07/2018	B2 Water Services Regulations 2013 Regulations 65(4) Obligation: 78 The audit identified that certain information was not included on <i>My Water</i> through the Corporation's website as required by Regulation 65(4).	In June 2019 the Corporation updated <i>My Water</i> with relevant information.	No
08/2018	B2 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(1) Obligation: 100 The audit identified that some bills, subject to sample testing, did not have an explicit statement that the Corporation's website contains information about estimates.	On 1 February 2019 the Corporation made changes to the system and bill format to satisfy this requirement.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
09/2018	B2 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(3) Obligation: 102 The audit identified that customer bills did not specify certain information to customers.	On 1 February 2018 the Corporation made changes to the system and bill format to satisfy this requirement. This obligation is no longer applicable to the Corporation because it has been removed from the Water Compliance Reporting Manual – May 2020.	No
10/2018	B2 Water Services Act Section 12 Obligation 155 The Corporation did not pay a standing charge within the period specified by Regulation 4(4).	On 30 June 2019 the Corporation included an additional control in the <i>Economic Regulation Authority Licence Fee Work Instruction</i> , as a reminder mechanism to ensure payment is made within the allowed period.	No
11/2018	C3 Water Services Act Section 12 Obligation: 190 Section 6.2 The audit revealed that the Corporation could not provide evidence that the pressure and flow at the outlet of the water meter to Farmland properties are tested and that no procedural documentation were in place.	To ensure compliance with this obligation, the Corporation implemented hydraulic modelling to measure pressure and flow and updated its quick reference sheet (procedures document) - <i>QRS link Fieldwork-QRS-Feedback-010 Poor Supply Feedback</i> and made it mandatory to enter pressure and flow readings in work order feedback.	No
12/2018	B2 Water Services Act Section 12 and 27 Obligations 11, 158, 12, 156, 161 The audit revealed non-compliances with obligations directly impacting the compliance posture of these obligations.	Obligations 11, 12, 156 and 158 are no longer used as the ERA removed them from the ERA's Water Compliance Reporting Manual dated May 2020.	Not applicable
13/2018	B2 Water Services Act Section 12 Obligation 190 Section 1.2 The audit revealed that 50 customers did not receive a letter of notification and that the Pressure and Flow Exemption Procedure was still in draft format.	No further recommendation as the Corporation approved and implemented the <i>Pressure and Flow Exemption Procedure</i> on July 2018.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
14/2018	B1 Water Services Act Section 23 Obligation 5 The audit identified that the processes performed by the Senior Principal, Infrastructure Markets have not been documented therefore elevating a key person risk.	During 2018 and 2019, the Corporation provided refresher training to Region / Alliance Managers, implemented quality assurances processes and work instructions.	No
15/2018	B1 Water Services Act Section 82(4)(5) Obligation 17 The audit identified that the Corporation's work instruction did not include the "7-day return" requirement as specified in <i>Section 82 (5)</i> of the <i>Water Services Act 2012</i> .	In 2019 the Corporation incorporated and / or corrected procedures and work instructions with the specified requirement.	No
16/2018	CNR Water Services Act Section 90(7) Obligation 20 The audit identified that 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 identified issues or to negotiate an outcome with an offender and/or landowner.	In June 2019 the Corporation updated relevant procedures and provided face-to-face and online compliance notice related training.	No
17/2018	BNR Water Services Act Section 119(2) Obligation 28 The audit revealed that not all staff are aware of the <i>Compliance Notice Process Framework</i> .	During 2019, the Corporation provided awareness training to all managers involved in issuing compliance notices and updated its compliance framework.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
18/2018	B1 Water Services Act Section 122(2) Obligation 29 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.	In 2019, the Corporation included a section in the <i>Compliance Notice Process Framework</i> to inform employees on how to deal with SAT related matters.	No
19/2018	C1 Water Services Act Section 141(1) Obligation 34 The audit identified that records for planned and unplanned work are not maintained sufficiently to a standard that could demonstrate compliance with this obligation.	On 31 March 2019, the Corporation implemented a new central folder within Nexus, the Corporation's Corporate Document Management System, for the management of notifications.	No
20/2018	B1 Water Services Act Section 210(5) Obligation 62 The audit identified a lack of standard employment verification procedures for the appointment of an Inspector or Compliance Officer.	In 2019, the Corporation updated its <i>Manage Authorisation for Entry on Property and Compliance Officers</i> work instruction to include consideration of the implications of the <i>Criminal Investigations Act</i> when appointing authorised officers.	No
21/2018	B1 Water Services Regulations 2013 Regulation 24(4) Obligation 66 The audit identified that some compliance notices, subject to audit testing, were not signed and that the issuing dates on the compliance notices differs from each other.	In August 2018, the compliance notice template was amended, reviewed and approved by Legal Services, and has been included in the <i>Compliance Notice Process Framework</i> . Copies of trade waste related compliance notices are filed in Nexus (Electronic Data Management System).	No
22/2018	B1 Water Services Regulations 2013 Regulation 60(2) Obligation 74 The audit identified record management issues with regards to the retention of documents issued in terms of Regulation 60(2).	The Corporation enhanced its record management practices with regards to this obligation and updated <i>My Water</i> in June 2019.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
23/2018	C1 Water Services Regulations 2013 Regulation 63 Obligation 75 The audit identified that records have not been maintained to demonstrate the restoration work undertaken meets the requisite standards.	Since 2019, the Corporation has improved its processes relating to capturing of evidence of reinstatements and completions.	No
24/2018	B1 Water Services Regulations 2013 Regulation 69(3) and 70(2) Obligation 84, 85 The audit identified that a procedural 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.	On 10 January 2019, the Corporation amended the <i>Property Classification Objection to State Administrative Tribunal (SAT)</i> procedure to include the requirements stated in the Regulations.	No
25/2018	B1 October 2017 Compliance Manual: Water Services Regulations 2013 Obligation 88A The audit identified that the requirement to provide written notice to the customer within 60 days of receiving a Water Efficiency Management Plan has not been documented.	On 29 November 2019, the Corporation amended the <i>WEMP – Reviewing Reports</i> work instruction to include the specified requirement.	No
26/2018	B1 Water Services Regulations 2013 Regulation 85 Obligation 89 The audit identified that some compliance notices, subject to audit testing, were not retained on file.	In June 2020, the Corporation amended the <i>Compliance Notice Process Framework</i> and other relevant corporate documents to include recordkeeping requirements.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
27/2018	B1 Water Services Regulations 2013 Regulation 86(6)(9) Obligation 90, 91 The audit identified that 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> .	During 2019, the Corporation has improved relevant existing corporate process documentation and on 9 April 2020 implemented a work instruction – <i>Management of Infringement Officers and Notices</i> to address this issue.	No
28/2018	B1 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8 Obligation 93 The audit identified an improvement opportunity in respect of the date when payments are made against when payments appear on the BuilderNet or Grange Billing system.	In 2019, the Corporation mapped the process to provide confidence over compliance and amended the Standard Terms and Conditions and uploaded the new version to the Corporation's website.	No
29/2018	BNR Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(2)(3)(4)(5) Obligations 107, 108, 109, 110 The audit identified an improvement opportunity with regards to S072 in that it does not include a section providing a delegation of authority to employees for not accruing fees where customers were undercharged.	On 18 October 2019, the Corporation updated S307 and S319 to provide clearer guidance and decision making relating undercharged fees and during 2019, the Corporation included, as part of Section 5 of S072, an authorisation section with regards to undercharged fees.	No
30/2018	B1 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(1)(2) Obligation 111, 112 The audit identified records management issues with regards to information recorded on Grange Billing system.	Both Obligation 111 and 112 have been removed from the 2018 and 2020 Water Compliance Reporting Manuals and are no longer applicable.	Not applicable

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
31/2018	B1 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 33 Obligation 139 The audit identified that the Corporation does not have a policy in place for testing the "Flow Restriction" device.	In December 2019, the Corporation implemented a new work instruction - <i>Asset Monitoring & System Investigations AMSi-W-143 Testing Flow Control Devices</i> .	No
32/2018	B1 Water Services Act Section 12 Obligation 190 Section 4 The audit identified that certain recommendations made by Deloitte over the past three years, relating to Drainage Services Work Instructions, have not been implemented.	As at 1 May 2020 the Corporation is no longer required to complete the desk audit for drainage, however the recommendations from the Deloitte report were implemented by the Corporation.	No
33/2018	B1 Water Services Act Section 12 Obligation 190 Section 6.1 The audit identified that the Corporation's MR&A branch did not include a review of the applicable Service By Agreements.	Record management practices have been improved and during 2019, the Corporation's MR&A business unit included, as part of their audits, Service By Agreements. The Corporation is no longer required to perform these audits.	No

B. Previous recommendations unresolved at the end of Current Audit Period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Nil			Not applicable

3. Current Audit Findings and Recommendations

The table below summarises the findings and recommendations arising from the current audit and detailed in Section 6.1.2 of this report.

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Act</i> Section 27 Obligation 11 The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports due to the Corporation identifying potential non-compliances with other obligations.	See Recommendation Reference 12/2018 No recommendations have been made as this obligation was removed from the ERA's Water Compliance Reporting Manual dated May 2020.	Not applicable
Not applicable	A2 <i>Water Services Act</i> Section 29 Obligation 12 The Corporation reported this obligation as non-compliant in the 2018/19 Annual and 2019/20 Annual Compliance Reports due to the Corporation identifying potential non-compliances with other obligations.	See Recommendation Reference 12/2018. No recommendations have been made as this obligation was removed from the ERA's Water Compliance Reporting Manual dated May 2020.	Not applicable
Not applicable	A2 <i>Water Services Act</i> Section 128(4) Obligation 31 The audit identified that Memorials were not being lifted when customers had paid the outstanding charges relating to the Memorial.	See Recommendation Reference 01/2018. A recommendation has not been made as the non-compliance issue was resolved.	No
Not applicable	A2 <i>Water Services Act</i> Section 129(5) Obligation 32 The Corporation did not, in all instances, provide 48 hours' notice to enter a property.	See Recommendation Reference 02/2018. A recommendation has not been made as the non-compliance issue was resolved.	No

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Act</i> Sections 142, 143, 143(3), 151(1) and 151(2) Obligation 35, 36, 37, 42 and 43 The Corporation did not in all instances, publish the plans for general and major works on its website, provide details of the time and place where the plans may be inspected and defined the term "likely to be affected" in its work instructions.	See Recommendation Reference 03/2018 and 04/2018. A recommendation has not been made as the non-compliance issue was resolved.	See Recommendation
Not applicable	A2 <i>Water Services Act</i> Section 173(4) Obligation 49 The Corporation did not, in all instances, provide notice 48 hours prior to enter a property when the works would "adversely affect the property".	See Recommendation Reference 02/2018. A recommendation has not been made as the non-compliance issue was resolved.	No
Not applicable	A2 <i>Water Services Act</i> Section 175(5) Obligation 53 The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Report as the full names of employees are not provided on identification cards for security purposes. Identification cards are used by the Corporation's employees to, as an example, identify themselves when entering properties to provide water services works.	See Recommendation Reference 05/2018. A recommendation has not been made as the Corporation is discussing the matter with the ERA.	No See Recommendation Reference 05/2018.
Not applicable	A2 <i>Water Services Regulations 2013</i> Regulation 26(3) Obligation 67 The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report as procedure documents and work instructions have not been approved by the CEO.	See Recommendation Reference 06/2018. A recommendation has not been made as the non-compliance issue was resolved.	No
Not applicable	A2 <i>Water Services Regulations 2013</i>	See Recommendation Reference 07/2018.	No

A. Current recommendations resolved during current audit period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p>Regulation 65(4)</p> <p>Obligation 78</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report as the name and address of the owner of land as well as the account number was not readily available to all customers via <i>My Water</i>, as required by the obligation.</p>	A recommendation has not been made as the non-compliance issue was resolved.	
Not applicable	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(6)</p> <p>Obligation 98A</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports as there were 49 properties across Western Australia where the Corporation has been unable to obtain a meter reading in the last 12-month period due to access and customer contact issues.</p>	No recommendations were made as the Corporation implemented several controls to mitigate further non-compliances.	No

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	<p>B2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(5) and Clause 13(6)</p> <p>Obligations 102A</p> <p>The Corporation reported these obligations as non-compliant in the 2018/19 Annual Compliance Report as a new Code of Conduct came into effect as from 1 July 2018 and the bill template did not include the specified information. – Basis and reason of the estimation and a statement on the Corporation's website that contains information about estimates</p>	<p>See Recommendation Reference 09/2018.</p> <p><u>Obligation 102A</u></p> <p>The bill template was updated in February 2020.</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>	<p>No</p> <p>An improvement opportunity was raised in separate document to the Corporation for Obligation 102A</p>
Not Applicable	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(5) and Clause 13(6)</p> <p>Obligations 101A</p> <p>The Corporation reported these obligations as non-compliant in the 2018/19 Annual Compliance Report as a new Code of Conduct came into effect as from 1 July 2018 and the bill template did not include the specified information. – Basis and reason of the estimation and a statement on the Corporation's website that contains information about estimates</p>	<p>See Recommendation Reference 09/2018.</p> <p><u>Obligation 101A</u></p> <p>The bill template was updated in February 2020.</p> <p>A recommendation has not been made as the non-compliance issue was resolved. There were no issues identified in the current audit.</p>	No
Not applicable	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 47</p> <p>Obligation 149A</p> <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Corporation identified that there were 32 complaints in June 2020 where the customer was not advised of their right to be referred to the water services ombudsman.</p>	<p>In June 2020, the Corporation conducted an extensive review and implemented significant changes to the process, corporate process documentation, training and reporting to ensure future compliance.</p> <p>A recommendation has not been made as the non-compliance issue has been resolved.</p>	No

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Act</i> Section 12 Obligation 156 The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports due to the Corporation identifying potential non-compliances of other obligations.	See Recommendation Reference 12/2018. No recommendations were made against this obligation as it has been removed from the Water Compliance Reporting Manual in May 2020.	No
Not applicable	B2 <i>Water Services Act</i> Section 12 Obligation 161 The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports due to the Corporation identifying potential non-compliances of other obligations.	A recommendation has not been made as the non-compliance issue has been resolved.	No
Not applicable	B2 <i>Water Services Act</i> Section 12 Obligation 190, Section 1.2.1 The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Corporation identified during the annual pressure exempt notification process that 69 customers received incorrect information.	The Corporation rectified the errors in the data sets and all effected customers were notified of the incorrect communication. A recommendation has not been made as the non-compliance issue has been resolved.	No
Not applicable	A2 <i>Water Services Act</i> Section 12 Obligation 190, Section 6.1.2 The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Report as the 2018 Operational Audit indicated that the method used by the Corporation did not comply with the requirements and questioned the Corporation's record keeping of flow testing as the results were not always readily available in the relevant Corporation's systems.	See Recommendation Reference 11/2018 and 18/2020. A recommendation has not been made as the non-compliance issue has been resolved.	No

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
01/2020	B2 <i>Water Services Act</i> Section 141(1) Obligation 34 We reviewed the <i>Break the Road Register</i> and noted 160 breaches were recorded for planned work.	To improve compliance with regards to planned events, we recommend that the Corporation implement a system control to prevent the creation of a work order unless the 48 hours' notice has been recorded and stored on the system.	Yes See Auditor's Recommendations column for details.
02/2020	A2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 15(3) Obligation 104A Through sample testing, we noted that the bills did not contain " <i>the day on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the day on which the customer's next consumption year starts)</i> ". The bills referred to the "month" (not the day) that the tariff will be reset.	We recommend that the Corporation: In consultation with its Legal Services team, request an amendment to the Code of Conduct to reflect the month and not the day on which the customer's next consumption year starts.	Yes See Auditor's Recommendations column
03/2020	C3 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 19(2) Obligation 111A The audit identified overcharges related to properties where the new financial year price was applied when part of the water use period was in the previous year. At the date of the audit, the Corporation had not credited the overcharged amount to the customer's account or communicated the matter with the client within the required 15 business days of becoming aware of the overcharge.	We recommend that the Corporation: 1. Inform customers immediately. 2. Continue its investigation into identifying other potentially affected customers and calculating and reimbursing the amount of the overcharge for affected customers. 3. Perform a comprehensive review of all other Grange billing rules.	Yes See Auditor's Recommendations column
04/2020	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(5) Obligation 117 The audit identified 303 breaches (non-compliance rate 1.41%) of the 15-business day requirement (compliance	We recommend that the Corporation: 1. Provide further training to relevant staff on the requirement. 2. Continue to regularly monitor and report the 15-business day requirement.	Yes See Auditor's Recommendations column

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	rate 98.73%).	3. Discuss reasons for non-compliance with the ERA to understand the ERA's view on this non-compliance.	
05/2020	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 32</p> <p>Obligation 133A</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Operating Licence Pre-Audit identified six (6) customers, who had been assessed as being in financial hardship, had been charged interest.</p>	<p>The Customer Financial Solutions team was notified of the issue on 1 July 2020 and removed all of the applicable interest on 6 July 2020.</p> <p>The Corporation also took the following action at the same time:</p> <ul style="list-style-type: none"> A change to the billing system was requested to automatically stop interest being charged to customers with payment arrangements and assessed as experiencing financial hardship. The process for identifying errors was improved to ensure no interest is charged to customers assessed as experiencing financial hardship. 	No further action required as it has already been resolved, however it was only resolved after the current audit period.
06/2020	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 36(3)</p> <p>Obligation 137C</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the restriction notice template did not contain the required information, therefore all restriction notices issued between 1 July 2019 and 18 March 2020 were non-compliant.</p>	<p>The Corporation updated the restriction notice template on 8 July 2020 to ensure that it contained the following required information:</p> <ul style="list-style-type: none"> The reasons for the proposed restriction. The complaints procedure available to customers. The procedure for applying to the water services ombudsman. <p>The procedures and costs associated with restoration of water supply.</p>	No further action required as it has already been resolved, however it was only resolved after the current audit period.

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
07/2020	A2 <i>Water Services Act</i> Section 12 Obligation 185 The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Wastewater Services Memorandum of Understanding between the Corporation and the Department of Health did not specified requirement in relation to legal standing of the document.	We recommend that the Corporation ensure the Memorandum of Understanding with the Department of Health includes the specified requirement.	Yes See Auditor's Recommendations column.
08/2020	A2 <i>Water Services Act</i> Section 12 Obligation 187 We noted an instance where the Corporation did not publish an amendment to the <i>Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water</i> within a month of it being approved by the Department of Health.	We recommend that the Corporation further strengthen its processes relevant to publishing Memorandum of Understandings between the Corporation and the Department of Health.	Yes See Auditor's Recommendations column.

4. Compliance Performance Summary

This section provides a summary of our assessment of the Corporation's compliance performance during the audit period. The assessment is provided as a rating of the control and compliance performance for each Water Licence obligation. The ratings have been determined by applying the following compliance and controls rating scales, as prescribed in the Guidelines.

Note: Each rating has been colour-coded to indicate the ratings provided in the summary assessment table below.

Compliance and Controls Rating Scales			
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 effect on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate effect on customers or third parties
D	No controls evident	4	Non-compliant – major effect on customers or third parties
N/P	Not performed – a controls rating was not required	N/R	Not rated – no activity took place during the audit period

4.1 Compliance & Controls Ratings per Obligation

The table below provides a summary of our assessment of the Corporation's compliance performance during the audit period. Detailed observations of all obligations are set out in *Section 6.1.3* of this report.

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
1.	Water Services Act Section 21(1)(a)	1										
2.	Water Services Act Section 21(1)(b)	4										
3.	Water Services Act Section 21(1)(c)	3										
4.	Water Services Act Section 22	5										
5.	Water Services Act Section 23	4										
6.	Water Services Act Sections 24(1)(a) & 24(2)	4										
7.	Water Services Act Section 24(1)(b)	4										
8.	Water Services Act Section 24(1)(c)	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
9.	Water Services Act Section 25	5										
10.	Water Services Act Section 26(3)	2										
11.	Water Services Act Section 27 Note: This obligation is no longer used from 1 May 2020.	1										
12.	Water Services Act Section 29 Note: This obligation is no longer used from 1 May 2020.	1										
13.	Water Services Act Section 36	2										
14.	Water Services Act Section 60	5										
15.	OL 15: Water Services Act Section 66 OL 16: Water Services Act Section 70(2)	4										
16.	Water Services Act Section 77(3)	4										
17.	Water Services Act Sections 82(4) & (5)	3										
18.	Water Services Act Section 84(2)	4										
19.	Water Services Act Section 87(2)	4										
20.	Water Services Act Section 90(7)	4										
21.	Water Services Act Section 95(3)	1										
22.	Water Services Act Section 96(1)	4										
23.	Water Services Act Section 96(5)	4										
24.	Water Services Act Section 98(3)	4										
25.	Water Services Act Section 106(2)	4										
26.	Water Services Act Section 110(3)	4										
27.	Water Services Act Section 112(5)	4										
28.	Water Services Act Section 119(2)	3										
29.	Water Services Act Section 122(2)	2										
30.	Water Services Act Section 125(2)	4										
31.	Water Services Act Section 128(4)	1										
32.	Water Services Act Section 129(5)	2										
33.	Water Services Act Section 139(3)	3										
34.	Water Services Act Section 141(1)	1										
35.	Water Services Act Section 142	3										
36.	Water Services Act Section 143 (2)	3										
37.	Water Services Act Section 143 (3)	3										
38.	Water Services Act Section 144(3)	4										
39.	Water Services Act Section 145(2)	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
40.	Water Services Act Section 147(3)	4										
41.	Water Services Act Section 147(4)	4										
42.	Water Services Act Section 151(1)	3										
43.	Water Services Act Section 151(2)	3										
44.	Water Services Act Section 152(3)	4										
45.	Water Services Act Section 153(3)	4										
46.	Water Services Act Section 166(5)	4										
47.	Water Services Act Section 166(6)	4										
48.	Water Services Act Section 170	4										
49.	Water Services Act Section 173(4)	2										
50.	Water Services Act Section 174(1)	2										
51.	Water Services Act Section 174(3)	3										
52.	Water Services Act Section 175(2)	3										
53.	Water Services Act Section 175(5)	2										
54.	Water Services Act Section 176(1)	3										
55.	Water Services Act Section 176(3)	3										
56.	Water Services Act Section 176(4)	3										
57.	Water Services Act Section 181	3										
58.	Water Services Act Section 186	3										
59.	Water Services Act Section 187(1) – (3)	3										
60.	Water Services Act Section 190(4)	3										
61.	Water Services Act Section 190(5)	3										
62.	Water Services Act Section 210(5)	1										
63.	Water Services Act Section 218(2)	3										
64.	Water Services Act Section 218(3)	3										
65.	Water Services Regulations 2013 Regulation 23(2)	4										
66.	Water Services Regulations 2013 Regulation 24(4)	4										
67.	Water Services Regulations 2013 Regulations 26(3)	4										
68.	Water Services Regulations 2013 Regulation 26(5)	4										
69.	Water Services Regulations 2013 Regulation 29(1)	4										
70.	Water Services Regulations 2013 Regulation 42(2)	4										
71.	Water Services Regulations 2013 Regulation 43(3)	4										
72.	Water Services Regulations 2013 Regulation 43(6)	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
73.	Not used											
74.	Water Services Regulations 2013 Regulation 60(2)	1										
75.	Water Services Regulations 2013 Regulation 63	2										
76.	Water Services Regulations 2013 Regulations 65(1)	4										
77.	Water Services Regulations 2013 Regulations 65(2)	4										
78.	Water Services Regulations 2013 Regulation 65(4)	3										
79.	Water Services Regulations 2013 Regulation 67	4										
80.	Water Services Regulations 2013 Regulations 68(5)	4										
81.	Water Services Regulations 2013 Regulations 68(6)	4										
82.	Water Services Regulations 2013 Regulations 68(7)	4										
83.	Water Services Regulations 2013 Regulations 68(8)	4										
84.	Water Services Regulations 2013 Regulation 69(3)	3										
85.	Water Services Regulations 2013 Regulation 70(2)	3										
86.	Water Services Regulations 2013 Regulation 74(1)	4										
87.	Water Services Regulations 2013 Regulation 74(2)	4										
88.	Water Services Regulations 2013 Regulation 75(1)	4										
88A	Water Services Regulations 2013 Regulation 80H	3										
89.	Water Services Regulations 2013 Regulation 85	3										
90.	Water Services Regulations 2013 Regulation 86(6)	1										
91.	Water Services Regulations 2013 Regulation 86(9)	1										
92.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 8(1)-(3)	4										
93.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 9(2) and (4)	3										
94.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 10(2)	4										
95.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(2)	4										
96.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(3)	4										
97.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(4)	4										
98.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(5)	4										
98A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)	2										
99.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 12	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
100.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(1)	3										
100A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(3)	3										
101.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(4)	4										
101A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(5)	4										
102	Not used											
102A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6)	4										
103.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(1)	4										
104.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(2)	4										
104A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 15(3)	3										
105.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 16(1)	4										
106.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 17(2) & (3)	4										
107.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(2)	2										
108.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(3)	2										
109.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(4)	2										
110.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(5)	2										
111.	Not used											
111A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(2)	2										
112.	Not used											
112A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(3)	4										
112B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4)	4										
112C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(5)	4										
113.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(1)	4										
114.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(2)	4										
115.	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) & (6)	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
116.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4)	4										
117.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(5)	3										
117A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21	4										
118.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 23	4										
119.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(1)	4										
120.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(2)	4										
121.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 25(1)	4										
122.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 26(1)	4										
123.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 27	4										
124.	Not used											
124A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(2)	2										
124B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(3)	2										
124C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(4)	2										
125.	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 29(1) & (2)	2										
126.	Not used											
126A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(3)	2										
126B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(4)	2										
127.	Not applicable as the Corporation has held its licence for more than six months.											
128.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(6)	3										
129.	Not used											
129A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(7)	2										
129B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(8)	2										
129C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(9)	2										
130.	Not used											
130A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(2)	2										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
130B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(3)	2										
131.	Not used											
131A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(a)	2										
131B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(b)	2										
131C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c)	2										
132.	Not used											
133.	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 31(4) & (5)	2										
133A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32	2										
134.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(a)-(c)	2										
134A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e)	3										
135.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 40(1)	2										
136.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 40(2)	2										
137.	Not used											
137A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(1)	2										
137B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(2)	2										
137C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 36(3)	2										
138.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(a)-(e) & (h).	2										
138A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 37(1)(f)-(g)	2										
138B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 38	2										
139.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 39	1										
140.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(2)	2										
141.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(3)	2										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
142.	Not used.											
143.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 41(5)	2										
144.	Not used.											
144A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)	3										
144B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2)	3										
144C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(1)	3										
144D.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(2)	3										
144E.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 45	5										
145.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(1)	3										
146.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(2)	3										
147.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(3)	2										
148.	Not used											
148A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(4)	3										
149.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(5)	3										
149A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47	3										
150.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 48(1)	3										
151.	Not used											
152.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 48(2)	4										
153.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1)	4										
154.	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 49(2)	4										
154A.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(3)	5										
154B.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 51(1) & (3)	2										
154C.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 52	1										
154D.	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 53	2										
155.	Water Services Act Section 12	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
156.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020.	1										
157.	Not used											
158.	Not used											
159.	Water Services Act Section 12	2										
159A.	Not used											
160.	Water Services Act Section 12	4										
161.	Water Services Act Section 12	1										
162.	Water Services Act Section 12	4										
163.	Water Services Act Section 12	4										
164.	Not used											
165.	Water Services Act Section 12	4										
166.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	4										
167.	Water Services Act Section 12	3										
168.	Water Services Act Section 12	3										
169.	Water Services Act Section 12	4										
170.	Not used											
170A.	Water Services Act Section 12 Note: This obligation was not used prior to 1 May 2020	4										
171.	Water Services Act Section 12	4										
172.	Water Services Act Section 12	4										
172A.	Water Services Act Section 12 Note: This obligation was not used prior to 1 May 2020	5										
172B.	Water Services Act Section 12 Note: This obligation was not used prior to 1 May 2020	5										
173.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020.	4										
174.	Not used											
175.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020.	5										
176.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	5										
177.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	4										
178.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	5										
179.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	4										
180.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	4										

Licence Obligation Reference No. (Refer to the Water Compliance Reporting Manual)	Licence Obligation	Audit Priority (rated 1 (highest) to 5 (lowest))	Controls Rating (Refer to Table 1 above)					Compliance Rating (Refer to Table 1 above)				
			A	B	C	D	N/P	1	2	3	4	N/R
181.	Water Services Act Section 12	4										
182.	Water Services Act Section 12	5										
183.	Water Services Act Section 12 Note: This obligation is no longer used from 1 May 2020	3										
184.	Water Services Act Section 12	5										
184A.	Water Services Act Section 12 Note: This obligation was not used prior to 1 May 2020	5										
184B.	Water Services Act Section 12 Note: This obligation was not used prior to 1 May 2020	5										
185.	Water Services Act Section 12	2										
186.	Water Services Act Section 12	2										
187.	Water Services Act Section 12	2										
188.	Water Services Act Section 12	2										
189.	Water Services Act Section 12	2										
190.	Water Services Act Section 12	1										
1.1 Potable water system – pressure and flow standards	1.1.1	3										
1.2 Potable water system – pressure and flow exemptions	1.2.1 1.2.2	1										
1.3 Water restrictions	1.3.1	2										
4.1 Drainage service standards	4.1.1 4.1.2 4.1.3 4.1.4 4.1.5 4.1.6 4.1.7 4.1.8 4.1.9	1										
5.1 Irrigation Service Standards	5.1.1 5.1.2 5.1.3	2										
6.1 Farmland Areas Water System Standards	6.1.1 6.1.2	1										

4.2 Compliance & Controls Ratings Summary

The following table provides the number of licence obligations that were given each combination of compliance and controls ratings.

	Compliance Rating					
Controls Rating	1	2	3	4	N/R	Total
A	69	22	0	0	19	110
B	3	7	0	0	1	11
C	0	0	1	0	0	1
D	0	0	0	0	0	0
N/P	70	0	0	0	30	100
Total	142	29	1	0	50	222

5. Our Approach

5.1 Background

The Corporation is the principal supplier of water, wastewater and drainage services to homes, businesses and farms, including bulk water to farms for irrigation, in Western Australia.

The Corporation is a public sector organisation of the Western Australian Government and accountable to the Minister for Water. The Corporation has over 2,700 employees located in Perth, Bunbury, Albany, Karratha, Geraldton, Northam and Kalgoorlie and participates in alliances to manage assets in water supply, wastewater, drainage infrastructure and bulk water for irrigation.

The Corporation is licenced under the *Water Services Act 2012*. As a licensee, the Corporation is required to meet the conditions specified in its water services licence, which includes general licence conditions, individual licence conditions and legislative obligations called up by the licence.

The Corporation is required to provide the ERA with a report on an operational audit, conducted by an independent expert appointed by the ERA, once every 24 months or another period as specified by the ERA. The ERA engaged Crowe Australasia to conduct the current operational audit.

5.2 Objective and Scope

The objective of the audit was to assess the adequacy and effectiveness of the Corporation's processes, systems and other measures designed to ensure compliance with the obligations, standards, outputs and outcomes prescribed in its water services licence – WL32 (Version 15, dated 19 July 2016) and WL32 (Version 16, dated 1 May 2020).

The audit focused on the processes, systems and other measures used by the Corporation to ensure compliance with the standards, outputs and outcomes required by the licence, specifically:

- **Process compliance** – the effectiveness of the systems and procedures in place during the audit period, including the adequacy of internal controls;
- **Outcome compliance** – the actual performance measured against the standards prescribed in the licence throughout the audit period;
- **Output compliance** – the existence of the output from systems and procedures during the audit period, specifically proper records which provide assurance that procedures are consistently followed, and controls are maintained;
- **Integrity of reporting** – the completeness and accuracy of the compliance and performance reports
- **Compliance with any individual licence conditions** – the actual performance against the requirements imposed on the specific licensee by the ERA or specific matters raised by the ERA.

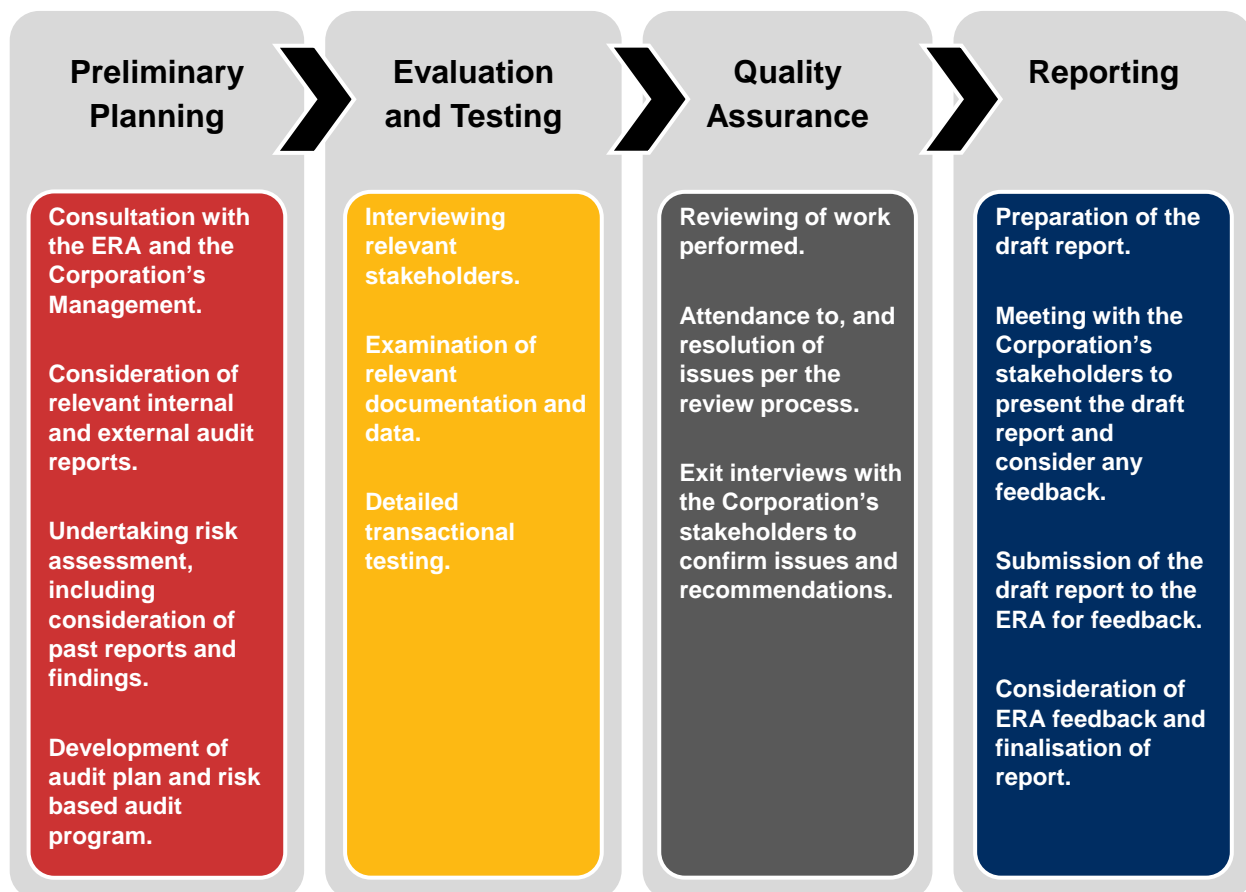
The audit period was from **1 July 2018** to **30 June 2020**.

The audit was conducted as a **reasonable assurance engagement**, in accordance with Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board and in line with the Guidelines and the approved Audit Plan.

5.3 Methodology & Criteria

Our approach to this audit was risk based and in line with the requirements set out in the *Water Services Act 2012*, the Corporation's water licence and the Guidelines and designed to provide a **reasonable level of assurance** regarding the Corporation's compliance with the conditions of its licence.

Our approach is summarised in the diagram below:



We performed a preliminary assessment of the risks of non-compliance to guide our audit testing and to ensure more extensive testing on licence obligations with a higher priority as follows:

- Reviewed prior audit findings and recommendations as well as the actions taken by the Corporation to address the areas of improvement identified.
- Reviewed compliance reports lodged by the Corporation during the audit period and compliance registers.
- Interviewed Corporation stakeholders to obtain their views on the level of compliance, for the purpose of identifying higher risk areas.
- Consulted with the ERA to understand particular areas that required closer examination.
- Considered risks including where, when, why and how events could prevent, degrade or delay compliance with the licence conditions.

The preliminary ratings for existing controls were determined using the risk ratings tables detailed in *Appendix 3* of the Guidelines and through discussions and representations by the Corporation's management stakeholders.

Audit priority, in addition to our professional judgement, was then used to determine the nature and extent of the audit procedures required for each of the licence conditions. For high risk obligations, we applied additional procedures to determine whether any major breaches had occurred during the audit period. In auditing the licence conditions, we performed the following activities:

- Assessment of the adequacy of measures taken by the Corporation in meeting the requirements relating to the provision of services, through interviews with personnel, examination of documentation and observation of processes and systems.
- Sampling source documents and transactions to determine whether established procedures had been complied with.
- In circumstances where the volume of occasions of service or other relevant transactions being tested were large, sampling techniques were used to provide adequate assurance that test results were representative of the Corporation's operations.

The audit procedures included review of the previous audit findings and recommendations in addition to the actions taken by the Corporation to address those recommendations.

Audit Evidence

We obtained sufficient and appropriate evidence to be able to draw reasonable conclusions on which to base our opinion. We considered all information, including the sufficiency, relevance and reliability of audit evidence, when forming conclusions.

Professional judgement was used to determine what constitutes sufficient audit evidence and a comprehensive set of working papers was developed throughout the audit to ensure there was sufficient evidence to support the observations and recommendations, detailed in this report.

Sampling

We considered the sufficiency of audit evidence when designing audit procedures and sample testing to ensure we gathered sufficient audit evidence to meet the objectives of the audit procedures and to support our overall conclusions.

Audit sampling refers to the application of audit procedures to less than 100% of items within a class of transactions. Sampling is an efficient and effective way for an auditor to reach a conclusion about a population. When designing our audit samples, we considered the nature of audit evidence sought and the risks of non-compliance with the conditions of the Water Licence. We determined sample sizes using technology such as CaseWare IDEA for statistical sampling and professional judgement for non-statistical sampling.

Materiality of Non-Compliance Findings

The objective of our audit was to enable us to express a conclusion that the Corporation has, in all material respects, complied with the conditions of the Water licences for the period 1 July 2018 to 30 June 2020.

We considered the materiality of compliance requirements at the planning stage and continually throughout the conduct of our audit procedures and based on findings as they arose.

We considered materiality is considered in the context of quantitative and qualitative factors, such as relative magnitude of instances of detected or suspected matter(s) of non-compliance, the nature and extent of the effect of these factors on the evaluation of compliance with the compliance requirements and the interests of the intended users. Our assessment of materiality and the relative importance of quantitative and qualitative factors are matters for the assurance practitioner's professional judgement.

To support our consideration of materiality we rated each licence obligations by priority (based on a priority rating of 1, 2 or 3) and considered the priority of each obligation when evaluating whether any finding has a material impact on the Corporation's overall compliance with the conditions of the Water licence or otherwise.

Each instance of non-compliance identified was assessed for the level of impact on the Corporation's customers and third-parties based on a rating scale (*refer Section 4*) and an overall assessment of the compliance impact ratings was made to determine whether, in all material respects, the Corporation was compliant with the conditions of the licence.

We were cognisant of the requirements prescribed by ERA. Accordingly, our audit procedures and evaluation of the results were designed to conform with the requirements set out in the Guidelines.

Quality Assurance

On conclusion of the fieldwork, we reviewed the work performed and attended to issues identified, to ensure that we met the audit objective and scope. We then evaluated our conclusions to determine the adequacy and effectiveness of the processes and systems in place and the reasons and extent for breakdowns and weaknesses.

All audit work undertaken was reviewed by an audit professional not directly involved in the performance of the audit work itself.

We developed appropriate recommendations, considering the associated risks, available resources and possible future impacts on the business area and held an exit meeting with the Corporation to confirm our findings and recommendations.

5.4 Compliance Reports & Registers

The following compliance reports and registers were reviewed as part of our preliminary risk assessment and again during fieldwork:

- The Corporation's Compliance Report to the ERA for the period 1 July 2018 to 30 June 2019;
- The Corporation's Compliance Report to the ERA for the period 1 July 2019 to 30 June 2020;
- Annual notification to the ERA of issues concerning Water Services Licence Requirements (Non-compliance register); and
- September 2019 Post Audit Implementation Plan submitted to the ERA.

5.5 Site Visits

As agreed with the ERA and Corporation, we visited the following sites during fieldwork:

- Water Corporation Head Office – 629 Newcastle Street, Leederville
- Water Corporation Balcatta Office – 240 Balcatta Road, Balcatta
- Goldfields and Agricultural Region – Northam Regional Office

The results of the audit in the Goldfields and Agricultural Region have been incorporated into the narrative for the relevant obligations. *Appendix 1* sets out the obligations audited in respect of the Goldfields and Agricultural Region as part of the visit to the Corporation's Northam Regional Office.

5.6 Personnel & Documentation

Set out in *Appendix 2*, is a list of the Corporation's personnel interviewed during the operational audit.

During the operational audit, we read or examined in excess of 1300 documents and other sources of information. Below is a categorised list of documents read or examined during the operational audit:

- Business Unit Position statements
- Policies, procedures and guidelines
- Procedural templates
- Standards, manuals and plans
- Work instructions and process flow charts
- Management reports
- System data extracts
- Customer bills
- Work orders
- Operating maps
- Geospatial maps
- Communication letters, emails and memorandums
- Memorandum of Understanding / Agreements
- Telephone Recordings
- eLearning training modules
- Training presentations
- Grange Billing system screenshots
- Fact Sheets
- Correspondence registers
- Excel based information registers
- Invoices
- Audit reports
- Performance reports
- Compliance reports
- Compliance notices
- Certificates of authority
- Water Services Act 2012
- Water Compliance Reporting Manuals
- Water Services Licences
- Water Services Code of Conduct
- Water Services Regulations 2013
- Water Corporation application forms
- Water Corporation agreements
- Water Corporation's website & intranet
- Water Corporation's terms and conditions
- Water Efficiency Management Plans

5.7 Work Schedule

The key milestones and deliverables for the audit were as follows:

Date	Milestones/Key Deliverable(s)
Thursday 3 September 2020	Draft audit plan provided to the ERA on this date.
Thursday 17 September 2020	ERA provides comments on the draft audit plan.
Thursday 24 September 2020	Final audit plan approved.
Thursday 5 November 2020	Draft audit report provided to the ERA.
Thursday 19 November 2020	ERA provides comments on the draft audit report.
Thursday 3 December 2020	Final audit report provided to the ERA.

Our work schedule, tabled below, was designed to ensure that the audit was completed within a timely manner in order to meet Corporation and ERA requirements.

Date	Activity
Monday 28 September 2020	Site induction and commencement of fieldwork.
Friday 23 October 2020	Conclusion of fieldwork.
Thursday 29 October 2020	Exit interview with the Corporation to discuss findings and recommendations.
Thursday 5 November 2020	Draft report provided to the ERA for review.
Thursday 19 November 2020	ERA provides comments on the draft audit report.
Thursday 3 December 2020	Final report provided to the ERA.

5.8 Audit Team

The following table details the audit team members, their roles and the planned hours allocated to complete the operational audit.

Resource	Role	Total Hours
Robin Rajadhyaksha	Lead Partner	60
Nick Goosen	Lead Manager	164
Levy Mpofu	Supporting Manager	137
Hayley Finn	Senior Auditor	137
Jasmin Santhosh	Senior Auditor	137
Totals		635

5.9 Deviations from Audit Plan

There were no deviations from the approved Audit Plan.

6. Detailed Findings and Recommendations

6.1.1 Status of recommendations addressing non-compliances from the previous audit

The table below details the recommendations arising from the 2018 Operational Audit of the Corporation for the period 1 July 2015 to 30 June 2018 and the responses to those recommendations by the Corporation since the previous audit.

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Previous Audit Recommendations			
01/2018	B2 <i>Water Services Act</i> Section 128(4) Obligation: 31 Observation: The audit identified that Memorials were not lifted when outstanding charges had been paid to avoid multiple memorials needing to be lodged and withdrawn.	The Corporation corrected this action by regularly reviewing monthly memorial reports to identify all memorials where the original amount has been paid. Memorials are currently withdrawn once payment of the original amount is received by the Corporation. Work instructions were amended and published as at 20 November 2018.	No
02/2018	B2 <i>Water Services Act</i> Section 129(5) Obligations: 32, 49, 50 Observation: <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 <i>Water Services Act 2012</i>, procedural documents or 	The Corporation delivered training to all Team Leaders in Operations Group responsible for ensuring the provision of a written notice 48 hours prior and updated supporting documentation and training to provide greater clarity with regards to the terms "cause disruption" and "adversely affect", to ensure compliance from 1 July 2019 onwards.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	training materials currently used by the Corporation.		
03/2018	<p>C2</p> <p>Water Services Act Section 142, 143(2)(3)</p> <p>Obligations: 35, 36, 37</p> <p>Observations:</p> <p>Obligations 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 35 and 37</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 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" 	<p>The Corporation completed the following on 20 May 2019:</p> <ul style="list-style-type: none"> Reviewed and updated the Major Works Checklist to include a requirement to document evidence that the plans had been published on the Corporation's website, including the date of publication. Reviewed and updated the template letters and template Notice of Proposal plans to include the requirement for an online address where the Notice of Proposal can be viewed. Clarified, defined and documented the term "likely to be adversely affected". <p>On 20 May, the Corporation communicated all changes to relevant staff and reinforce the need to follow the documented processes.</p>	No
04/2018	<p>B2</p> <p>Water Services Act Section 151(1)(2)</p> <p>Obligations 42, 43</p> <p>Observations:</p> <p>Obligation 42</p> <ul style="list-style-type: none"> For four (4) out of the five (5) samples selected, the plans and 	<p>The Corporation completed the following on 20 May 2019:</p> <ul style="list-style-type: none"> Reviewed and updated the Major Works Checklist to include the requirement to document evidence that the plans have been published on the Corporation's website, 	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p>details of the proposed general works were not published.</p> <ul style="list-style-type: none"> 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> <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 <i>"times when, and the places at which, the plans and details may be inspected"</i> 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 <i>Flow chart of Water Corporation General Works Procedure</i> was not signed by the Project Manager. 	<p>including the date of publication.</p> <ul style="list-style-type: none"> Clarified, defined and documented the term "likely to be adversely affected". The Corporation communicated all changes to relevant staff and reinforced the need to follow the documented process externally on 20 May 2019 and internally on 17 July 2019. <p>In October 2019 the Corporation updated its General Works Checklist and its templates based on legal advice to ensure the Notice of Proposals and plans are published. The plans were made available for inspection. The Corporation communicated these changes to all relevant staff internally through a Notification of Change email on the 21st November 2019.</p>	

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
05/2018	B2 <i>Water Services Act</i> Section 175(5) Obligation 53: Observation: The <i>Notice of Entry</i> Form does not detail the employee's full name and official title as required by the <i>Water Services Act 2012</i> . 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> .	The Corporation has not actioned the recommendations from the previous audit. The Corporation does not want to give the public the full names of field workers after entry to an unoccupied dwelling for the personal safety of employees. Instead, a crew number and job number will be left, which allows for the Corporation to identify the employee involved should there be any issues. This has been approved by the ERA and flagged as part of the review of the <i>Water Services Act 2012</i> by the Department of Water and Environmental Regulation (DWER).	Not applicable, as the Corporation's position on this has been agreed with the ERA and the issue will be reviewed as part of the <i>Water Services Act 2012</i> review by DWER.
06/2018	B2 <i>Water Services Regulations 2013</i> Regulations 26(3)(5) Obligations: 67, 68 Observations: Obligation 67 The procedure documents and work instructions have not been approved by the CEO as required by the regulations. Obligation 68 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.	The Corporation updated corporate process documentation on 8 January 2019 and in June 2019, the Head of Engineering, as per delegated authority from the CEO, reviewed and approved the following: <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). Work instructions. 	No
07/2018	B2 <i>Water Services Regulations 2013</i> Regulations 65(4) Obligation: 78 Observations: The following information were not included via <i>My Water</i> through the Corporation's website as required by	To resolve this issue, in June 2019, the Corporation updated <i>My Water</i> with the following message: <i>"Water Corporation maintains records for all land including the name and address of the owner of the land, the account number, charges and unpaid charges. Please call (08) 9273 4520 to make an appointment to inspect</i>	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	Regulation 65(4): <ul style="list-style-type: none"> The name and address of the owner of the land; and The account number. 	<i>these records."</i>	
08/2018	B2 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(1) Obligation: 100 Observation: The sampled bills did not have an explicit statement that the Corporation's website contains information about estimates.	The Corporation made changes to the system and bill format to satisfy the requirement of this obligation on 1 February 2019. The Corporation conducted an internal audit on its Operating Licence (Pre-Operational Audit) in November 2019 and noted that only the bills that had been estimated contained a message about estimates. The Corporation updated the system and bill format so that all bills contained a message advising customers they could obtain information about estimates from the Corporation's website.	No
09/2018	B2 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 12(3) Obligation: 102 Observation: We noted that bills currently do not specifically inform customers that they 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.	The Corporation made changes to the system and bill format to satisfy the requirement of this obligation on 1 February 2019. The Corporation conducted the Operating Licence Pre-Audit in November 2019 and noted that only the bills that had been estimated contained a message about estimates. The Corporation updated the system and bill format so that all bills contained a message advising customers they could obtain information about estimates from the Corporation's website. This obligation is no longer applicable to the Corporation because it has been removed from the Water Compliance Reporting Manual – May 2020.	No
10/2018	B2 <i>Water Services Act</i> Section 12 Obligation 155	On 30 June 2019, the Corporation implemented this recommendation by including an additional control in the <i>Economic Regulation Authority Licence Fee Work</i>	No.

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	Observations: 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.	<i>Instruction</i> , as a reminder mechanism to ensure payment is made within the allowed period.	
11/2018	C3 <i>Water Services Act</i> Section 12 Obligation: 190 Section 6.2 Observations: 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: <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 issues, the pressure and flow, at the outlet of the water meter to Farmland properties, is at the required specification. It was also noted that the Corporation does not have a policy, procedure or work instruction in place to ensure compliance with this obligation.	The Corporation has nearly completed (90% completion rate at present) the hydraulic modelling of the farmlands supplies in the Goldfields and Agricultural Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region farmlands schemes. The Corporation indicated that where the modelling indicates that pressures may prove marginal to meet the flow requirements in the water services licence, then onsite verification of pressures will be undertaken to determine if there is noncompliance. To ensure compliance with this obligation, the quick reference sheet for operators (procedures document) responding to a poor supply complaint has been updated: <i>QRS link Fieldwork-QRS-Feedback-010 Poor Supply Feedback</i> and as such, a work order cannot be marked as finished until all relevant feedback has been entered for that particular job. It is also mandatory to enter pressure and flow readings in work order feedback.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
12/2018	B2 <i>Water Services Act</i> Section 12 and 27 Obligations 11, 158 Certain obligations have been identified as exceptions and therefore directly impact the compliance posture of obligations 11 and 158. Obligation 12, 156, 161 Certain obligations have been identified as exceptions and therefore directly impact the compliance posture of obligation 12.	Obligations 11, 12 and 156 are no longer used as the ERA removed them from the ERA's Water Compliance Reporting Manual dated May 2020.	Not applicable.
13/2018	B2 <i>Water Services Act</i> Section 12 Obligation 190 Section 1.2 Observations: <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. 	We confirmed that the Corporation approved and implemented the <i>Pressure and Flow Exemption Procedure</i> in July 2018.	No.
14/2018	B1 <i>Water Services Act</i> Section 23 Obligation 5 Observations: <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 	During 2018 and 2019, the Corporation implemented the following recommendations from the 2018 audit: <ul 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); 	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p>obligation. Moreover, no training is currently provided where there has been a movement in staff (i.e. new Regional / Alliance Managers).</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Develop a procedure / work instruction detailing the processes performed by Infrastructure Markets when monitoring compliance against this obligation including, training and quality assurance processes; Review and approve the procedure / work instruction in accordance with established Corporation processes; and Make the procedure / work instruction available to staff via the CorpDocs document management system 	
15/2018	<p>B1</p> <p><i>Water Services Act</i> Section 82(4)(5)</p> <p>Obligation 17</p> <p>Observations:</p> <ul style="list-style-type: none"> The Corporation did not include the "7-day return" requirement as specified in <i>Section 82 (5)</i> 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>. 	We confirm that the Corporation, in 2019, implemented the recommendations made in the previous audit by incorporating and/or correcting the "7-day return" requirement, as specified in <i>Section 82(5)</i> of the <i>Water Services Act 2012</i> , in all relevant policies and work instructions.	No
16/2018	<p>CNR</p> <p><i>Water Services Act</i> Section 90(7)</p> <p>Obligation 20</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 	In June 2019 the Corporation updated its work instruction – <i>Procedure for Entry onto Private Property</i> to include the procedure to be followed by Operators when identifying issues listed under <i>Section 90 (7)</i> . During 2019, the Corporation also provided face-to-face and online compliance notice related training to address this issue.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p>with an offender and/or landowner, which negotiation process could be detrimental to the Corporation if performed incorrectly or without legal advice.</p> <ul style="list-style-type: none"> 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. 		
17/2018	<p>BNR</p> <p><i>Water Services Act</i> Section 119(2) Obligation 28</p> <p>Observation:</p> <p>Although the Corporation has a <i>Compliance Notice Process Framework</i>, not all staff is aware of its existence.</p>	During 2019, the Corporation provided awareness training to all managers involved in issuing compliance notices. We confirmed that the framework includes the required information that should be included in a compliance notice in order for it to be considered a formal compliance notice.	No
18/2018	<p>B1</p> <p><i>Water Services Act</i> Section 122(2) Obligation 29</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>	In 2019, the Corporation implemented the recommendation by including a section in the <i>Compliance Notice Process Framework</i> instructing employees not to take, or continue to take, legal action against a person after that person referred a matter to the State Administrative Tribunal (SAT). The document also defines the term "action".	No
19/2018	<p>C1</p> <p><i>Water Services Act</i> Section 141(1) Obligation 34</p> <p>Observation:</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 	<p>The Corporation created a new central folder within Nexus for the management of notifications and the differentiation between planned and unplanned events using the document title.</p> <p>Supporting documentation was updated and personnel involved were made aware of the changes. This was effective 31 March 2019.</p>	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	unplanned work are not maintained sufficiently to a standard that could demonstrate compliance with this obligation		
20/2018	B1 <i>Water Services Act</i> Section 210(5) Obligation 62 Observation: It was observed that 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.	In 2019, the Corporation has updated the <i>Manage Authorisation for Entry on Property and Compliance Officers</i> work instruction to include consideration of the implications of the <i>Criminal Investigations Act</i> when appointing authorised officers.	No
21/2018	B1 <i>Water Services Regulations 2013</i> Regulation 24(4) Obligation 66 Observations: The following issues were identified: <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. 	The Corporation's processes changed in July 2018. Copies of trade waste compliance notices are filed in Nexus (Electronic Data Management System). In August 2018, the compliance notice template was amended, reviewed and approved by Legal Services, and has been included in the <i>Compliance Notice Process Framework</i> . Relevant personnel have been made aware of the changes.	No.
22/2018	B1 <i>Water Services Regulations 2013</i> Regulation 60(2) Obligation 74 Observations: 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.	The Corporation enhanced its record management practices with regards to this obligation and updated <i>My Water</i> in June 2019.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
23/2018	<p>C1</p> <p>Water Services Regulations 2013 Regulation 63</p> <p>Obligation 75</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>Since 2019, the Corporation has improved its process relating to capturing of evidence of reinstatements, including completions, since the previous audit, but corporate process documentation still has not been updated to reflect current practices.</p> <p>The Corporation should update its corporate process documentation relating to reinstatements to include capturing of evidence as well as completion and reporting of reinstatements.</p> <p>This has been communicated to the Corporation through a separate document as the issue does not impact compliance.</p>	No.
24/2018	<p>B1</p> <p>Water Services Regulations 2013 Regulation 69(3) and 70(2)</p> <p>Obligation 84, 85</p> <p>Observations:</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 "<i>review of the licensee's decision not to extend time for objection or review</i>" to the SAT within 10 working days. 	<p>We confirm that the <i>Property Classification Objection to State Administrative Tribunal (SAT)</i> procedure was amended on 10 January 2019 and includes the requirements stated in the Regulations.</p>	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
25/2018	B1 October 2017 Compliance Manual: Water Services Regulations 2013 Obligation 88A Observations: The requirement to provide written notice to the customer within 60 days of receiving a <i>Water Efficiency Management Plan</i> has not been documented. This requirement should be documented to increase awareness of the compliance obligation and to ensure consistency.	We confirm that the Corporation amended its " <i>WEMP – Reviewing Reports</i> " work instruction on 29 November 2019 to include the specified requirement.	No.
26/2018	B1 Water Services Regulations 2013 Regulation 85 Obligation 89 Observation: 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.	In June 2020, The Corporation finalised the Compliance Notice Process Framework, which includes compliance notice templates that were reviewed and approved by Legal Services prior to coming into effect and recordkeeping requirements. Other relevant corporate documentation was also updated to include recordkeeping requirements. We confirmed through examination of compliance notices issued during the audit period that final versions are now retained on file.	No.
27/2018	B1 Water Services Regulations 2013 Regulation 86(6)(9) Obligation 90, 91 Observation: 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> .	During 2019 the Corporation has improved relevant existing corporate process documentation and on 9 April 2020 implemented a work instruction – <i>Management of Infringement Officers and Notices</i> to address this issue.	No.

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
28/2018	<p>B1</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8</p> <p>Obligation 93</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 Billing system 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>The Corporation disagrees with this finding as financial institutions clearly communicate the clearance process to customers and the required timeframe commences when the customer has met all of their obligations <i>and</i> paid the applicable fees and charges, which is automatically picked up by the Corporation's systems.</p> <p>In 2019, the Corporation mapped the process to provide confidence over compliance and amended the Standard Terms and Conditions and uploaded the new version to the Corporation's website.</p>	No
29/2018	<p>BNR</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 16(2)(3)(4)(5)</p> <p>Obligations 107, 108, 109, 110</p> <p>Observations:</p> <ul style="list-style-type: none"> 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. S072 does not include a section providing a delegation of authority to employees for not accruing fees where customers were undercharged. 	<p>On 18 October 2019, the Corporation updated S307 and S319 to provide clearer guidance and decision making relating undercharged fees and during 2019, the Corporation included, as part of Section 5 of S072, an authorisation section with regards to undercharged fees.</p>	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
30/2018	B1 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 17(1)(2) Obligation 111, 112 Observation: Grange Billing system 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.	Both Obligation 111 and 112 have been removed from the 2018 and 2020 Water Compliance Reporting Manuals and are no longer applicable.	Not applicable
31/2018	B1 Water Services Code of Conduct (Customer Service Standards) 2013 Clause 33 Obligation 139 Observation: <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. 	We confirm that the Corporation commenced testing new restriction devices in November 2019 and developed and implemented a work instruction - <i>Asset Monitoring & System Investigations AMSi-W-143 Testing Flow Control Devices</i> in December 2019, which details the requirement to, and procedure for testing.	No
32/2018	B1 <i>Water Services Act</i> Section 12 Obligation 190 Section 4 Observations: The recommendations made by Deloitte in its <i>Audit of Compliance with Section 4 "Drainage Services Standards" of the Water Corporation's Operating Licence</i> reports have not yet been implemented.	We noted that as at 1 May 2020 the Corporation is no longer required to complete the desk audit for drainage, however the recommendations from the Deloitte report were implemented by the Corporation.	No

A. Previous recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
33/2018	B1 <i>Water Services Act</i> Section 12 Obligation 190 Section 6.1 Observations: <ul style="list-style-type: none"> The Corporation could not provide us with the applicable agreements of two of the sample water bills reviewed (accounts 9007631041 and 9021533747). The audits performed by the Corporation's MR&A 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. 	Record management practices have been improved and during 2019, the Corporation's MR&A business unit included, as part of their audits, Service By Agreements. The Corporation is no longer required to perform these audits.	No

B. Previous recommendations unresolved at the end of Current Audit Period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Nil			Not applicable

6.1.2 Recommendations to address current non-compliances and control deficiencies

A. Current recommendations resolved during current audit period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Act</i> Section 27 Obligation 11 Observations: The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report and the 2019/20 Annual Compliance Report due to the Corporation identifying potential non-compliances for the following obligations: <ul style="list-style-type: none"> • 98A • 100 • 101A • 102A • 104A • 111A • 117 • 133A • 137C • 147 • 149A 	See Recommendation Reference 12/2018. No recommendation has been made as this obligation has been removed from the Water Compliance Reporting Manual – May 2020.	Not applicable See Recommendation Reference 12/2018
Not applicable	A2 <i>Water Services Act</i> Section 29 Obligation 12 Observations: The Corporation reported this obligation as non-compliant in the 2018/19 and the 2019/20 Annual Compliance Report due to the Corporation identifying potential non-compliances for the following obligations: <ul style="list-style-type: none"> • 31 • 32 • 34 • 35 • 36 • 37 	See Recommendation Reference 12/2018. No recommendation has been made as this obligation has been removed from the Water Compliance Reporting Manual – May 2020.	Not applicable See Recommendation Reference 12/2018.

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<ul style="list-style-type: none"> 42 43 49 53 156 161 185 190 		
Not applicable	A2 <i>Water Services Act</i> Section 128(4) Obligation 31 Observations: Memorials were not being lifted when customers had paid the outstanding charges relating to the memorial, but rather all outstanding charges on the customer's account.	See Recommendation Reference 01/2018. A recommendation has not been made as the non-compliance issue was resolved.	No See Recommendation Reference 01/2018.
Not applicable	A2 <i>Water Services Act</i> Section 129(5) Obligation 32 Observations: The Corporation did not, in all instances, provide notice 48 hours' prior to enter a property when conducting routine inspections or maintenance works...	See Recommendation Reference 02/2018. A recommendation has not been made as the non-compliance issue was resolved.	No See Recommendation Reference 02/2018.
Not applicable	A2 <i>Water Services Act</i> Sections 142, 143, 143(3), 151(1) and 151(2) Obligation 35, 36, 37, 42 and 43 Observations: The Corporation did not, in all instances, publish the plans for general and major works on its website, provide details of the time and place where the plans may be inspected and defined the term "likely to be affected" in its work instructions.	See Recommendation Reference 03/2018 and 04/2018. A recommendation has not been made as the non-compliance issue was resolved.	See Recommendation Reference 03/2018 and 04/2018.

A. Current recommendations resolved during current audit period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Act</i> Section 173(4) Obligation 49 Observations: The Corporation did not, in all instances, provide notice 48 hours prior to enter a property when the works would "adversely affect the property".	See Recommendation Reference 02/2018. A recommendation has not been made as the non-compliance issue was resolved.	No See Recommendation Reference 02/2018.
Not applicable	A2 <i>Water Services Act</i> Section 175(5) Obligation 53 Observations: The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report and the 2019/20 Annual Compliance Report as the full names of employees are not provided on identification cards for security purposes. Identification cards are used by the Corporation's employees to, as an example, identify themselves when entering properties to provide water services works. The ERA has instructed the Corporation to take no further action in relation to this matter. The Corporation proposes to raise this issue with the Department of Water and Environmental Regulation (DWER) as part of the next review of the <i>Water Services Act 2012</i> but will be non-compliant until that time.	See Recommendation Reference 05/2018. A recommendation has not been made as the Corporation is discussing the matter with the ERA.	No

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
Not applicable	A2 <i>Water Services Regulations 2013</i> Regulation 26(3) Obligation 67 Observations: The 2018 Operational Audit identified that the procedure documents and work instructions have not been approved by the CEO as required by the regulations. The 2020 Operational Audit confirmed that procedures, work instructions and standards were approved by the CEO.	See Recommendation Reference 06/2018. A recommendation has not been made as the non-compliance issue was resolved.	No
Not applicable	A2 <i>Water Services Regulations 2013</i> Regulation 65(4) Obligation 78 Observations: The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report as the name and address of the owner of land as well as the account number was not readily available to all customers via My Water, as required by the obligation.	See Recommendation Reference 07/2018. A recommendation has not been made as the non-compliance issue was resolved.	No
Not applicable	A2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(6) Obligation 98A Observations: The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports as there were 49 properties across Western Australia where the Corporation has been unable to obtain a meter reading in the last 12-month period due to access and customer contact issues.	We confirmed that the Corporation has updated its work instruction and developed a process map to inform staff. Further, a review committee (comprised of Managers and Team Leaders from Customer Billing and Metering) has been established to review these cases 6 weekly and to agree on resolutions. No recommendations were made as the Corporation implemented several controls to mitigate further non-compliances.	No
Not applicable	B2	See Recommendation Reference	No – Obligation 101A

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(5) and Clause 13(6)</p> <p>Obligations 102A</p> <p>Observations:</p> <p>The Corporation reported these obligations as non-compliant in the 2018/19 Annual Compliance Report as a new Code of Conduct came into effect as from 1 July 2018 and the bill template did not include the specified information – Basis and reason of the estimation and a statement on the Corporation's website that contains information about estimates.</p>	<p>09/2018.</p> <p><u>Obligation 102A</u></p> <p>The bill template was updated in February 2020 to include the following statement:</p> <p><i>"If your reading has been estimated you can contact us to have it reviewed. For more information, visit watercorporation.com.au".</i></p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>	<p>An improvement opportunity was raised in separate document to the Corporation for Obligation 102A</p>
Not applicable	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 47</p> <p>Obligation 149A</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Corporation identified that there were 32 complaints in June 2020 where the customer was not advised of their right to be referred to the water services ombudsman.</p>	<p>The non-compliance related to <i>verbal communication</i> and predominantly personnel outside of the Customer Billing & Assurance and Contact Centre business units.</p> <p>As a result, during June 2020, the Corporation conducted an extensive review and implemented significant changes to the process, corporate process documentation, training and reporting to ensure future compliance. Furthermore, a Complaints Working Group was established to embed the changes and monitor compliance.</p> <p>A recommendation has not been made as the non-compliance issue has been resolved.</p>	No
Not applicable	<p>A2</p> <p><i>Water Services Act</i> Section 12</p> <p>Obligation 156</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report and the 2019/20 Annual Compliance Report due to the Corporation identifying potential non-compliances for the following obligations.</p>	<p>See Recommendation Reference 12/2018.</p> <p>No recommendations were made against this obligation as it has been removed from the Water Compliance Reporting Manual in May 2020.</p>	No

A. Current recommendations resolved during current audit period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<ul style="list-style-type: none"> • 31 • 32 • 34 • 35 • 36 • 37 • 42 • 43 • 49 • 53 • 67 • 68 • 78 • 98A • 100 • 101A • 102A • 104A • 111A • 117 • 133A • 137C • 147 • 149A • 156 • 161 • 185 • 190 		
Not applicable	<p>B2</p> <p><i>Water Services Act</i> Section 12</p> <p>Obligation 161</p> <p>Observations:</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report and the 2019/20 Annual Compliance Report due to the following exceptions that directly impact the Corporation's compliance with this obligation.</p>	A recommendation has not been made as the non-compliance issue has been resolved.	No

A. Current recommendations resolved during current audit period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Date Resolved & Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<ul style="list-style-type: none"> Obligation 190, Section 1.2.1 Obligation 190, Section 6.1.1 Obligation 190, Section 6.1.2 		
Not applicable	B2 <i>Water Services Act</i> Section 12 Obligation 190, Section 1.2.1 Observations: The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Corporation identified during the annual pressure exempt notification process that 69 customers received incorrect information.	We confirmed that the Corporation rectified the errors in the data sets and all effected customers were notified of the incorrect communication. Customers were also provided with the current and correct conditions of their respective service. A recommendation has not been made as the non-compliance issue has been resolved.	No
Not applicable	A2 <i>Water Services Act</i> Section 12 Obligation 190, Section 6.1.2 Observations: The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report and the 2019/20 Annual Compliance Report as the 2018 Operational Audit indicated that the method used by the Corporation did not comply with the requirements and questioned the Corporation's record keeping of flow testing as the results were not always readily available in the relevant Corporation's systems.	See Recommendation Reference 11/2018 and 18/2020. A recommendation has not been made as the non-compliance issue has been resolved.	No See Recommendation Reference 11/2018 and 18/2020.

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
01/2020	B2	Based on our discussions with process owners, this obligation will continue to be non-compliant as	Yes See Auditor's

B. Current recommendations unresolved at the end of Current Audit Period			
Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
	<p><i>Water Services Act</i> Section 141(1) Obligation 34</p> <p>Observations:</p> <p>We reviewed the <i>Break the Road Register</i> and noted 160 breaches were recorded for planned work.</p>	<p>the legislation does not differentiate between planned and unplanned events.</p> <p>To further improve compliance with regards to planned events, we recommend that the Corporation implement a system control to prevent the creation of a work order unless the 48 hours' notice has been recorded and stored on the system.</p>	Recommendations column for details.
02/2020	<p>A2</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 15(3) Obligation 104A</p> <p>Observations:</p> <p>Through sample testing, we noted that the bills did not contain "<i>the day on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the day on which the customer's next consumption year starts)</i>". The bills referred to the "month" (not the day) that the tariff will be reset.</p>	<p>We recommend that the Corporation:</p> <p>In consultation with its Legal Services team, request an amendment to the Code of Conduct to reflect the month and not the day on which the customer's next consumption year starts.</p>	<p>Yes</p> <p>See Auditor's Recommendations column</p>
03/2020	<p>C3</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 19(2) Obligation 111A</p> <p>Observations:</p> <p>A review of Grange billing rules, completed on 8 June 2020, identified overcharges related to properties where the new financial year price was applied when part of the water use period was in the previous year. The Corporation did not credit the overcharged amount to the customer's account or communicated this with the client within 15 business days of becoming aware of the overcharge.</p>	<p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. As soon as practicably possible, for all known affected customers, credit the overcharged amounts to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account. 2. Continue its investigation into identifying other affected customers and as soon as a customer is identified, credit the customer's account or inform the customer of the 	<p>Yes</p> <p>See Auditor's Recommendations column</p>

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
		overcharging. 3. Perform a comprehensive review of all other Grange billing rules to ensure that all rules are correctly implemented.	
04/2020	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(5) Obligation 117 Observations: In 303 instances (non-compliance rate 1.41%), customers were not informed of the review of their bills within 15-business days as required by the Water Services Code of Conduct.	We recommend that the Corporation: 1. Provide further training to relevant staff on the requirement to provide interim responses to customers where bill reviews are not able to be completed in 15 business days. 2. Continue to regularly monitor and report the 15-business day requirement. Where significant delays are identified, actions should be taken to escalate these instances in a timely manner. 3. Discuss reasons for non-compliance with the ERA to understand the ERA's view on this non-compliance, as this non-compliance is expected to continue.	Yes See Auditor's Recommendations column
05/2020	A2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 32 Obligation 133A Observations: The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Operating Licence Pre-Audit identified six (6) customers, who had been assessed as being in financial hardship, had been charged interest.	The Customer Financial Solutions team was notified of the issue on 1 July 2020 and removed all of the applicable interest on 6 July 2020. The Corporation also took the following action at the same time: <ul style="list-style-type: none"> A change to the billing system was requested to automatically stop interest being charged to customers with payment arrangements and assessed as experiencing financial hardship. The process for identifying errors was improved to ensure no interest is charged to customers assessed as 	No further action required as it has already been resolved, however it was only resolved after the current audit period.

B. Current recommendations unresolved at the end of Current Audit Period

Recommendation Reference (no./year)	Non-Compliance / Controls Improvement (Rating / Legislative Obligation Reference Number and Licence Obligation / Details of Non-Compliance or Inadequacy of Controls)	Auditor's Recommendations	Further Action Required (Yes / No / Not Applicable) Details of Further Action Required (including current recommendation reference, if applicable)
		experiencing financial hardship.	
06/2020	A2 <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 36(3) Obligation 137C Observations: The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the restriction notice template did not contain the required information, therefore all restriction notices issued between 1 July 2019 and 18 March 2020 were non-compliant.	The Corporation updated the restriction notice template on 8 July 2020 to ensure that it contained the following required information: <ul style="list-style-type: none"> • The reasons for the proposed restriction. • The complaints procedure available to customers. • The procedure for applying to the water services ombudsman. The procedures and costs associated with restoration of water supply.	No further action required as it has already been resolved, however it was only resolved after the current audit period.
07/2020	A2 <i>Water Services Act</i> Section 12 Obligation 185 Observations: The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as the Wastewater Services Memorandum of Understanding between the Corporation and the Department of Health did not specified requirement in relation to legal standing of the document.	We recommend that the Corporation ensure that the wastewater services and groundwater replenishment Memorandum of Understanding with the Department of Health includes the specified requirement relating to the legal standing of the document and is approved by the Department of Health.	Yes See Auditor's Recommendations column.
08/2020	A2 <i>Water Services Act</i> Section 12 Obligation 187 Observations: We noted an instance where the Corporation did not publish an amendment to the <i>Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water</i> within a month of it being approved by the Department of Health.	We recommend that the Corporation further strengthen its processes relevant to publishing Memorandum of Understandings between the Corporation and the Department of Health and review revisions made to ensure that all amendments to Memorandum of Understandings are published within the required one-month period.	Yes See Auditor's Recommendations column.

6.1.3 Detailed observations of all obligations during this audit period

Detailed below are our observations from this audit, obtained through interviews, examination of documentation, observation of processes and systems and reviewing samples of source documents and transactions to determine whether established procedures, as well as the licence obligations, had been complied with.

In circumstances where the volume of occasions of service or other relevant transactions being tested were large, sampling techniques were used to provide adequate assurance that test results were representative of the Corporation's operations.

The audit procedures included further review of the previous audit findings and recommendations in addition to the actions taken by the Corporation to address those recommendations.

Ratings applied to each licence obligation have been done in accordance with the compliance and controls rating scale as prescribed in the Guidelines.

Although the Corporation's control procedures and control environment for **all** licence obligations **have been assessed**, we rated the control procedures and control environment for licence obligations with an audit priority of 4 and 5 as "*Not Performed (N/P) – A controls rating was not required*" as required by the Guidelines, except if they have been assessed to be non-compliant.

We have not included recommendations pertaining to licence obligations rated B unless they have been rated as non-compliant. These recommendations have been reported separately to the Corporation, as required by the Guidelines.

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
Water Services Act 2012					
1	<p><i>Water Services Act</i> Section 21(1)(a)</p> <p>OL 15 – Clause 3.3.1(a)</p> <p>OL 16 - Clause 4.3.1 (a)</p> <p>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.</p>	1	<p>The Corporation's operating areas for Water Supply, Sewerage, Drainage and Irrigation Supply Services is depicted on a map - OWR-OA-309. These services are provided to all persons in Western Australia that is entitled to the services.</p> <p>Through discussion with the Manager and Senior Advisor – Business Management and a review of the following policies, procedures and work instructions, we confirmed that the Corporation provides water services to persons entitled under the <i>Water Services Act 2012</i> Section 21 (1)(a), including Irrigation Services:</p> <ul style="list-style-type: none"> Water Services Licence Obligations for Development Services Work Instruction ID#96853997 Summary of Licence Obligations & Supporting Documentation Work Instruction ID#58543068 PCY311 Service Connections Building and Service Application Procedure Service Application & Investigation Procedure BuilderNet Rejection List 2018/19 FY 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> BuilderNet Rejections List 2019/20 FY BuilderNet Cancellation List OWR-OA-309 – Operating Area Map OWR-OA-175(E) – Operating Area Map OWR-OA-175-1(B) – Operating Area Map Standard Terms and Conditions for the provision of Water Services (Corporation's Website) Copy of "Agreement for non-standard water supply service" S380 Water Services by Agreement <p>We reviewed a sample selection of 30 "<i>Rejected</i>" applications and a sample selection of 30 "<i>Cancelled</i>" applications and did not identify any discrepancies with the requirements as stipulated in Section 21(1) (a) of the <i>Water Services Act 2012</i>.</p> <p>Recommendations</p> <p>Not applicable</p>		
2	<p><i>Water Services Act</i> Section 21(1)(b)</p> <p>OL 15 – Clause 3.3.1(b)</p> <p>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.</p> <p>OL 16 – Clause 4.3.1(b)</p> <p>The licensee must if requested, offer to provide the water service authorised by the licence to any other person (not covered by section 21(1)(a) of the Act) within the operating area of the licence on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.</p>	4	<p>Through 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. These services are provided on reasonable terms and eligibility criteria as set out in the <i>S380 Water Services by Agreement</i>.</p> <p>We also reviewed a sample selection of 30 "<i>Rejected</i>" applications and a sample selection of 30 "<i>Cancelled</i>" applications and did not identify any discrepancies with the requirements as stipulated in Section 21 (1) (b) of the <i>Water Services Act 2012</i>.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
3	<p><i>Water Services Act</i> Section 21(1)(c)</p> <p>OL 15 - Clauses 3.1.1 and 3.5</p> <p>The licensee must provide, operate and maintain the water service works specified by the ERA in the licence.</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must provide, operate and maintain the water service works specified by the ERA in the licence for the purposes of section 11(3).</p>	3	<p>Through enquiries with the Compliance Manager, Acting Regional Coordinator and Service Delivery Manager and a review of the <i>Plan Assets Framework and PCY 208 – Identification of Engineering Assets</i> policy and a visit to the Corporation's Northam Region, we confirmed that the Corporation has systems, policies and processes in place to ensure that they continue to provide, operate and maintain water service works specified by the Authority in accordance with the license requirements.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
4	<p><i>Water Services Act</i> Section 22</p> <p>OL 15 - Clause 3.4.1</p> <p>OL 16 - Clause 4.4.1(a)</p> <p>The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the licence.</p>	5	<p>The current boundaries of the Water Licence include the whole of the State for water, sewerage and / or drainage.</p> <p>Through enquiries and a review of the rejections and cancellation lists, we confirm that the Corporation did not, during the audit period, provide water service outside of the operating area of the licence.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
5	<p><i>Water Services Act</i> Section 23</p> <p>OL 15 - Clause 3.5</p> <p>OL 16 - Clause 4.5.1</p> <p>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>	4	<p>Through interviews held with the Head of Infrastructure Markets and review of the following documentation provided to demonstrate compliance with Section 23 of the <i>Water Services Act 2012</i>,</p> <ul style="list-style-type: none"> • Introduction to Section 23 of WSA • Template of breach reporting required by WCRM • Email confirmations from regional managers and Alliance managers <p>we noted that during May/June of every year, the Head of Infrastructure Markets through the Senior Principal, Infrastructure Markets, request all the Regional Managers and Alliance Managers to confirm compliance with the requirements of Section 23.</p> <p>Through a sample review of responses provided by the Regional Managers and Alliance Managers, we did not identify instances of non-compliance.</p> <p>During the 2018 Operational Audit it was identified that the processes performed by the Senior Principal have not been formally documented and that quality assurance checks were not performed by the Infrastructure Markets Business Unit.</p> <p>We confirmed that the Corporation implemented all the recommendations recorded in the 2018 Operational Audit report.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
6	<p><i>Water Services Act</i> Sections 24(1)(a) & 24(2)</p> <p>OL 15 - Clause 4.1.1</p> <p>The licensee must have an asset management system that provides for the operation and maintenance of the water service works.</p> <p>OL 16 - Clause 5.1.1</p> <p>The licensee must provide for an asset management system in respect of the licensee's water service works.</p>	4	<p>We held discussions with the following key personnel:</p> <ul style="list-style-type: none"> Head of Asset Strategy Manager – Asset Management System & Risk – Asset Strategy Specialist – Asset Management System & Risk <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Asset Management System Review 2018 Asset Management System Manual <p>We confirmed through inspection of relevant documentation, including a review of the <i>2018 Asset Management System Effectiveness Review</i> report, that the Corporation has an Asset Management System (AMS) in place that provides for the operation and maintenance of the water service works.</p> <p>Our review of the report indicated that the Corporation has an effective asset management system in place, however, one recommendation in this report has not implemented by the Corporation.</p> <p>Recommendation</p> <p>Not applicable.</p>	N/P	1
7	<p><i>Water Services Act</i> Section 24(1)(b)</p> <p>OL 15 - Clauses 4.1.1 & 4.1.2</p> <p>The licensee must give details of the asset management system and any changes to it to the ERA.</p> <p>OL 16 - Clauses 5.1.2 & 5.1.3</p> <p>The licensee must give details of the asset management system and any changes to it to the ERA (the licence prescribes timeframes for providing this information to the ERA – see obligations 170A and 171).</p>	4	<p>We held discussions with the following key personnel:</p> <ul style="list-style-type: none"> Head of Asset Strategy Manager – Asset Management System & Risk – Asset Strategy Specialist – Asset Management System & Risk <p>We reviewed the following documentation:</p> <ul style="list-style-type: none"> Notification to ERA of changes to Asset Management System Procedure Letter to ERA dated 27 March 2019 regarding change to enterprise content manager IGC March 2019 papers Letter from ERA dated 1 April 2019 IGC April 2019 papers Letter to ERA dated 9 June 2020 Letter from ERA dated 11 June 2020 <p>Through discussions and a review of the <i>Notification to ERA of Changes to Asset Management System</i> procedure, we noted that the procedure defines a material change to the AMS and the timeframes in which the Corporation must notify the ERA with the following information:</p> <ul style="list-style-type: none"> Details of the AMS – within five business days; and 	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Changes to the AMS – Within 10 business days. <p>Through review of correspondence between the Corporation and ERA, the ERA confirmed that an existing Asset Management System is in place, therefore Obligation 170A is not applicable.</p> <p>With regards to Obligation 171, material changes were made to the AMS during the audit period. We noted through evidence that the Corporation reported these changes to ERA within 10 business days and also prior to the implementation of the changes.</p> <p>Recommendations</p> <p>Not applicable</p>		
8	<p><i>Water Services Act</i> Section 24(1)(c)</p> <p>OL 15 - Clause 4.1.3</p> <p>OL 16 - Clause 5.1.4</p> <p>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>	4	<p>We held discussions with the following key personnel:</p> <ul style="list-style-type: none"> Head of Asset Strategy Manager – Asset Management System & Risk – Asset Strategy Specialist – Asset Management System & Risk <p>We reviewed the following documentation:</p> <ul style="list-style-type: none"> Management of ERA Asset Management System Compliance Asset Management System Review 2018 <p>We confirm that an AMS review was conducted by an independent expert - The <i>2018 Asset Management System Effectiveness Review – Water Corporation Review Report</i> dated 22 February 2019.</p> <p>A review of the report indicated that the objective of the review was to assess the effectiveness of the Corporation's AMS for the period 1 July 2015 to 30 June 2018 and it was found that the Corporation has an effective AMS in place.</p> <p>Recommendation</p> <p>Not applicable</p>	N/P	1
9	<p><i>Water Services Act</i> Section 25</p> <p>OL 15 - Clause 4.3.1</p> <p>OL 16 - Clause 5.3.1</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>	5	<p>We confirmed that the previous operational audit was completed in December 2018 and covered the period of 1 July 2015 to 30 June 2018. We reviewed correspondence from the ERA stating that the previous operational audit was completed in accordance with the <i>Water Services Act 2012</i>.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
10	<p><i>Water Services Act</i> Section 26(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p>	2	<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 <i>Water Services Act 2012</i>, the Minister is required to consult with the</p>	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.		<p>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> <p>Recommendations</p> <p>Not applicable</p>		
11	<p><i>Water Services Act</i> Section 27</p> <p>OL 15 - Clause 3.1.1</p> <p>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>	1	<p>Obligation 11 and 156 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 <i>Water Services Code of Conduct (Customer Services Standards) 2018</i>. If the Corporation is not compliant with an individual component of the Code of Conduct, this will result in non-compliance with Obligations 11 and 156. 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>The Corporation, in its <i>2018/19 Annual Compliance Report</i> reported non-compliances with regards to the following obligations, which directly impact the compliance posture of obligations 11 and 156:</p> <ul style="list-style-type: none"> • 98A; • 101A; and • 102A <p>The Corporation, in its <i>2019/20 Annual Compliance Report</i> reported non-compliances with regards to the following obligations, which directly impact the compliance posture of obligations 11:</p> <ul style="list-style-type: none"> • 98A; • 100; • 104A; • 111A; • 117; • 133A; • 137C; • 147; and • 149A. <p>This obligation is no longer used. The ERA, in its Reporting Manual dated May 2020, removed the obligation as auditors will assess the individual</p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>obligations under the code.</p> <p>Although it has been removed from 1 May 2020, the Corporation did not comply with obligation 11 for the audit period 1 July 2018 to 30 April 2020.</p> <p>Recommendations</p> <p>No recommendation has been made as this obligation has been removed from the Water Compliance Reporting Manual – May 2020.</p>		
12	<p><i>Water Services Act</i> Section 29</p> <p>OL 15 - Clause 3.1.1</p> <p>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>	1	<p>Obligation 12 requires the Corporation to comply with the <i>Water Services Act 2012</i>. If the Corporation is not compliant with a clause within the <i>Water Services Act 2012</i>, this will result in non-compliance with Obligation 12. Compliance is therefore dependent on other processes that meet the requirements of the <i>Water Services Act 2012</i>, 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, 21 and 154C).</p> <p>The Corporation, in its <i>2018/19 Annual Compliance Report</i> reported non-compliances with regards to the following obligations, which directly impact the compliance posture of obligations 12:</p> <ul style="list-style-type: none"> • 31; • 32; • 34; • 35; • 36; • 37; • 42; • 43; • 49; • 53; • 156; • 161; and • 190, Section 6.2. <p>The Corporation, in its <i>2019/20 Annual Compliance Report</i> reported non-compliances with regards to the following obligations, which directly impact the compliance posture of obligations 12:</p> <ul style="list-style-type: none"> • 34; • 53; • 156; • 161; • 185; and 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> 190. <p>This obligation is no longer use. The ERA, in its Reporting Manual dated May 2020, removed the obligation as auditors will assess the individual obligations under the <i>Water Services Act 2012</i>.</p> <p>Although it has been removed from 1 May 2020, the Corporation did not comply with obligation 12 for the audit period 1 July 2018 to 30 April 2020.</p> <p>Recommendations</p> <p>No recommendation has been made as this obligation has been removed from the Water Compliance Reporting Manual – May 2020.</p>		
13	<p><i>Water Services Act</i> Section 36</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	2	<p>Through discussions and enquiries, we confirmed that the Corporation did not cease to provide a water service to an area during the audit period.</p> <p>We observed that the Corporation does not cut off the water supply to an area. If this would occur, the Asset Planning Group would be decision makers and seek approval from the Minister. If approval is provided, the Asset Planning Group 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. <p>Based on our enquiries, there were no activities associated with this obligation during the scope period.</p> <p>Recommendations</p> <p>Not applicable</p>	A	N/R
14	<p><i>Water Services Act</i> Section 60</p> <p>OL 15 - Clause 5.6.1</p> <p>OL 16 - Clause 6.3.1</p> <p>OL 15:</p> <p>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>OL16:</p> <p>If the licensee is the supplier of last resort for a designated area in relation to the provision of a particular water service, the licensee must perform the functions of the supplier of last resort and must</p>	5	<p>Through discussions and a review of the <i>ERA Correspondence Register</i> held by the Corporation, we confirmed that the Corporation was not appointed as a supplier of last resort during the audit period.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	comply with the relevant duties and carry out the relevant operations prescribed.				
15	<p>OL 15 - <i>Water Services Act</i> Section 66</p> <p>OL 16 - <i>Water Services Act</i> Section 70(2)</p> <p>OL 15 - Clause 5.5.1</p> <p>Licencees 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>OL 16 - Clause 6.2.1</p> <p>The licensee must not supply water services to customers unless the licensee:</p> <ul style="list-style-type: none"> is a member of the water services ombudsman scheme; and is bound by the scheme; and will comply with and decision or direction of the water services ombudsman under the scheme. 	4	<p>We checked the <i>Register of Members</i> published on the Energy and Water Ombudsman Western Australia (EWOWA) website to confirm that the Corporation is a member of the Water Services Ombudsman Scheme.</p> <p>Discussions and a review of the 2018/19 EWOWA Annual Report indicated that there has been no binding decisions or directions from the EWOWA during the audit period.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
16	<p><i>Water Services Act</i> Section 77(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services, it is responsible for.</p>	4	<p>Through discussions and a review of the Minimising Water Service Disruption to Customers 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.</p> <p>Additionally, the Corporation has created performance measures to monitor how effectively the Corporation is minimising customer disruption.</p> <p>We reviewed two (2) KPI reports from FY2018/19 and FY2019/20 to confirm that performance measures were being monitored. No issues were identified through these checks.</p> <p>Recommendations:</p> <p>Not applicable.</p>	N/P	1
17	<p><i>Water Services Act</i> Sections 82(4) & (5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If a person must give the licensee notice of any building work to be carried out on land in the operating</p>	3	<p>Through discussions and a review of the <i>Building Proposal Notifications Policy</i>, 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</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	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.		<p>system called BuilderNet or through manual lodgement.</p> <p>Through enquiries we confirmed that the Corporation returns the building plans through the “<i>BuilderNet</i>” 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 BuilderNet Business Activity Report indicating that, for the audit period, 100% of applications were returned within 7 days after receiving payment.</p> <p>The 2018 Operational Audit made recommendations with regards to this obligation.</p> <p>We confirm that the Corporation implemented the recommendations made and incorporated and / or corrected the “<i>7-day return</i>” requirement, as specified in Section 82 (5) of the <i>Water Services Act 2012</i>, in all relevant policies and work instructions.</p> <p>Recommendations</p> <p>Not applicable</p>		
18	<p><i>Water Services Act</i> Section 84(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>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 <i>Water Services Act 2012</i>, and enters into 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>Recommendations</p> <p>Not applicable</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
19	<p><i>Water Services Act</i> Section 87(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Section 87(2) of the <i>Water Services Act 2012</i> 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 <i>Water Services Act 2012</i>.</p> <p>In the event that Development Services issues a notice under section 83(3) (a) of the <i>Water Services Act 2012</i>, they will follow the compliance notice process as described in the Corporation's <i>Issuing Compliance Notices</i> work instruction.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
20	<p><i>Water Services Act</i> Section 90(7)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<p>The staff interviewed for Operational Asset Management were:</p> <ul style="list-style-type: none"> Manager – Asset Performance – Operational Asset Management Head of Operational Asset Management <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Compliance Notice Process Framework Summary of Licence Obligations and Supporting Documentation WSL Obligation Master List Change of responsibility – GM Memo November 2019 Page 129 – Final Report PowerPoint – Compliance Notice Training OAM Work Instruction for Notices OAM Compliance Notice Template Tracking Register for OAM Notices <p>Through interviews and a review of the <i>Plan Asset Maintenance</i> procedures, we established that the <i>Asset Investment Planning Regional In Service Assets</i> team is responsible for implementing asset protection activities with the assistance of Operators in Regions, who identifies inappropriate activities and negotiate an outcome with an offender and/or landowner.</p> <p>We noted that no compliance notices were issued during the period under audit.</p> <p>During the 2018 Operational Audit, the auditors identified improvement opportunities. We confirm that the Corporation implemented relevant procedures and provided face-to-face and online compliance notice</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			related training. Recommendations Not applicable		
21	<p><i>Water Services Act</i> Section 95(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.</p>	1	<p>Through discussions and review of the <i>Disconnection of water services</i>;, <i>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 have measures in place to prevent the disconnection of water services.</p> <p>We noted that the Corporation, since October 2019, improved the BuilderNet system by adding additional mandatory fields to be completed by customers applying for the disconnection of water services to a property. This will assist the Corporation not to disconnect water services to properties still occupied.</p> <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 Risk and Assurance team, and thereafter to the ERA.</p> <p>Development Services 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 2018 to 30 June 2020 and randomly selected a sample of 45 properties that were disconnected, 15 for each year in the audit scope. We have not identified any issues with this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
22	<p><i>Water Services Act</i> Section 96(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Through discussions and a review of the Developer Manual and Developer Standard DS 63, we noted that water reticulation applications can be submitted online through the Corporation's DeveloperNet system. After receiving the water reticulation application, the Corporation performs a design appraisal, which includes the consideration of the hydrants. Progress on the appraisal process is recorded on DeveloperNet.</p> <p>The provision of water supply reticulation works is monitored on the "development file". The water supply reticulation works ensure that all valves and hydrants are in place and to specification in its sign-off.</p> <p>We reviewed a sample of one (1) Water Reticulation Design Appraisals and the notes recorded on DeveloperNet and did not identify issues with this obligation.</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
23	Water Services Act Section 96(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	4	The staff interviewed for Operational Asset Management were: <ul style="list-style-type: none"> • Manager – Asset Performance – Operational Asset Management • Head of Operational Asset Management The following documents were reviewed during the audit: <ul style="list-style-type: none"> • PRA Hydrants Performance Report – June 2020 • Water Corporation S451 Maintenance Standard – Water Corporation Fire Hydrant Valves • Hydrant Asset Class Strategy • MOU – DFES and Water Corporation 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. 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. 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. Recommendations Not applicable	N/P	1
24	Water Services Act Section 98(3) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	4	Through discussions and enquiries, we observed the Corporation had no requests from the Minister to connect a wastewater inlet on land to the sewerage works of the licensee. Should the Corporation receive such a request from the Minister, the Corporation will follow its processes described in its <i>Poems Process for Minister / CEO Correspondence</i> and <i>Ministerial Liaison Unit Media and Government Relations</i> work instructions. Recommendations Not applicable	N/P	N/R
25	Water Services Act Section 106(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must include the information specified in a	4	Through enquiries and review of relevant documents we confirmed that compliance notices will only be issued to customers as a last resort measure. We tested a sample of five (5) compliance notices to check that the compliance notices included the prescribed information. No issues were identified	N/P	1

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	compliance notice given in relation to failure to maintain fittings, fixtures and pipes.		through these tests. Recommendations Not applicable		
26	<i>Water Services Act</i> Section 110(3) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 If required to by the Minister, the licensee must connect a drainage asset on land to the drainage works of the licensee.	4	Through discussions and enquiries, we observed that the Corporation had no requests from the Minister to connect a drainage asset on land to the drainage works of the licensee. Recommendations Not applicable	N/P	N/R
27	<i>Water Services Act</i> Section 112(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 If required by the Minister, the licensee must modify the property drainage connection.	4	Through discussions and enquiries, we observed that the Corporation had no requests from the Minister to modify a property drainage connection. Recommendations Not applicable	N/P	N/R
28	<i>Water Services Act</i> Section 119(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	3	Through discussions with the Development Services and Operations Performance Teams, and review of the relevant registers, we confirmed that no compliance notices were issued with regards to this obligation during the audit period. It was noted in the 2018 Operational Audit that, although the Corporation has a <i>Compliance Notice Process Framework</i> , not all staff are aware of its existence. It was recommended 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 work instruction</i> . We confirmed that awareness training was provided by the Corporation to all managers involved in issuing compliance notices. The framework also includes the required information that should be included in a compliance notice in order for it to be considered a formal compliance notice. Recommendations Not applicable	A	N/R
29	<i>Water Services Act</i> Section 122(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	2	Through discussions with the Principal Lawyer and a review of the <i>Compliance Notice Process Framework</i> , 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, except as specified in Section 122(2) of the <i>Water Services Act 2012</i> . 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	A	1

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			<p>legal matters should be discussed and reported to Legal Services.</p> <p>During the audit period, only one matter was referred to SAT and the Corporation did not take, or continue to take, further action against the specific customer.</p> <p>During the 2018 Operational Audit a finding was made against this obligation. We noted that the Corporation implemented the finding by including a section in the <i>Compliance Notice Process Framework</i> instructing employees not to take, or continue to take action against a person after that person referred a matter to SAT. It also defines the term "action".</p> <p>Recommendations</p> <p>Not applicable</p>		
30	<p><i>Water Services Act</i> Section 125(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>.</p>	4	<p>Through discussions and review of Corporation's website we confirmed that where properties are serviced by a shared meter, water use charges are commonly billed to the respective property management who will facilitate the distribution of costs to individual owners. In these instances, water use charge is based on the quantity of water used across all residences.</p> <p>Service charges (water, sewerage and drainage) for properties serviced by a shared meter, are commonly billed to the individual property owner. Each service charge is multiplied by the number of residences in these instances.</p> <p>Where two or more dwellings are metered separately (through individual direct meters/multi-metering), each dwelling is charged according to its water use and Gross Rental Value (GRV).</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

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31	<p><i>Water Services Act</i> Section 128(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.</p>	1	<p>Through discussions with the Customer and Assurance Team Leader and the Contact Centre Operations Lead and a review of the <i>Withdrawal of Memorials for Deferred Headworks</i> and the <i>Lodge and Withdrawal Memorials work instruction</i>, we confirmed the process for withdrawing memorials.</p> <p>Sample based testing was conducted over seven (7) customer accounts with memorials. No issues were identified through these tests.</p> <p>The Corporation, in its <i>2018/19 Annual Compliance Report</i> reported a non-compliance in that a withdrawal of a memorial was only lodged after all arears of charges were paid and not when the amount relating to the memorial was paid.</p> <p>The Corporation corrected this action by regularly reviewing monthly memorial reports to identify all memorials where the original amount has been paid. Memorials are currently withdrawn once payment of the original amount is received by the Corporation. Work instructions were amended and published as at 20 November 2018.</p> <p>On a sample basis, we confirmed that monthly reviews were performed and retained for the following months:</p> <ul style="list-style-type: none"> December 2018; November 2019; March 2020; and June 2020. <p>No issues were identified through the above check.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>	A	2
32	<p><i>Water Services Act</i> Section 129(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	2	<p>Through discussions with the Compliance Manager, the Acting Regional Coordinator and the Service Delivery Manager and a review of the <i>Procedure for Entry onto Property</i>, <i>Guide to Entry Power for Authorised Persons</i> and <i>Guide to Compliance powers for Compliance Officers</i>, we confirmed that staff are required to provide at least 48 hours of notice where routine inspection or maintenance is likely to cause disruption to the occupants. The preferred method of notice is to prepare a letter to the occupier/owner using the standard letter template. Notice of Entry (NOE) forms (available in carbon copy book form) may also be used for this purpose.</p> <p>We also interviewed staff from the Northam Region to assess their understanding of the requirements of the <i>Water Services Act 2012</i>. No exceptions were identified through these interviews. Through sampling tests, we confirm that 48 hours' notices were provided.</p> <p>The Corporation in its 2018/19 Annual Compliance</p>	A	2

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			<p>Report reported a non-compliance as the Corporation did not provide notice 48 hours prior to the proposed entry.</p> <p>We confirm that the Corporation delivered training to all Team Leaders in the Operations Group responsible for ensuring the provision of a 48 hour's written notice. Further, the Corporation updated supporting documentation and training materials to provide greater clarity to the terms "cause disruption" and "adversely affect", to ensure compliance.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>		
33	<p><i>Water Services Act</i> Section 139(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	3	<p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for 	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>owners/occupiers of land to be entered</p> <ul style="list-style-type: none"> PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>Through interviews and a review of <i>Section 2.3 of the External Approvals Manual</i> we confirm that appropriate processes are in place to assist the Corporation in taking all reasonable steps to notify the owner and occupier of the land before removing or making a gate or erecting a fence. Additionally, templates for major and general works also 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. Each project is assigned a Community Engagement 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 enquiries, we noted that there were no instances during the audit period where the Corporation was required to remove or erect a fence.</p> <p>Recommendations</p> <p>Not applicable</p>		

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34	<p><i>Water Services Act</i> Section 141(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>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.</p> <p>OL 16 - Clause 4.1.1</p> <p>A person authorised by the licensee may enter a road and exercise a works power of the licensee without consent, notice or warrant unless the exercise of the power involves opening or breaking up the surface of the road, or would cause a major obstruction of the road or disruption of the traffic, in which case the licensee must give at least 48 hours' notice to the public authority that has control or management of the road.</p>	1	<p>Through discussions the Compliance Manager, the Acting Regional Coordinator and the Service Delivery Manager, a visit to the Northam Region and review of the Breaking the Road Notification Procedure and Work Instruction, we observed that the Corporation has processes in place to provide 48 hours' notice to public authorities where road work involves breaking the road surface.</p> <p>We sampled 2 instances where it was required to break the road surface. For one (1) of the two (2) samples tested, notice was provided after the work was carried out, however, this was an emergency event.</p> <p>We reviewed the <i>Break the Road Register</i> and noted 160 breaches were recorded during the audit period.</p> <p>The Corporation reported non-compliances in its 2018/19 and 2019/20 Annual Compliance Reports.</p> <p>To address the vast amount of breaches relating to planned work, we confirm that the Corporation implemented the following additional procedures:</p> <ul style="list-style-type: none"> Regular training and refresher courses; Created a new central folder within Nexus for the management of notifications and the differentiation between planned and unplanned events; and Quarterly performance reporting and since July 2020, monthly performance reporting to monitor compliance on a more regular basis. <p>As a result of the additional procedures implemented, we noted a significant decline in breaches between the 2018/19 (144 breaches) and the 2019/20 (16 breaches) financial years.</p> <p>However, to execute planned work, a work order must be created prior to the work being performed. We noted that the creation of the work order does not consider the requirement of this obligation.</p> <p>Based on our discussions with process owners, obligation 34 will continue to be reported as a non-compliance as the legislation does not differentiate between planned and unplanned events.</p> <p>Recommendations -</p> <p>To further improve compliance with regards to planned events, we recommend that the Corporation implement a system control to prevent the creation of a work order unless the 48 hours' notice has been recorded and stored on the system.</p>	B	2
35	<p><i>Water Services Act</i> Sections 142</p> <p>OL 15 - Clause 3.1.1</p> <p>The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works</p>	3	<p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management 	A	2

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	<p>and has given any notice required under section 148.</p> <p>OL 16 - Clause 4.1.1</p> <p>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 by section 148.</p>		<p>The following documents were reviewed:</p> <ul style="list-style-type: none"> • Legal Advice • Action 4 17 July 2019 evidence • Action 4: Communication of General Works completed 21 November 2019 • CAT ABC Procedures – Activities 2.07 & 2.14 • External Approvals webpage • External Approvals Tracking Spreadsheet • Major Works Checklist • General Works Checklist • Community Engagement Guidance Note • Community Engagement Webpage • External Approvals Manual • Geospatial Services Job Request Form • Head of Project Management memo authorising General Works to proceed • Prerequisite to Works – Reportable Breaches • PTW Letter 1 – Template cover regarding intention to alter a fence • PTW Letter 2 – Template cover letter regarding intention to access road • PTW Letter 3 – Template Notice of Proposal • PTW Letter 4 – Regional Manager NoP sign off memo template • PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered • PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered • PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers • PTW Letter 5d – NoP template cover letter for Local Council • PTW Letter 5e – NoP template cover letter for WA Planning Commission • PTW Letter 6a – Submission to Minister template • PTW Letter 6b – Submission to Minister for Section 149 template • PTW Letter 7 – Template notice to objectors regarding Minister's authorisation 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>Through discussions and a review of procedures, manuals, flow charts and a list of the capital projects, we noted that the Corporation provides notices in relation to major works - Notice of Proposals (NoPs).</p> <p>At the time of this audit, the Corporation had one major works which was at the design phase and not yet ready for publishing on the external website. As such we could not obtain a sample from the list of capital works for assessment in detail to ensure compliance with Section 143 of the <i>Water Services Act 2012</i>.</p> <p>The Corporation, in its <i>2018/19 and 2019/20 Annual Compliance Reports</i> reported non-compliances with regards to Obligations 35, 36 and 37 as the Corporation did not, in all instances, publish the plans for general and major works on its website, provide details of the time and place where the plans may be inspected.</p> <p>To address the non-compliances and recommendations made in the previous audit, we confirm that the Corporation, during May 2019, actioned the following:</p> <ul style="list-style-type: none"> Reviewed and updated the Major Works Checklist to include a requirement to document evidence that the plans had been published on the Corporation's website, including the date of publication; Reviewed and updated the template letters and template Notice of Proposal plans to include the requirement for an online address where the Notice of Proposal can be viewed; and Clarified, defined and documented the term "likely to be adversely affected". <p>The Corporation communicated all changes to relevant staff and reinforced the need to follow the documented processes.</p> <p>The Corporation also maintains a capital works register which includes both major projects and general works with links to prepared plans. General works are now subject to publication and inspection.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>		

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36	<p><i>Water Services Act</i> Sections 143 (2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Please refer to Obligation 35.</p> <p>Recommendations</p> <p>Not applicable</p>	A	2
37	<p><i>Water Services Act</i> Sections 143 (3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Please refer to Obligation 35.</p> <p>Recommendations</p> <p>Not applicable</p>	A	2
38	<p><i>Water Services Act</i> Sections 144(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must have regard to an objection or submission lodged within the relevant period.</p>	4	<p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> • Manager – Support Services – Project Management • Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> • Legal Advice • Action 4 17 July 2019 evidence • Action 4: Communication of General Works completed 21 November 2019 • CAT ABC Procedures – Activities 2.07 & 2.14 • External Approvals webpage • External Approvals Tracking Spreadsheet • Major Works Checklist • General Works Checklist • Community Engagement Guidance Note • Community Engagement Webpage • External Approvals Manual • Geospatial Services Job Request Form • Head of Project Management memo authorising General Works to proceed • Prerequisite to Works – Reportable Breaches • PTW Letter 1 – Template cover regarding intention to alter a fence 	N/P	N/R

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			<ul style="list-style-type: none"> PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan <p>Assets Delivery Group Action Plan</p> <p>Through interviews and a review of procedures, manuals and flow charts we confirm that the requirements of Section 144(3) of <i>the Water Services Act 2012</i> are documented and understood by Corporation personnel.</p> <p>We noted that, during the audit period, no objections or submissions were lodged within the relevant period.</p> <p>Recommendations</p> <p>Not applicable</p>		
39	<p><i>Water Services Act</i> Section 145(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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</p>	4	<p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice 	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	to any person who is likely to be adversely affected by those alterations.		<ul style="list-style-type: none"> Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan <p>Assets Delivery Group Action Plan</p> <p>The major works checklist provides a complete check addressing the requirements of Sections 145(2), 147(3) and 147(4) of the <i>Water Services Act 2012</i>.</p> <p>We noted that, during the audit period, there were no activity relating to Obligations 39, 40 and 41.</p> <p>Recommendations</p> <p>Not applicable</p>		
40	<p><i>Water Services Act</i> Section 147(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Please refer to Obligation 39.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
41	<p><i>Water Services Act</i> Section 147(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Please refer to Obligation 39.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
42	<p><i>Water Services Act</i> Section 151(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Please refer to Obligation 35 as the same process is followed with regards to general works.</p> <p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>The Corporation, in its 2018/19 and 2019/20 Annual Compliance Report reported a non-compliance as the Corporation did not, in all instances, published the plans for general and major works on its website and provide details of the time and place where the plans may be</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>inspected.</p> <p>To address the non-compliance, we confirm that the Corporation completed the following:</p> <ul style="list-style-type: none"> Reviewed and updated the General Works Checklist to include the requirement to document evidence that the plans have been published on the Corporation's website, including the date of publication (November 2019); and Clarified, defined and documented the term "likely to be adversely affected (May 2019)". <p>The Corporation communicated all changes to relevant staff and reinforced the need to follow the documented process externally.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>		
43	<p><i>Water Services Act</i> Section 151(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Please refer to Obligation 35 and 42.</p> <p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>Furthermore, we selected a random sample of (6) general projects undertaken during the scope period to check that the requirements of the <i>Water Services Act 2012</i> have been met. Specifically, we checked that the Corporation has given notice of general works by the date specified. There were no issues noted on the samples reviewed, however, as discussed in obligation 35 and 42, the Corporation reported a breach on this obligation as it did not, in all instances, publish the plans for general and major works on its website and provide details of the time and place where the plans may be inspected.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>		
44	Water Services Act Section 152(3) OL 15 - Clause 3.1.1	4	<p>Please refer to Obligation 35, 42 and 43.</p> <p>The following key personnel were interviewed:</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 16 - Clause 4.1.1</p> <p>The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).</p>		<ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>At the time of the audit and through discussion with key personnel interviewed, there were no objections or submissions. No further work was therefore carried out as a result.</p> <p>Recommendations</p> <p>Not applicable</p>		
45	<p><i>Water Services Act</i> Section 153(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Please refer to Obligation 35, 42 and 43.</p> <p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence 	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>At the time of the audit and through discussion with key personnel interviewed, there were no objections or submissions. No further work was therefore carried out as a result.</p> <p>Recommendations</p> <p>Not applicable</p>		
46	<p><i>Water Services Act</i> Section 166(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<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 circumstances under which employees are able to purchase (or lease) Corporation real estate on behalf of the Corporation.</p> <p>We confirm that the Corporation had no activity during the audit period with regards to this obligation.</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
47	<i>Water Services Act</i> Section 166(6) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 Any costs incurred in taking an interest in land are to be paid by the licensee.	4	Through discussions with the Lead – Property Acquisitions and a review of the <i>PCY023 – Real Estate Management policy and Taking Order and Mediation Process</i> flowchart, we observed that, any costs incurred in taking an interest in land, will be paid by the Corporation. We confirm that the Corporation had no activity during the audit period with regards to this obligation. Recommendations Not applicable	N/P	N/R
48	<i>Water Services Act</i> Section 170 OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	4	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. 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. We noted that the Corporation had no activities applicable to this obligation during the audit period. Recommendations Not applicable	N/P	N/R
49	<i>Water Services Act</i> Section 173(4) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	2	Please refer to Obligation 32. Recommendations Not applicable	A	2
50	<i>Water Services Act</i> Section 174(1) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	2	We confirm that the Notice of Entry (NOE) forms reviewed by us contain the purpose of the entry and the proposed work to be carried out as required by Section 174(1) of the <i>Water Services Act 2012</i> . Recommendations Not applicable	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
51	<p><i>Water Services Act</i> Section 174(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	3	<p>Through interviews with the Compliance Manager, Acting Regional Coordinator and Service Deliver Manager and a review of the <i>Procedure for Entry onto Property</i>, <i>Guide to Entry Power for Authorised Persons</i> and <i>Guide to Compliance powers for Compliance Officers</i>, we confirmed that in most cases, if the property is occupied, the standard entry steps will be followed prior to entering the property.</p> <p>For emergency work and entry for compliance purposes, the Corporation, wherever it is practicable after entering the property, issue a notice in writing of the works carried out and provide details of any further intention the Corporation has in respect of the property to the owner or occupier of the affected land. We confirmed that Notification of Entry forms are used for this purpose.</p> <p>Interviews conducted with staff at the Northam Region indicated that a notice was left at a prominent location if the property was not occupied at the time of entry.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
52	<p><i>Water Services Act</i> Section 175(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.</p>	3	<p>We interviewed Metro and Regional staff to assess their understanding of the requirements of the <i>Water Services Act 2012</i>. We understand that staff, during the audit period, regularly entered dwellings and understand the requirements set out in Section 175 of the <i>Water Services Act 2012</i>. No exceptions were identified through these interviews.</p> <p>Further enquiries confirmed that authorised persons and compliance officers are required to undertake refresher training every 2 years.</p> <p>Additionally, we reviewed the following documents to check that the documents outline the processes to be carried out when entering a property where the occupier is present.</p> <ul style="list-style-type: none"> <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> <i>Guide to compliance powers for compliance officers under the Water Services Act 2012</i> <i>Procedure for Entry onto Private Property</i> <i>Relevant training materials.</i> <p>We reviewed the abovementioned documents for consistency with the requirements of the <i>Water Services Act 2012</i>.</p> <p>No issues were identified through this check.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
53	<p><i>Water Services Act</i> Section 175(5)</p>	2	<p>Through discussions with the Compliance Manager, Acting Regional Coordinator and Service Deliver Manager and a review of the <i>Procedure for Entry onto</i></p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>OL 15:</p> <p>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.</p> <p>OL 16:</p> <p>If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice, which includes the prescribed information, or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.</p>		<p><i>Property, Guide to Entry Power for Authorised Persons and Guide to Compliance powers for Compliance Officers</i>, we confirmed that a Notice of Entry Form or a copy of the warrant (where relevant) is left in a prominent position when a dwelling is unoccupied.</p> <p>We sampled 3 notices left at unoccupied dwellings from the Northam Region, to check that it contained the prescribed information. Our reviews identified that the notice does not detail the employee's full name and official title as required by the <i>Water Services Act 2012</i>. We observed that a crew number is provided instead, which allows the relevant employee to be traced, should any issues arise.</p> <p>Review of relevant documentation and through the interviews conducted in the Northam Region, we confirmed that staff will identify themselves to the occupant by producing photo ID which displays their 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>The Corporation stakeholders represented that this is a deliberate non-compliance by the Corporation to ensure the personal safety of field workers. The Corporation reported this as a non-compliance in its 2018/19 Annual Compliance Report and 2019/20 Annual Compliance Report.</p> <p>We confirmed that the Corporation has not actioned the recommendations raised in the previous audit. The Corporation has decided that it will not disclose to the public, full names of field workers after entry to an unoccupied dwelling for the personal safety of employees. Instead, a crew number and job number will be left, which allows for the Corporation to identify the employee involved should there be any issues. This has been flagged as part of the review of the <i>Water Services Act 2012</i> by the Department of Water and Environmental Regulation.</p> <p>Further, we reviewed correspondence from the ERA in relation to the 2018 Operational Audit, where the Authority acknowledged that the Corporation's current policy is a practical solution that identifies the employee and ensures their safety. "Accordingly, the Authority does not require the Corporation to take any further action in relation to this matter". Therefore, a recommendation has not been made.</p> <p>Recommendations</p> <p>Not applicable</p>		
54	<p><i>Water Services Act</i> Section 176(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p>	3	<p>Through discussions with the Compliance Manager, Acting Regional Coordinator and Service Deliver Manager and a review of the <i>Procedure for Entry onto Property, Guide to Entry Power for Authorised Persons and Guide to Compliance powers for Compliance</i></p>	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	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><i>Officers</i>, we confirm consistency with the requirements of Section 176(1) under the <i>Water Services Act 2012</i>.</p> <p>Additionally, we interviewed staff at the Northam Region to assess their understanding of the requirements under this obligation.</p> <p>No exceptions were identified.</p> <p>The Corporation reported no activity with regards to this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>		
55	<p><i>Water Services Act</i> Section 176(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Through interviews with the Compliance Manager, Acting Regional Coordinator and Service Deliver Manager and a review of the <i>Procedure for Entry onto Property</i>, <i>Guide to Entry Power for Authorised Persons</i> and <i>Guide to Compliance powers for Compliance Officers</i>, we confirmed that the Corporation advises Compliance Officers to carry their certificates at all times and have a copy of their certificate on their mobile device. Officers are provided training on this requirement every 2 years.</p> <p>We interviewed staff at the Northam Region to assess their understanding of the requirements of the Act. The interviewed personnel indicated that they had not received requests to produce their certificate of authority. No exceptions were identified through these interviews.</p> <p>Further, we were informed that the Corporation has not received any complaints relating to this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	A	N/R
56	<p><i>Water Services Act</i> Section 176(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Through interviews with relevant personnel in the Metro and Regional Offices and a review of the <i>Procedure for entry onto Private Property</i>, we noted that personnel are aware of the requirement of this obligation. The Corporation also provide training to ensure compliance against this obligation.</p> <p>We noted that the Corporation had not received requests to produce evidence of their authority.</p> <p>Further, the Corporation has not received any complaints relating to this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	A	N/R
57	<p><i>Water Services Act</i> Section 181</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee, or a person assisting the licensee, must, as far as is</p>	3	<p>Through interviews with the Compliance Manager, Acting Regional Coordinator and Service Deliver Manager and a review of the <i>Procedure for Entry onto Property</i>, <i>Guide to Entry Power for Authorised Persons</i> and <i>Guide to Compliance powers for Compliance Officers</i>, we confirmed that personnel, where practicable, comply with the requirement if requested by</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.		the owner or occupier. The Corporation also provides training to ensure compliance against this obligation. Authorised Persons and Compliance Officers are required to complete the relevant training prior to commencement, with a refresher training required to be completed every 2 years. No exceptions were identified through these interviews. Recommendations Not applicable		
58	<i>Water Services Act</i> Section 186 OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 If the licensee applies for a warrant, the application must contain the prescribed information.	3	We reviewed the Warrant Register held by Legal Services to confirm that no warrants had been issued by the Corporation during the scope period. We confirm that the <i>Guide to entry powers for authorised persons under the Water Services Act 2012</i> and the <i>Guide to compliance powers for compliance officers under the Water Services Act 2012</i> describes the information required by Section 186, should the Corporation apply for a warrant. Recommendations Not applicable	A	N/R
59	<i>Water Services Act</i> Section 187(1) – (3) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	3	We reviewed the Warrant Register held by Legal Services to confirm that no warrants had been issued by the Corporation during the scope period. 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> . We compared the guides mentioned above against the requirements of the <i>Water Services Act 2012</i> ; no exceptions were identified. Recommendations Not applicable	A	N/R
60	<i>Water Services Act</i> Section 190(4) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	3	The Corporation did not issue any warrants during the scope period. Should a warrant be executed by personnel, the processes to be undertaken when executing 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> . Recommendations Not applicable	A	N/R
61	<i>Water Services Act</i> Section 190(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1	3	The Corporation did not issue any warrants during the scope period. The processes to be undertaken when completing the executing a warrant is detailed in the <i>Guide to entry powers for authorised persons under the Water Services</i>	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	On completing the execution of a warrant, the licensee must record the prescribed information on that warrant.		<i>Act 2012 and Guide to compliance powers for compliance officers under the Water Services Act 2012.</i> Recommendations Not applicable		
62	<i>Water Services Act</i> Section 210(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	1	The Operations Performance Business Unit is responsible for monitoring compliance against this obligation. We interviewed the Compliance Manager, the Acting Regional Coordinator and the Service Delivery Manager, and reviewed the <i>Manage Authorisation for Entry on Property and Compliance Officers</i> work instruction, <i>Compliance Officer Procedure</i> and Authorisation Schedules and noted no exceptions. We obtained a sample of 14 certificates of authority to check that it included the following: <ul style="list-style-type: none"> recent passport-size photograph of the person; person's name; statement to the effect that the person is an inspector or compliance officer for the purposes of the <i>Water Services Act 2012</i>; provisions under which the inspector or compliance officer may exercise powers; any limitations or restrictions that apply to the exercise of the powers of the inspector or compliance officer; and expiry date of the certificate. We confirm that it includes the relevant information required by Section 210(5). Recommendations Not applicable	A	1
63	<i>Water Services Act</i> Section 218(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	3	Through a review of the <i>Reinstatement Guidelines</i> , the <i>WC-OSH 007 Safe Job Planning and Procedure for Entry onto Private Property</i> , the Corporation ensures 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. We observed that field staff are provided training on worksite set up. Discussions with relevant personnel revealed that quality assurance checks are performed on a random basis by Team Leaders and Supervisors to ensure worksites are set up appropriately. Furthermore, through discussions we confirmed that customer surveys are sent out following the completion of reinstalment works. In addition, we interviewed from the Northam region to assess their understanding of the requirements of the <i>Water Services Act 2012</i> . No exceptions were identified	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			through this interview. Recommendations Not applicable		
64	<p><i>Water Services Act</i> Section 218(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	3	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>Reinstatement Guideline</i> and the <i>S071 Ex-Gratia Payments Standard</i> as well as examination of 13 samples that, during the audit period, there were instances of physical damage in the exercise of a works power or a power of entry.</p> <p>We confirm that the Corporation ensured that the physical damage was made good or that compensation was paid, to the extent that it was not practicable to make good the damage.</p> <p>Recommendations</p> <p>Not applicable.</p>	A	1
Water Services Regulations 2013					
65	<p><i>Water Services Regulations 2013</i> Regulation 23(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>We reviewed application forms, checklists, policies and work instructions relating to meters in multi-unit developments and confirmed the relevant processes with personnel.</p> <p>We did not identify exceptions with regards to this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
66	<p><i>Water Services Regulations 2013</i> Regulation 24(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.</p>	4	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>Compliance Notice Process Framework</i>, the <i>Issuing Compliance Notices</i> work instruction and the <i>Metro Compliance Notice Register</i> as well as examination of two (2) compliance notices issued during the audit period, that the compliance notices specified the required information.</p> <p>In July 2018, the Corporation's processes changed, and now, copies of compliance notices relating to trade waste are filed in the Grange Billing system and the originals are filed as PDFs in the document management system. In August 2018, the compliance notice template was amended and then reviewed and approved by Legal Services and has been included in the <i>Compliance Notice Process Framework</i> document. Relevant personnel have been made aware of the changes through informal training</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
67	<p><i>Water Services Regulations 2013</i> Regulations 26(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>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>OL 16 - Clause 4.1.1</p> <p>If the owner or occupier requests the licensee to test a meter and pays the charge (if any) for testing that type of meter, the licensee must test the meter in accordance with a procedure approved by the CEO for the purpose of this regulation.</p>	4	<p>Through discussion with the following key personnel:</p> <ul style="list-style-type: none"> Acting Head of Engineering Officer – Safety – Engineering <p>and a review of the Corporation's website, the following standards and application forms:</p> <ul style="list-style-type: none"> SO72 Financial and Legal Authorisations AMSI-P-004 Authority to maintain documentation for testing water meters AMSI-P-120 Meter Testing and Reporting AMSI-W-128 Customer Dispute Meter Test <p>We confirm that the Corporation test meters in accordance with the procedures and standards approved by the CEO.</p> <p>We confirmed that testing of water meters is carried out at the Corporation's National Association Testing Authorities (NATA) accredited testing laboratory in Shenton Park.</p> <p>The Corporation, in its <i>2018/19 Annual Compliance Report</i> reported a non-compliance as the procedure documents and work instructions have not been approved by the CEO as required by the regulations.</p> <p>To address the non-compliance, we confirm that the Corporation updated corporate process documentation on 8 January 2019 and the CEO approved the following documents in June 2019, in line with delegations of authority:</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); and Work instructions. <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>	A	2
68	<p><i>Water Services Regulations 2013</i> Regulation 26(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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</p>	4	<p>We sampled tested two instances where meters were sent for testing and both meters were found to be outside the prescribed tolerance.</p> <p>We confirmed that the Corporation bore the costs for the testing of the meters and that the customer's bills were credited for the charges paid under regulation 26(3).</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 Annual Compliance Report as one (1) meter was sent for testing and was lost in transit</p>	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	charges paid under regulation 26(3).		<p>and treated as faulty, but the charges were yet to be adjusted by the Corporation.</p> <p>We confirm that the Customer's account was adjusted, that the customer was informed of the outcome and that the work instruction was updated on 8 January 2019 to include a process for meters lost in transit.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue was resolved.</p>		
69	<p><i>Water Services Regulations 2013</i> Regulation 29(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Through discussions and a review of policies, standards and work instructions, we noted that the Corporation, as per Clause 29 of the <i>Water Services Regulation</i>, 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>We have reviewed a list of deferred infrastructure contributions and did not identify any non-compliance.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
70	<p><i>Water Services Regulations 2013</i> Regulation 42(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>OL 15:</p> <p>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>OL 16:</p> <p>The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date by which the device must be installed and tested (which must be at least 7 days after the day on which the order is given to the owner or occupier).</p>	4	<p>We determined through interviews with relevant personnel and a review of policies, procedures and the Corporation's website that, during the audit period, there were no instances of the Corporation issuing a written order requiring the owner or occupier of land to install a backflow prevention device.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
71	<p><i>Water Services Regulations 2013</i> Regulation 43(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p>	4	<p>We determined through interviews with relevant personnel and a review of policies, procedures and the Corporation's website that, during the audit period, there were no instances of the Corporation issuing a compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15:</p> <p>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>OL 16:</p> <p>The compliance notice given by the licensee to the owner or occupier of land must specify that the backflow prevention device be tested or maintained in accordance with the standard and the date by which the testing or maintenance is required to be done (which must be at least 7 days after the day the notice is given to the owner or occupier).</p>		<p>maintained in accordance with the standard.</p> <p>Recommendations</p> <p>Not applicable</p>		
72	<p><i>Water Services Regulations 2013</i> Regulation 43(6)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>OL 15:</p> <p>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> <p>OL 16:</p> <p>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 day the notice is given to the owner or occupier).</p>	4	<p>We determined through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, there were no instances of the Corporation issuing a compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
73	Not applicable				
74	<i>Water Services Regulations 2013</i> Regulation 60(2)	1	<p>The following key personnel were interviewed:</p> <ul style="list-style-type: none"> Manager – Support Services – Project Management 	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>		<ul style="list-style-type: none"> Acting Team Leader – Project Management <p>The following documents were reviewed:</p> <ul style="list-style-type: none"> Legal Advice Action 4 17 July 2019 evidence Action 4: Communication of General Works completed 21 November 2019 CAT ABC Procedures – Activities 2.07 & 2.14 External Approvals webpage External Approvals Tracking Spreadsheet Major Works Checklist General Works Checklist Community Engagement Guidance Note Community Engagement Webpage External Approvals Manual Geospatial Services Job Request Form Head of Project Management memo authorising General Works to proceed Prerequisite to Works – Reportable Breaches PTW Letter 1 – Template cover regarding intention to alter a fence PTW Letter 2 – Template cover letter regarding intention to access road PTW Letter 3 – Template Notice of Proposal PTW Letter 4 – Regional Manager NoP sign off memo template PTW Letter 5a – NoP template cover letter for owners/occupiers of land to be entered PTW Letter 5b – NoP template cover letter for owners/occupiers that may be affected but not entered PTW Letter 5c – NoP template cover letter for organisations that are owners/occupiers PTW Letter 5d – NoP template cover letter for Local Council PTW Letter 5e – NoP template cover letter for WA Planning Commission PTW Letter 6a – Submission to Minister template PTW Letter 6b – Submission to Minister for Section 149 template PTW Letter 7 – Template notice to objectors regarding Minister's authorisation 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> PTW Letter 8 – Head of Project Management memo endorsing relevance or handling of objections PTW Letter 9 – Head of Project Management memo authorising General Works to proceed PMBU actions from Post Audit Implementation Plan Assets Delivery Group Action Plan <p>We noted that the Corporation has a formal process for providing notices for works associated in a road to persons who could be impacted by any works being conducted. In the period of audit there were no works that were considered necessary to alter the position of infrastructure.</p> <p>The Corporation enhanced its record management practices with regards to this obligation.</p> <p>There were no issues identified.</p> <p>Recommendations</p> <p>Not applicable.</p>		
75	<p><i>Water Services Regulations 2013</i> Regulation 63</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	2	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>Reinstatement Guidelines</i>, the <i>Utility Providers Code of Conduct for Western Australia</i> and the <i>Restoration and Reinstatement Specification for Local Governments in Western Australia</i> as well as examination of 20 samples that, during the audit period, the Corporation completed the relevant work and reinstatement to make good the road where the Corporation was required to open or break up the surface of the road, and took all reasonable measures to prevent that part of the road from being hazardous.</p> <p>We noted that the Corporation has improved its process relating to the capturing of evidence of reinstatements, including completions, as per the previous audit recommendations, however corporate process documentation still has not been updated to reflect 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.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity was communicated to the Corporation through a separate document.</p>	B	1
76	<p><i>Water Services Regulations 2013</i> Regulations 65(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p>	4	<p>Through discussions and a review of relevant process documentation, we confirmed that the Corporation uses Grange Billing system (Customer Management System) to store and maintain records for all land in respect of which water service charges apply.</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	The licensee must maintain records for all land in respect of which water service charges apply.		Recommendations Not applicable		
77	<i>Water Services Regulations 2013</i> Regulations 65(2) OL 15 - Clause 3.1.1 The records for all land in respect of which water service charges apply must contain prescribed information. OL 16 - Clause 4.1.1 The records for all land in respect of which water service charges apply must contain the prescribed information.	4	We obtained and reviewed screenshots from Grange Billing system to confirm the records for all land in respect of which water service charges apply contain the following prescribed information: <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; Unpaid charges; and Other information that the Corporation requires for the determination of a charge in respect of the land. No issues were identified through this review. Recommendations Not applicable	N/P	1
78	<i>Water Services Regulations 2013</i> Regulation 65(4) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	3	Records for all land in respect of which water charges apply are made available to any member of the public through the <i>My Water – Property Search</i> tool, except for the following: <ul style="list-style-type: none"> Name and address of the owner of the land; Account number; and Unpaid charges. Customers can access their own information through <i>My Water</i> once they have registered and logged into their account. This information is not available to any member of the public due to the Corporation's privacy policy. This issue was raised as non-compliant during the 2018 Operational Audit and by the Corporation in its 2018/19 Annual Compliance Report. To resolve this issue, in June 2019, the Corporation updated <i>My Water</i> with the following message: <i>"Water Corporation maintains records for all land including the name and address of the owner of the land, the account number, charges and unpaid charges. Please call (08) 9273 4520 to make an appointment to inspect these records."</i> Interested parties can inspect documents via appointment at the Corporation's Balcatta office. Copies of records can be obtained if the person can demonstrate they have material interest and pay the relevant fee. Additionally, customers may request this	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			information through the Corporation's Contact Centre. Recommendations A recommendation has not been made as the non-compliance issue was resolved.		
79	<i>Water Services Regulations 2013</i> Regulation 67 OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	4	Through discussions and a review of the Corporation's website, we confirmed that the charges are based on the records maintained by the Corporation for a period in relation to the land. As required by regulation 67, the following standards outline that the Corporation can correct charging records for the current plus the previous 5 financial years: <ul style="list-style-type: none">S319 Retrospective Adjustment of Water Use ChargesS307 Retrospective Adjustment of Service Charges. Recommendations Not applicable	N/P	1
80	<i>Water Services Regulations 2013</i> Regulations 68(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must consider an objection to the records maintained by a licensee under regulation 65 as soon as practicable.	4	Through discussions and review of relevant process documentation we confirmed that Customers can lodge an objection to a change in property classification via the Contact Centre or the Rating Services inbox. The Corporation considers an objection within 15 days of receiving such a request (in line with the Code of Conduct requirements). Recommendations Not applicable	N/P	1
81	<i>Water Services Regulations 2013</i> Regulations 68(6) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	4	As outlined in the <i>Property Classification - 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. Where the objection is allowed, Grange Billing system records are corrected effective from the next billing period/next financial year/from the General Revaluation date and the customer notified of the correction and the effective correction date. Where the 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. We tested two (2) customer objections and did not identify any issues. Recommendations Not applicable	N/P	1
82	<i>Water Services Regulations 2013</i>	4	As outlined in the <i>Property Classification - Objection to</i>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Regulations 68(7)</p> <p>OL 15 - Clause 3.1.1</p> <p>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 who objected of any consequent amendment of the records.</p> <p>OL 16 - Clause 4.1.1</p> <p>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><i>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.</p> <p>Where the objection is allowed, Grange Billing system records are corrected effective from the next billing period/next financial year/from the General Revaluation date and the customer notified of the correction and the effective correction date.</p> <p>We tested two (2) instances where the customer objection was allowed and confirm that the details of the consequent amendment of records was issued to the concerned customer.</p> <p>No issues were identified through these tests.</p> <p>Recommendations</p> <p>Not applicable</p>		
83	<p><i>Water Services Regulations 2013</i></p> <p>Regulations 68(8)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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 of the time within which and the manner in which a review of the decision may be sought.</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Through discussion and a review of relevant procedures, we confirm that the Corporation advises the person of the time within which, and the manner in which, a review of the decision may be sought.</p> <p>Discussions with process owners indicated that the Corporation does not keep a register for disallowed objections. As a result, we were unable to obtain samples of disallowed objections.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity was communicated to the Corporation in a separate document with regards to implementing a register of objections and disallowed objections received under Regulation 68 to evidence compliance.</p>	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
84	<p><i>Water Services Regulations 2013</i> Regulation 69(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p>Through discussions and a review of the <i>Property Classification Objection to State Administrative Tribunal</i> and a listing of referrals to the SAT, we confirmed that the Rating Services Team will complete a SAT eForm upon receiving a written notification from a customer wanting to refer to the SAT.</p> <p>All supporting documentation is then 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. The Corporation requires this to be reported to SAT within 10 working days.</p> <p>Further discussions with process owners identified that there was only one (1) instance during the audit period, 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.</p> <p>No issues were identified through this test.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
85	<p><i>Water Services Regulations 2013</i> Regulation 70(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<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>Further, the <i>Property Classification Objection to State Administrative Tribunal (SAT)</i> procedure documents 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> <p>Recommendations</p> <p>Not applicable</p>	A	NR
86	<p><i>Water Services Regulations 2013</i> Regulation 74(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<p>Through discussions and a review of relevant procedures and standards, we confirm that the Corporation outlines the processes to be followed when the Corporation is required to amend records as a consequence of an allowance, 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.</p> <p>We tested two (2) instances, where records were amended as a consequence of an allowance of an objection and confirm that the Corporation had amended the records as required under the Regulation 74(1) of the <i>Water Services Regulations 2013</i>.</p> <p>No issues were identified through these checks.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
87	<p><i>Water Services Regulations 2013</i> Regulation 74(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>OL 15:</p> <p>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.</p> <p>OL 16:</p> <p>The licensee must, if necessary, as a consequence of the amendment to the records under regulation 74(1), determine or re-determine any water service charge; and, if necessary, provide a rebate or refund.</p>	4	<p>Through discussions and a review of procedures and standards, we confirm that the Corporation re-determines and if necessary, provides a rebate or a refund.</p> <p>We tested two (2) instances, where records were amended as a consequence of an allowance of an objection and confirm that the Corporation had determined/re-determined water service charges and offered the option for a refund to the customer.</p> <p>No issues were identified through these checks.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
88	<p><i>Water Services Regulations 2013</i> Regulation 75(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<p>As outlined on the <i>Call Centre Security Policy</i>, the Managing Agent or Tenant authorised by the owner can request the information by contacting the Contact Centre, provided the authorisation criteria have been met.</p> <p>Through discussion and a review of the Corporation's website, we confirmed that the Corporation will issue accounts to either the Managing Agent or Tenant at the Owner's request. The property owner will remain responsible for all service and water use charges, as any arrangements between an Owner and the Tenant (regarding payment of charges) is a private matter between those parties.</p> <p>Recommendations:</p> <p>Not applicable.</p>	N/P	1
88A	<p><i>Water Services Regulations 2013</i> Regulation 80H</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	3	<p>Through discussion and a review of policies, procedures and work instructions, we confirmed that the Corporation requires non-residential customers that use more than 20,000kL of water per year, to submit a Water Efficiency Management Plan (the plan).</p> <p>The processes undertaken by the <i>Customer and Industry Partnership Business Unit</i> is outlined in <i>WEMP – Reviewing Report Work Instruction</i>.</p> <p>We sample tested eight (8) plans received by the Corporation within our scope period, to check that a written notice outlining the factors detailed in Regulation 80H of the <i>Water Services Regulations 2013</i> was provided to the customer within 60 days of receiving the plan. No exceptions were identified through this check.</p> <p>In the 2018 Operational Audit it was found that the requirement to provide written notice to the customer within 60 days of receiving a Water Efficiency</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Management Plan has not been documented.</p> <p>We confirm that this requirement has been implemented by the Corporation.</p> <p>Recommendations</p> <p>Not applicable</p>		
89	<p><i>Water Services Regulations 2013</i> Regulation 85</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	3	<p>Through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>Compliance Notice Process Framework</i> and the <i>Water Services Act (WSA) Compliance Procedure</i> as well as examination of the two (2) compliance notices issued during the audit period, we confirm that compliance notices included a brief description of the possible consequences under the <i>Water Services Act 2012</i> of not complying with the notice, and the rights of review under the <i>Water Services Act 2012</i>, in relation to the notice and who may apply for review.</p> <p>A finding was made against this obligation in the 2018 Operational Audit, with the auditor identifying that final versions of compliance notices issued were generally not retained on file. The Corporation finalised the Compliance Notice Process Framework in June 2020, which includes compliance notice templates that were reviewed and approved by Legal Services prior to coming into effect and recordkeeping requirements. Other relevant corporate documentation was also updated to include recordkeeping requirements. Examination of the two (2) compliance notices issued during the audit period confirmed that final versions are retained on file.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
90	<p><i>Water Services Regulations 2013</i> Regulation 86(6)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	1	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>PCY370 – Prosecution and Enforcement Policy</i> and the <i>Guide to Infringement Notices for Authorised Officers and Approved Officers</i>, as well as examination of nine (9) samples of certificates of authority, that the Corporation issued certificates, a badge or an identity card to employees appointed as an authorised or approved officer.</p> <p>A finding was made against this obligation in the 2018 Operational Audit, with the auditor identifying that there are no formal policies and/or procedures relating 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>.</p> <p>We confirmed that the Corporation has improved relevant existing and developed and implemented new corporate process documentation to cover off on this</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			issue. Recommendations Not applicable		
91	<p><i>Water Services Regulations 2013</i> Regulation 86(9)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>.</p>	1	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the <i>PCY370 – Prosecution and Enforcement Policy</i> and the <i>Guide to Infringement Notices for Authorised Officers and Approved Officers</i> as well as examination of nine (9) certificates of authority issued to infringement officers that, during the audit period, the Corporation maintained a list of personnel appointed to be authorised officers or approved officers for the purposes of the <i>Criminal Procedure Act 2004</i> Part 2.</p> <p>If requested, a copy of the list will be provided to the Corporation's CEO or to the CEO of the Public Services principally assisting in the administration of the <i>Criminal Procedure Act 2004</i>.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
Water Services Code of Conduct (Customer Service Standards) 2018					
92	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 8(1)-(3)</p> <p>OL 15: - Clause 3.1.1</p> <p>The licensee must have written information for customers about the prescribed matters regarding connections and the information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must have written information for customers about the prescribed matters regarding connections and the information must be publicly available. (Note: the information required by clause 8(2)(a) applies to the Water Corporation, Bunbury Water Corporation and Busselton Water Corporation only and the information required by clause 8(2)(g) applies only to licensees that supply potable water).</p>	4	<p>We confirm, through discussions and a review of the Corporation's website and hard copy documents, that the information prescribed in <i>Clause 8 (2) (a) to (g)</i> of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> is publicly available to customers and that the information is well documented.</p> <p>We also confirmed that hardcopy documents are provided to customers without a charge.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
93	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 9(2) and (4)</p>	3	<p>We confirmed through interviews with the Compliance Manager, Manager Metering Services and the Coordinator Metro Field Support and a review of the</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15 - Clause 3.1.1</p> <p>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.</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must ensure that, in any 12-month period, 90% of water supply service 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.</p>		<p><i>New Service Connection</i> work instruction, the <i>Standard Terms and Conditions</i> and the <i>New Service/Meter Feedback – Asset Viewer – Quick Reference Sheet</i> as well as examination of fifteen samples that, during the audit period, the Corporation completed, in any 12 month period, 90% of water supply service connections before the end of 10 business days, starting on the day on which the customer had paid the relevant fees and complied with the relevant requirements.</p> <p>Recommendations</p> <p>Not applicable</p>		
94	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 10(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12-month period.</p>	4	<p>Customer Billing and Assurance is responsible for billing activities with Grange Billing system being the primary billing system.</p> <p>The Corporation's Billing processes are outlined in the following documents:</p> <ul style="list-style-type: none"> PCY321 Bill Customer S300 Billing. <p>Through discussions and review of the Corporation's website, we confirmed that the Corporation bills customers for service charges (i.e. non-quantity) 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>Recommendations</p> <p>Not applicable</p>	N/P	1
95	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee charges a quantity charge, the licensee must issue a bill for a quantity charge to each customer at least once in every 4-month period.</p>	4	<p>Customer Billing and Assurance is responsible for billing activities with Grange Billing system being the primary billing system.</p> <p>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 water use charges (i.e. bill for usage; quantity charge) every two (2) months.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
96	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.</p>	4	<p>Through discussions with relevant personnel, review of Corporation's documents, website and bills, we confirmed that water use charges are calculated based on an actual meter reading.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
97	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>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 wastewater discharged.</p> <p>OL 16 - Clause 4.1.1</p> <p>If an accurate meter reading is not possible, a bill for usage must be based on an estimate, in accordance with the prescribed regulations (if any), of the quantity of water supplied or wastewater discharged. (Note: The Water Services Regulations 2013 did not address the estimation of bills at the time this Reporting Manual was published).</p>	4	<p>Through discussions with relevant personnel, review of Corporation's documents, website and bills, we confirmed that where an actual meter reading is not possible an estimate or a projected read is used to calculate water use charges in accordance with the requirements for Clause 11(4).</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
98	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	4	<p>Through discussions with relevant personnel, review of Corporation's documents, website and bills, we confirmed that where an actual meter reading is not possible, an estimate or a projected read is used to calculate water use charges in line with the prescribed methods.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
98A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 11(6)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Despite subclauses 11(4) and (5), a bill for usage based on a meter reading must be issued at least once in every 12-month period.</p>	2	<p>The Corporation reported non-compliances in the 2018/19 and 2019/20 Annual Compliance Reports in that the Corporation did not obtain a meter reading at all properties in a 12-month period.</p> <p>Through enquiries with the Team Leader – Customer Billing and Assurance we confirmed that 49 properties were in breach during the audit period, as a meter reading was not obtained in the 12-month period.</p> <p>Reasons for non-compliance is often due to the Corporation being unable to access the property or contact the owner to obtain a meter reading. To rectify this breach, we confirmed through a review of the PCY321 – Bill Customer Policy, the S300 – Billing Standard, the S308 – Estimating and Projecting Water Use Standard and the Obtaining Meter Readings After 3 Projected Reads work instruction that the Corporation has updated its documents and developed a process map to inform staff. Further, a review committee (comprised of Managers and Team Leaders from Customer Billing and Metering) has been established to review these cases 6 weekly and agree on resolutions.</p> <p>Recommendations</p> <p>No recommendations were made as the Corporation implemented several controls to mitigate further non-compliances.</p>	A	2
99	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 12</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<p>Through discussions, review of the Corporation's website, procedures and bills, 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 receive and view their bills electronically through the My Water 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. We confirmed that there is processes in place to investigate and resend bills returned to the Corporation.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
100	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Each bill must contain the prescribed information.</p>	3	<p>Through discussions with the Team Leader – Customer Billing and Assurance and review of the following documentation, we confirmed that customer bills contained the prescribed information outlined in Cause 13(1) of the Code of Conduct:</p> <ul style="list-style-type: none"> Customer Billing & Assurance Water Services Licence Compliance Summary Comments on Bill Templates Grange Change Notification issued 31/01/2019 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Customer Bill Format – Request Change Procedure Obligation 100 – Bill Message updated re. Estimated Bills 8/02/2020 16 sample bills. <p>No issues were identified through these tests.</p> <p>The Corporation reported a breach in its 2019/20 Annual Compliance Report as it was found that some bills did not contain a statement that the Corporation's website contains information about estimates. This finding was based on the requirements stipulated in Clause 12(1) of the Water Services Code 2013.</p> <p>The <i>Water Services Code of Conduct 2018</i> came into effect on 1 July 2018 and the requirements of Clause 12(1) of the previous code were divided into two separate clauses – Clause 13(1) and Clause 13(6). We note that Clause 13(6) requires information on a bill relating to estimates and is now covered under Obligation 102A.</p> <p>Due to this change, the Corporation did not breach any of the requirements under the current Clause 13(1) and the breaches relating to estimates will be addressed under Obligation 102A as non-compliant.</p> <p>Recommendations</p> <p>Not applicable</p>		
100A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>A bill issued for 2 or more water services must specify the charge payable for each water service.</p>	3	<p>Through discussions with the Team Leader – Customer Billing and Assurance, and review of the following documentation, we confirmed that a bill issued for 2 or more water services specify the charge payable for each water service:</p> <ul style="list-style-type: none"> Customer Billing & Assurance Water Services Licence Compliance Summary S300 Billing PCY321 Bill Customers PCY 320 Maintain Property Records 16 sample bills. <p>Recommendations</p> <p>Not applicable</p>	A	1
101	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Each bill for usage for a metered water service must contain the specified information.</p>	4	<p>Through discussions with the Team Leader – Customer Billing and Assurance and review of the Corporation's documentation and 14 sample bills, we confirmed that customer bills contained the prescribed information outlined in clause 13(4) of the Code of Conduct. No issues were identified.</p> <p>Recommendations</p> <p>Not applicable.</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
101A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request.</p>	4	<p>The Corporation's processes are outlined in the following documents.</p> <ul style="list-style-type: none"> S345 Customer Records PCY Maintain Customer Records. <p>Through sample-based testing we identified that 1 out of the 8 customer bills reviewed did not inform the customer that the licensee will tell the customer on request:</p> <ul style="list-style-type: none"> The basis of the estimate; and The reason for the estimate. <p>This issue was previously raised as a non-compliance in the <i>2018/19 Annual Compliance Report</i>. The bill template was updated in February 2019 to include the following text when property water use had been estimated:</p> <p><i>"This reading was estimated based on your previous water use because we were unable to access your meter. To get information on estimates and our access requirements visit watercorporation.com.au. Contact us to have the estimate reviewed".</i></p> <p>No further actions are required.</p> <p>Recommendations</p> <p>No recommendations were made as the non-compliance issue was resolved.</p>	A	2
102	Not used				
102A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 13(6)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Each bill must contain the prescribed information.</p>	4	<p>Please also refer to Obligation 100 for further information.</p> <p>The Corporation's processes are outlined in the following documents:</p> <ul style="list-style-type: none"> S300 Billing PCY321 Bill Customers PCY 320 Maintain Property Records. <p>Through sample-based testing we identified that 1 out of the 16 customer bills reviewed did not contain a statement that the Corporation's website contains information about estimates.</p> <p>This issue was previously raised as a non-compliance in the <i>Corporation's 2018/19 and 2019/20 Annual Compliance Reports and in an internal Operational Audit conducted by the Corporation in 2019 (2019 Pre-Audit)</i>.</p> <p>As a result of the 2019 Pre-Audit findings, the bill template was updated in February 2020 to include the following statement:</p> <p><i>"If your reading has been estimated you can contact us to have it reviewed. For more information, visit</i></p>	B	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p><i>watercorporation.com.au.</i>"</p> <p>No further actions are required.</p> <p>Recommendations</p> <p>Not applicable. (An improvement opportunity was raised in a separate document to the Corporation to include the words "on estimates" after "For more information").</p>		
103	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 14(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	4	<p>Through discussions with the Team Leader – Customer Billing and Assurance and review of the <i>Contact Central Knowledge Base</i>, we confirmed that customers called the Contact Centre and that the Corporation informed the customers of the reason(s) for the estimate, and the basis of the estimate.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
104	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 14(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If a bill is based on an estimate, 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.</p>	4	<p>Through discussions with the Team Leader – Customer Billing and Assurance and review of the Corporation's documents and eight (8) disputed estimates, we confirmed that, the Corporation made the necessary adjustments in the next bill.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
104A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 15(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the prescribed information.</p>	3	<p>The Corporation's bill template included a section "How your water use charges have been calculated", which provides information relating to tariffs and volumetric ranges plus the month and year in which the customer's next consumption year starts.</p> <p>We performed sample-based testing over 8 bills to check that it contained the prescribed information. Testing identified that the sampled bills did not contain "the day on which the tariff for water supplied to the customer will revert to the lowest tariff (i.e. the day on which the customer's next consumption year starts)". The bills referred to the "month" (not the day) that the tariff will be reset.</p> <p>Further, this non-compliance was reported by the Corporation in its 2019/20 Annual Compliance Report and in the Operating License Pre-Audit.</p> <p>Discussions with the relevant personnel noted that the tariff's will be reset on the day of the final meter reading. Therefore, it is not possible to determine the exact date the meter will be read 12 months in advance. Discussions noted that this obligation will continue to be reported as non-complaint.</p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>This issue was referred to the Legal Services team, who flagged a proposed change to the Code of Conduct at the next review of the Code, which would not require the actual day to be specified on the bill, just the month.</p> <p>Recommendations Reference No 04/2020</p> <p>We recommend that the Corporation:</p> <p>In consultation with its Legal Services team, request an amendment to the Code of Conduct to reflect the month and not the day on which the customer's next consumption year starts.</p>		
105	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 16(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must provide to the customer on request a meter reading and a bill (or revised bill if applicable) for outstanding charges outside of the usual bill cycle, or in case the customer disputes an estimate.</p>	4	<p>Through enquiries and review of the following documentation, we observed that the Corporation provided customers special meter readings when requested:</p> <ul style="list-style-type: none"> S308 Estimating and Projecting Water Use Contact Central Knowledge Base – Applying for a Special Meter Reading Contact Central Knowledge Base – Meter Readings Corporation's website: https://www.watercorporation.com.au/Help-and-advice/Property-management/Meter-readings/Request-a-meter-reading. <p>Property managers logged in to the online <i>Special Meter Request (SMR)</i> facility and completed the online form to request a Special Meter Reading. We confirm that owners, tenants and property managers called the Corporation to request a reading.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
106	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 17(2) & (3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must have a written policy, standard or set of guidelines (available on the licensee's website and a hardcopy provided to a customer upon request at no charge) 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 from the customer's system.</p>	4	<p>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.</p> <p>To apply for the allowance, the customer must meet a number of conditions, which are outlined in the <i>Leak Allowance Policy</i> and the <i>Leak Allowance Application Form</i> (available on the website). Further, the following documents outline the Corporation's processes to process such requests.</p> <ul style="list-style-type: none"> S314 Water Use Allowances - Unexpected Water Use High Water Use Accounts - Investigating and Resolving documents. <p>We confirmed with the relevant personnel that customers are also able to access the information free of charge, by calling the Corporation and requesting that</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			the information be posted to their address. Recommendations Not applicable		
107	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 18(2)</p> <p>OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1</p> <p>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>	2	<p>Through discussions the Team Leader – Customer Billing and Assurance, review of the following documents and seven (7) undercharged accounts, we confirmed that the Corporation did not recover an undercharged amount unless it was for water services provided in the 12-month period, ending on the day on which the licensee informed the customer of the undercharging:</p> <ul style="list-style-type: none"> S072 Financial and Legal Authorisation Standard S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges. <p>Recommendations Not applicable</p>	A	1
108	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 18(3)</p> <p>OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1</p> <p>An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.</p>	2	<p>Through discussions the Team Leader – Customer Billing and Assurance, review of the following documents and seven (7) undercharged accounts, we confirmed that the undercharged amount was the subject of a special bill or included as a separate item in the next bill:</p> <ul style="list-style-type: none"> S072 Financial and Legal Authorisation Standard S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges. <p>Recommendations Not applicable</p>	A	1
109	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 18(4)</p> <p>OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1</p> <p>The licensee must not charge interest or late payment fees on an undercharged amount.</p>	2	<p>Through discussions the Team Leader – Customer Billing and Assurance, review of the following documents and seven (7) undercharged accounts, we confirmed that the Corporation did not charge interest or late payment fees on an undercharged amount:</p> <ul style="list-style-type: none"> S072 Financial and Legal Authorisation Standard S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges. <p>Recommendations Not applicable</p>	A	1
110	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i>	2	Through discussions with the Team Leader – Customer Billing and Assurance, review of the documents listed	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Clause 18(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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 18(3) is issued.</p>		<p>below and seven (7) undercharged accounts, we confirmed that repayment plans are offered by the Contact Centre on request, however, during the audit period, payment plans were offered by the Corporation but no customers entered into any payments plans.</p> <ul style="list-style-type: none"> S072 Financial and Legal Authorisation Standard S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges. <p>Recommendations</p> <p>Not applicable</p>		
111	Not used				
111A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 19(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must, within 15 business days of becoming aware of an overcharge, credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account.</p>	2	<p>The Corporation's processes are outlined in the following documents:</p> <ul style="list-style-type: none"> S115 Processing External Customer Contacts S317 Refunds Major Fixture/Discharge factor Assessment Form Work Instruction – Review Bills S307 Retrospective Adjustment of Service Charges S319 Retrospective Adjustment of Water Use Charges Corporation's website: https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments <p>We reviewed a sample of nine (9) overcharged accounts to test compliance with the requirements of this obligation. No issues were identified through this test.</p> <p>The Corporation, in its 2019/20 Annual Compliance Report reported a breach against this obligation. A review of Grange billing rules, completed on 8 June 2020, identified overcharges related to properties where the new financial year price was applied when part of the water use period was in the previous year, contravening Regulation 5 of the Water Services (Water Corporation's Charges) Regulations 2014.</p> <p>In its response to the Minister of Water, the Corporation stated that the incorrect billing rule has been in place for these accounts for more than ten years. Accounts impacted were:</p> <ul style="list-style-type: none"> Monthly billed accounts (920 accounts); Bunbury or Busselton accounts (608 accounts); and 	C	3

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Christmas/ Cocos Keeling Island accounts (982 accounts). <p>The Corporation in its response estimated the total credit adjustments to correct for the overcharging is \$1.27million. The Corporation, in June 2020, updated the Grange billing rules to ensure no future billing errors would occur.</p> <p>The 15-business day period ended on 29 June 2020. We were informed that, due to the complex nature of this issue, the Corporation has not yet applied the credits or communicated the overcharge to the affected customers.</p> <p>Recommendations - Reference No 035/2020</p> <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> As soon as practicably possible, for all known affected customers, credit the overcharged amounts to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account. Continue its investigation into identifying other affected customers and as soon as a customer is identified, credit the customer's account or inform the customer of the overcharging. Perform a comprehensive review of all other Grange billing rules to ensure that all rules are correctly implemented. 		
112	Not used				
112A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 19(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer's account within 15 business days of the licensee receiving the instructions.</p>	4	<p>Through discussions, review of the Corporation's documents and nine (9) overcharged accounts, we confirmed that the Corporation refunded the overcharged amount, or credited the overcharged amount to the customer's account within 15 business days.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
112B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 19(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p>	4	<p>Through discussions, review of the Corporation's documents and nine (9) overcharged accounts, we confirmed that the Corporation credited the overcharged amount to the customer's account where the instructions were not received from the customer (within the end of 10 business days).</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	If instructions from the customer about the refunding or crediting of the overcharged amount have not been received by the licensee at the end of the period of 10 business days starting on the day an overcharging notice is sent, the licensee must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days.		Recommendations Not applicable		
112C	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 19(5) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must notify the customer immediately after crediting the overcharged amount to the customer's account under subclause (2)(a), (3) or (4).	4	Through discussions, review of the Corporation's documents and nine (9) overcharged accounts, we confirmed that the Corporation had notified the customer after crediting the overcharged amount to the customer's account. Recommendations Not applicable	N/P	1
113	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(1) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must review a bill on the customer's request.	4	Through discussions and review of the following documentation we confirmed that the Corporation reviews bills at the customer's request: <ul style="list-style-type: none"> Review Bill and Processing Procedure S319 Retrospective Adjustment of Water Use Charges S307 Retrospective Adjustment of Service Charges Water Corporation's website: (https://www.watercorporation.com.au/about-us/our-commitments/customer-and-service-commitments). We confirmed that customers requested, through the Contact Centre (phone, email, webchat, etc.), the Corporation to review their bills. The Customer Billing Services Team reviewed the request and advised the customer of the outcome as soon as practicable or within 15 business days. Recommendations Not applicable	N/P	1
114	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The license must have a written procedure for the review of a bill on	4	<i>The Review Bill and Processing</i> procedure outlines the Corporation's processes for the review of a bill at the customer's request. Recommendations Not applicable	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	the customer's request.				
115	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clauses 20(3) & (6)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The review procedure in clause 20(2) must include the specified information and be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p>	4	<p><i>The Review Bill and Processing</i> procedure outlines the Corporation's processes for the review of a bill at the customer's request. Additionally, we reviewed the Corporation's website and verified that the following information is publicly available:</p> <ul style="list-style-type: none"> Requesting a meter reading or the testing of a meter; What happens if, on review, it is found that the customer has been undercharged or overcharged; What the customer can do if unsatisfied with the outcome of the review. <p>Through enquiries, we identified that customers are also able to access hard copies free of charge, by calling the Corporation and requesting that the information be posted to their address.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
116	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.</p>	4	<p>We reviewed the Corporation's website and verified that the following information is publicly available:</p> <p><i>"After conducting a review of a bill, if we are satisfied the bill is correct, we may:</i></p> <p><i>provide you with information about the operation of our internal and external complaints process, which includes your right to refer any complaint to the Energy and Water Service Ombudsman."</i></p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
117	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 20(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	3	<p><i>The Review Bill and Processing</i> procedure outlines the requirement to advise the customer of the bill review outcome as soon as practicable or within 15 business days.</p> <p>We obtained examples of the monthly performance scorecard and confirmed that this requirement is monitored and reported regularly. Where the requirements are not met, it will be escalated internally within the Corporation.</p> <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report as 1.3% (172) customers were not informed of the review of their bills within 15 days.</p> <p>We reviewed the KPI report for the audit period and identified that there were 21307 customer-initiated</p>	B	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>billing review requests. We identified 303 breaches (non-compliance rate 1.41%) of the 15-business day requirement (compliance rate 98.73%). We were informed that the non-compliances related to complex investigation, access issues or inspections being required to remote properties.</p> <p>The Corporation has determined that there will always be a small number of reviews where it is not possible for the Corporation to complete the review within 15 business days. In these instances, the Corporation will advise the customer on the 14th business day that they are unable to provide a response within 15 business days and that the Corporation will respond as soon as possible.</p> <p>We tested four (4) non-compliant instances to check that a written notice was provided to the customer. For 2 out of the 4 instances tested, an interim response was not provided within 15 business days. We were informed that the non-compliances related to access issues or inspections being required to remote properties.</p> <p>Recommendations - Reference 04/2020</p> <p>We recommend that the Corporation:</p> <ol style="list-style-type: none"> 1. Provide further training to relevant staff on the requirement to provide interim responses to customers where bill reviews are not able to be completed in 15 business days. 2. Continue to regularly monitor and report the 15-business day requirement. Where significant delays are identified, actions should be taken to escalate these instances in a timely manner. 3. Discuss reasons for non-compliance with the ERA to understand the ERA's view on this non-compliance, as this non-compliance is expected to continue. 		
117A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 21</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in clause 21(2).</p>	4	<p>We confirmed through interviews with relevant personnel and review of policies and procedures, that the Corporation will notify customers of changes in the amount or rate of a water service charge, through the next bill for that kind of a water service charge.</p> <p>We sample tested six (6) water service changes to the amount or rate, to check that that notification was provided in accordance requirements.</p> <p>No issues were identified through these tests.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
118	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 23</p> <p>OL 15 - Clause 3.1.1</p>	4	<p>We confirmed through interviews with relevant personnel and review of policies and procedures as well as examination of eight (8) samples that, during the audit period, the time set by the Corporation for the payment of a bill was after 14 days from when the bill</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	OL 16 - Clause 4.1.1 The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.		was issued. Recommendations Not applicable		
119	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 24(1) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	4	We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of eight (8) samples that, during the audit period, the Corporation allowed customers to pay bills using any of the prescribed methods, as selected by the customer. Recommendations Not applicable	N/P	1
120	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 24(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	4	We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of samples that, during the audit period, the Corporation informed customers of the fees and charges associated with each bill payment method offered when offering bill payment method options to customers. Recommendations Not applicable	N/P	1
121	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 25(1) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 Before receiving a bill payment by direct debit, the licensee must obtain the express consent of the customer or of an adult person nominated by the customer to give consent.	4	We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of four (4) samples of recorded telephone calls that, during the audit period, the Corporation obtained the express consent of customers or adult persons nominated by customers to give consent before receiving bill payments via direct debit. Recommendations Not applicable	N/P	1
122	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 26(1) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must accept payment in advance from a customer on a customer's request.	4	We confirmed through interviews with relevant personnel and review of the Corporation's website, policies, procedures and data obtained from the Grange Billing system that, during the audit period, the Corporation accepted payments in advance from customers on customer requests. Recommendations Not applicable	N/P	1
123	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 27 OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1	4	We confirmed through interviews with relevant personnel and review of the Corporation's website and procedures as well as examination of several samples that, during the audit period, the Corporation redirected customer bills due to the customer's absence or illness on request and at no charge to the customer.	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.		Recommendations Not applicable		
124	Not applicable				
124A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 28(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.</p>	2	<p>We confirmed through interviews with the Manager Compliance & Assurance, the Team Leader – Customer Billing & Assurance and the Lead Operations – Contact Centre and a review of the Corporation's website, <i>Contact Central Knowledge Page, S391 – Payment Difficulties and Debt Recovery Authorisation</i> policy as well as examination of four (4) samples extracted from the Grange Billing system that, during the audit period, the Corporation advised customers who had been assessed as experiencing payment difficulties that they had a right to pay the bill under a payment plan or other arrangement, under which the customer was given more time to pay the bill or arrears, and the Corporation offered to enter into appropriate plans or arrangements with these customers.</p> <p>We noted that there is a difference between customers who have been assessed as experiencing payment difficulties and customers who have been assessed as experiencing financial hardship. We also noted that the Corporation advises customers of this right in a number of ways and customer interactions are noted in the Grange Billing system.</p> <p>Recommendations Not applicable</p>	A	1
124B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 28(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing payment difficulties, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.</p>	2	<p>We confirmed through interviews with the Manager Compliance & Assurance, the Team Leader – Customer Billing & Assurance and the Lead Operations – Contact Centre and a review of the Corporation's website, <i>Contact Central CXC Guidelines, Contact Central Knowledge Page</i> and the <i>S391 – Payment Difficulties and Debt Recovery Authorisation</i> policy, as well as examination of four (4) samples extracted from the Grange Billing system that, during the audit period, the Corporation took the customer's capacity to pay the bill into account when formulating a payment plan or other arrangement for a customer that the Corporation had assessed as experiencing payment difficulties.</p> <p>We also confirmed that the Corporation took into account the amount of water supplied or wastewater discharged in previous billing periods in cases of a bill for usage.</p> <p>We noted that there is a specialist team within the Contact Centre business unit that is responsible for this requirement and these personnel follow the procedures listed in <i>Contact Central Knowledge</i>. Furthermore, customer telephone calls are recorded, and customer interactions are noted in the Grange Billing system.</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
124C	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 28(4) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	2	We confirmed through interviews with the Manager Compliance & Assurance, the Team Leader – Customer Billing & Assurance and the Lead Operations – Contact Centre and a review of the Corporation's website, Contact Centre CXC Guidelines, <i>Contact Central Knowledge Page</i> and the <i>S391 – Payment Difficulties and Debt Recovery Authorisation</i> policy, as well as examination of four (4) samples extracted from the Grange Billing system that, during the audit period, the Corporation considered and decided whether or not the payment plan or other arrangement for a customer who had been assessed as experiencing payment difficulties should be interest free, fee free or both. We noted that payment plans, and other arrangements are entered into the Grange Billing system and the system has been set up to automatically raise, or prevent from being raised, applicable fees and charges. We also noted that the Corporation is not raising applicable fees and charges during the Covid-19 pandemic and the option has been turned off altogether in the system. Recommendations Not applicable	A	1
125	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clauses 29(1) & (2) OL 15 - Clause 3.1.1 & 5.4.1 OL 16 - Clause 4.1.1 and Schedule 3, Clause 1.1.1 The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	2	We interviewed the following personnel: <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre We reviewed the following documents: <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 Email from Water Corporation re. Water Corporation Financial Hardship Policy 2014 18 September 2014 Economic Regulation Authority Decision to Approve Water Corporation's Amended Financial Hardship Policy 20 May 2015 Economic Regulation Authority Notice – Approval of Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. Embargoed 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Documents – Decision to Approve the Water Corporation's Amended Financial Hardship Policy 20 May 2015</p> <ul style="list-style-type: none"> Letter from Economic Regulation Authority re. Water Corporation's Revised Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. HPECM: Financial Hardship Policy 14 December 2018 Water Corporation Letter re. Water Corporation Hardship Policy 14 December 2018 <p>We confirmed through interviews with relevant personnel and review of policies, letters, emails and documentation from the ERA that, during the audit period, the Corporation had a written policy in relation to financial hardship, as approved by the ERA.</p> <p>Recommendations</p> <p>Not applicable</p>		
126	Not used				
126A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Unless the ERA approves otherwise, the licensee's financial hardship policy must comply with the ERA's guidelines (if any) in relation to financial hardship policies.</p>	2	<ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://www.erawa.com.au/water/water-licensing/financial-hardship-policies Economic Regulation Authority Financial Hardship Policy Guidelines for Water Services <p>We confirmed through interviews with relevant personnel and review of policies as well as the ERA's website and guidelines relating to financial hardship policy that, during the audit period, the Corporation's financial hardship policy complied with the ERA's guidelines.</p> <p>We noted the following:</p> <ul style="list-style-type: none"> The Corporation did not request any exemptions from the ERA for the current version of the financial hardship policy. The current version of the ERA's guidelines relating to financial hardship policy, which are available on the ERA's website, were used by the Corporation. The ERA approved and published the current version on their website. <p>Recommendations</p> <p>Not applicable</p>	A	1
126B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(4)</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer 	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>Unless the ERA approves otherwise, amendments to the licensee's financial hardship policy must be approved by the ERA and comply with the ERA's guidelines (if any) in relation to financial hardship policies.</p>		<p>Billing & Assurance</p> <ul style="list-style-type: none"> Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 Financial Hardship Policy PCY304 – Process for Review and Updating (Doc ID: 58585594) Email from Water Corporation re. Water Corporation Financial Hardship Policy 2014 18 September 2014 Economic Regulation Authority Decision to Approve Water Corporation's Amended Financial Hardship Policy 20 May 2015 Economic Regulation Authority Notice – Approval of Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. Embargoed Documents – Decision to Approve the Water Corporation's Amended Financial Hardship Policy 20 May 2015 Letter from Economic Regulation Authority re. Water Corporation's Revised Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. HPECM: Financial Hardship Policy 14 December 2018 Water Corporation Letter re. Water Corporation Hardship Policy 14 December 2018 https://www.erawa.com.au/water/water-licensing/financial-hardship-policies Economic Regulation Authority Financial Hardship Policy Guidelines for Water Services <p>We confirmed through interviews with relevant personnel and review of policies, procedures, letters and emails as well as the ERA's website, guidelines relating to financial hardship policy and other documentation that, during the audit period, there were no amendments to the Corporation's financial hardship policy and there are formal processes in place to ensure that amendments to the financial hardship policy comply with the ERA's guidelines and are approved by the ERA.</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>We noted that the Corporation is required to review its financial hardship policy every five (5) years, but the Corporation has committed itself to reviewing the policy every two (2) years to ensure continuous adequacy and appropriateness.</p> <p>Recommendations</p> <p>Not applicable</p>		
127	Not applicable as the Corporation has held its licence for more than six months.				
128	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(6)</p> <p>OL 15 - Clause 3.1.1 and 5.4.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee's financial hardship policy must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Customer Billing & Assurance Services Water Services Licence Compliance Summary Water Corporation Financial Hardship Policy for Water Services December 2018 Financial Hardship Policy PCY304 – Process for Review and Updating (Doc ID: 58585594) https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship https://pw-cdn.watercorporation.com.au/-/media/WaterCorp/Documents/About-us/Our-commitments/Financial-hardship-policy <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation's financial hardship policy was available on the Corporation's website and hardcopies were available to be provided to customers upon request, at no charge to the customer.</p> <p>We noted that customer requests for hardcopies are recorded in the Grange Billing system.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
129	Not used				

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
129A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(7)</p> <p>OL 15 - Clause 3.1.1 and 5.4.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must review its financial hardship policy at least once in every 5-year period.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 Financial Hardship Policy PCY304 – Process for Review and Updating (Doc ID: 58585594) Email from Water Corporation re. Water Corporation Financial Hardship Policy 2014 18 September 2014 Economic Regulation Authority Decision to Approve Water Corporation's Amended Financial Hardship Policy 20 May 2015 Economic Regulation Authority Notice – Approval of Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. Embargoed Documents – Decision to Approve the Water Corporation's Amended Financial Hardship Policy 20 May 2015 Letter from Economic Regulation Authority re. Water Corporation's Revised Financial Hardship Policy 20 May 2015 Email from Economic Regulation re. HPECM: Financial Hardship Policy 14 December 2018 Water Corporation Letter re. Water Corporation Hardship Policy 14 December 2018 <p>We confirmed through interviews with relevant personnel and review of policies, procedures, letters and emails as well as documentation from the ERA that, during the audit period, the Corporation reviewed its financial hardship policy at least once every 5 years.</p> <p>We noted that the Corporation has committed itself to reviewing the policy every two (2) years to ensure continuous adequacy and appropriateness. The policy was last reviewed in December 2018 and should be reviewed again in December 2020.</p> <p>Recommendations</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Not applicable		
129B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(8)</p> <p>OL 15 - Clause 3.1.1 and 5.4.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must review its financial hardship policy if directed to do so by the ERA.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 Financial Hardship Policy PCY304 – Process for Review and Updating (Doc ID: 58585594) <p>We confirmed through interviews with relevant personnel and review of policies and procedures that, during the audit period, the ERA did not direct the Corporation to review and update its financial hardship policy.</p> <p>We noted that the Corporation has processes in place to ensure that the financial hardship policy is reviewed when directed to do so by the ERA.</p> <p>Recommendations</p> <p>Not applicable</p>	A	N/R
129C	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 29(9)</p> <p>OL 15 - Clause 3.1.1 and 5.4.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 Financial Hardship Policy PCY304 – Process for Review and Updating (Doc ID: 58585594) Email from Water Corporation to WACOSS re. Hardship Policy Review – Request for Feedback 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>from WACOSS 14 November 2018</p> <ul style="list-style-type: none"> Internal Email re. Final Sign Off – Hardship Policy – External Consultation Complete 6 December 2018 <p>We confirmed through interviews with relevant personnel and review of policies, procedures and emails containing consultation feedback that, during the audit period, the Corporation consulted with relevant consumer organisations when reviewing its financial hardship policy.</p> <p>We noted that the Corporation consulted with the following relevant consumer organisations for the current version of the financial hardship policy:</p> <ul style="list-style-type: none"> Western Australian Council of Social Service (WACOSS) Financial Counsellors Association of Western Australia (FCAWA) Financial Counselling Network (FCN) <p>Recommendations</p> <p>Not applicable</p>		
130	Not used				
130A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 30(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must advise a customer who has been assessed as experiencing financial hardship that they have a right to pay the bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Hardship Utility Grant Scheme (HUGS) Time Assist Fact Sheet https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Billing/Help-with-paying-your-bill Contact Central Knowledge Page – Financial 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Hardship – Negotiation Skills & Techniques</p> <p>We confirmed through interviews with relevant personnel and review of policies, procedures, fact sheets and the Corporation's website as well as examination of one (1) written sample that, during the audit period, the Corporation advised customers who were assessed as experiencing financial hardship that they had a right to pay the bill under an interest and fee free payment plan or other arrangement, under which the customer was given more time to pay the bill or arrears, and the Corporation offered to enter into appropriate plans or arrangements with these customers.</p> <p>We noted that the Corporation advises customers who have been assessed as experiencing financial hardship of this right in a number of ways and actively encourages customers to seek support when required.</p> <p>Recommendations</p> <p>Not applicable</p>		
130B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 30(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing financial hardship, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques Contact Central Knowledge Page – High Water Use 4 Samples obtained re. financial counsellor assessment and from Grange <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of four (4) samples that, during the audit period, the Corporation took the customer's capacity to pay the bill into account</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>as well as the water supplied, or wastewater discharged, in previous billing periods, when formulating a payment plan or other arrangement for a customer that the Corporation had assessed as experiencing financial hardship.</p> <p>We noted that there is a dedicated team within the Contact Centre business unit that is responsible for financial hardship and assessment for financial hardship includes the customer seeing a financial counsellor.</p> <p>Recommendations</p> <p>Not applicable</p>		
131	Not used				
131A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 30(4)(a)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must consider reducing the amount owing by the customer.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Hardship Utility Grant Scheme (HUGS) Time Assist Fact Sheet Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques 4 Samples obtained re. financial counsellor assessment and from Grange <p>We confirmed through interviews with relevant personnel and review of policies, procedures, fact sheets and the Corporation's website as well as examination of four (4) samples that, during the audit period, the Corporation considered reducing amounts owing by customers assessed as experiencing financial hardship.</p> <p>We noted that a reduction in an amount owing by a customer assessed as experiencing financial hardship is accomplished through measures such as the Hardship</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Utility Grant Scheme and Water Assist. Recommendations Not applicable		
131B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 30(4)(b)</p> <p>OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1</p> <p>The licensee must review, upon request, how a customer is paying a bill under clause 30(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> • Manager Compliance & Assurance, Customer Billing & Assurance • Team Leader Compliance & Assurance, Customer Billing & Assurance • Analyst Compliance & Assurance, Customer Billing & Assurance • Lead Operations, Contact Centre • Lead Financial Support, Contact Centre • Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> • Water Corporation Financial Hardship Policy for Water Services December 2018 • https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship • S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) • Hardship Utility Grant Scheme (HUGS) • Time Assist Fact Sheet • Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques • 4 Samples of extracts from Grange <p>We confirmed through interviews with relevant personnel and review of policies, procedures, fact sheets and the Corporation's website as well as examination of four (4) samples extracted from the Grange Billing system that, during the audit period, the Corporation reviewed, upon request, how a customer is paying a bill under clause 30(2) and (3) and revised the payment plan or arrangement where the review indicated that the customer was unable to meet their obligations.</p> <p>We noted that whilst this process is predominantly initiated by the customer, where the customer has overcommitted to the payment plan or arrangement, or the customer's circumstances have changed, Corporation personnel may identify the need through other processes undertaken and raise the issue with the customer.</p> <p>Recommendations Not applicable</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
131C	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 30(4)(c)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must provide the specified written information to a customer.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Hardship Utility Grant Scheme (HUGS) Time Assist Fact Sheet https://www.watercorporation.com.au/Bill-and-account https://www.watercorporation.com.au/Bill-and-account/Apply-for-a-concession Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques 8 Samples of customer bills <p>We confirmed through interviews with relevant personnel and review of policies, procedures, fact sheets and the Corporation's website as well as examination of eight (8) samples of customer bills that, during the audit period, the Corporation provided the specified written information to customers.</p> <p>We noted that the specified information is detailed in the Corporation's financial hardship policy, available on the Corporation's website and listed on bills and notices issued to customers to an extent. We also noted that the specified information is available via email upon request.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
132	Not used				
133	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clauses 31(4) & (5)</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p>		<ul style="list-style-type: none"> Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 https://pw-cdn.watercorporation.com.au/-/media/WaterCorp/Documents/About-us/Our-commitments/Financial-hardship-policy.pdf?rev=9657a778253a4a619de0b9dd90c4dd2d&hash=575AEBB8FA89B5E4B1DD363ADA502653 https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Billing/Help-with-paying-your-bill Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation had written information regarding the payment schemes and other assistance that is available to customers on the Corporation's website.</p> <p>We also confirmed that there are formal processes in place to ensure that the information is provided to customers in hardcopy format upon request, at no charge to the customer. We noted that customer requests are recorded in the Grange Billing system.</p> <p>Recommendations</p> <p>Not applicable</p>		
133A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 32</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Corporation Financial Hardship Policy for Water Services December 2018 S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) S326 Recovery of Overdue Debt (Doc ID: 58535638) Financial Care Work Instructions (Doc ID: 59062163) PI & EWO Contacts Work Report (Excel spreadsheet) Priority One and EWO Enquiries Procedure (Doc ID: 58581415) <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report provided to the ERA.</p> <p>We determined through interviews with relevant personnel and review of policies, procedures and reports obtained from the Grange Billing system that, during the audit period, the Corporation charged interest to a number of customers that had been assessed as experiencing financial hardship.</p> <p>We confirmed that the Corporation did not charge fees for late payment to customers that had been assessed as experiencing financial hardship and did not charge interest or fees for late payment to customers who had made complaints to the Corporation or water services ombudsman that directly related to the non-payment of their bills.</p> <p>We confirmed that the Corporation had already taken the appropriate improvement action prior to the audit commencing, to ensure future compliance, including the following:</p> <ul style="list-style-type: none"> Adjusted the affected customer accounts to remove interest charges. Requested a change to the billing system to automatically stop interest being charged to customers with payment arrangements and assessed as experiencing financial hardship. Improved the process for identifying errors to ensure that no interest is charged to customers assessed as experiencing financial hardship. <p>Recommendations</p> <p>No recommendations were made as the non-compliance issue was resolved.</p>		
134	Water Services Code of Conduct (Customer Service Standards) 2018	2	<p>We interviewed the following personnel:</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Clause 33(1)(a)-(c)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>		<ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Recovery of Property Debt Legal Action (Doc ID: 58546242) Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques Recovery of Non-Property Debt (excluding industrial waste and rental charges) (Doc ID: 58570627) S326 Recovery of Overdue Debt (Doc ID: 58535638) Priority One and EWO Enquiries Procedures (Doc ID: 58581415) Restricted Properties 1 July 2018 to 30 June 2020 (Excel spreadsheet) Samples of extracts from Grange (16 in total) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and reports as well as examination of sixteen samples obtained from the Grange Billing system that, during the audit period, the Corporation did not commence or continue proceedings to recover a debt from a customer where:</p> <ul style="list-style-type: none"> The customer was complying with a payment plan or other assessment. The customer was being assessed for payment difficulties or financial hardship. <p>We noted that recovery action is reviewed by Corporation personnel with the appropriate authority and performance reporting conducted by management on a regular basis.</p> <p>Recommendations</p> <p>Not applicable</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
134A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 33(1)(d)-(e)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water services ombudsman, which directly relates to the water service charge to which the debt relates, is not resolved by the licensee (or is not determined or is upheld by the ombudsman).</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) Recovery of Property Debt Legal Action (Doc ID: 58546242) Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) Contact Central Knowledge Page – Financial Hardship – Negotiation Skills & Techniques Recovery of Non-Property Debt (excluding industrial waste and rental charges) (Doc ID: 58570627) S326 Recovery of Overdue Debt (Doc ID: 58535638) Priority One and EWO Enquiries Procedures (Doc ID: 58581415) Restricted Properties 1 July 2018 to 30 June 2020 (Excel spreadsheet) Samples of extracts from Grange (16 in total) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and reports as well as examination of sixteen samples extracted from the Grange Billing system that, during the audit period, the Corporation did not commence or continue proceedings to recover a debt from a customer where:</p> <ul style="list-style-type: none"> The customer made a complaint to the Corporation, which directly related to the water service charge to which the debt related, that was not resolved by the Corporation. The customer made a complaint to the water services ombudsman, which directly related to the water service charge to which the debt related, that was not determined or upheld by the ombudsman. 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
135	<p><i>Water Services Code of Conduct (Customer Service Standards) 2013</i> Clause 40(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>If the licensee has cut off or reduced the rate of flow of 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.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Contact Central Knowledge Page – Restoring a Restricted Property Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) Establishing Payment Arrangements (Doc ID: 58528957) S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) S326 Recovery of Overdue Debt (Doc ID: 58535638) https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship Report – Restricted Properties 8 Samples obtained from Grange <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of eight (8) samples obtained from the Grange Billing system that, during the audit period, the Corporation restored the supply of water to land where the rate of flow of water had been reduced, upon payment of the amount owing, or the customer entering into a satisfactory payment plan or other arrangement with the Corporation for the amount owing.</p> <p>We noted that the Corporation does not cut off water supply due to overdue charges, views restriction as a last resort measure, does not restrict certain residential properties and is quick to restore the flow of water once the overdue charge has been paid or otherwise agreed between the customer and Corporation.</p> <p>We also noted that the Corporation has ceased restrictions during the Covid-19 pandemic.</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			Recommendations Not applicable		
136	<i>Water Services Code of Conduct (Customer Service Standards) 2013</i> Clause 40(2) OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 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.	2	We interviewed the following personnel: <ul style="list-style-type: none"> • Manager Compliance & Assurance, Customer Billing & Assurance • Team Leader Compliance & Assurance, Customer Billing & Assurance • Analyst Compliance & Assurance, Customer Billing & Assurance • Lead Operations, Contact Centre • Lead Financial Support, Contact Centre • Manager Operations, Contact Centre We reviewed the following documents: <ul style="list-style-type: none"> • Contact Central Knowledge Page – Restoring a Restricted Property • Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) • Establishing Payment Arrangements (Doc ID: 58528957) • S391 Payment Difficulties and Debt Recovery Authorisations (Doc ID: 58556409) • S326 Recovery of Overdue Debt (Doc ID: 58535638) • https://www.watercorporation.com.au/About-us/Our-commitments/Financial-hardship • Report – Restricted Properties • 8 samples obtained from Grange We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of eight (8) samples obtained from the Grange Billing system that, during the audit period, the Corporation restored the supply of water where the water supply was cut off or restricted as the Corporation was satisfied that the reason for the disconnection or reduction no longer applied. Recommendations Not applicable.	A	1
137	Not used				
137A	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 36(1) OL 15 - Clause 3.1.1	2	We interviewed the following personnel: <ul style="list-style-type: none"> • Manager Compliance & Assurance, Customer Billing & Assurance • Team Leader Compliance & Assurance, Customer 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 16 - Clause 4.1.1</p> <p>The licensee must not start a water supply restriction unless the licensee has given the customer a reminder notice (that includes the information specified in clause 35), the water service charge has still not been paid in full, and the licensee has given the customer a restriction notice.</p>		<p>Billing & Assurance</p> <ul style="list-style-type: none"> Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) Establishing Payment Arrangements (Doc ID: 58528957) Contact Central Knowledge Page – Management of Recovery Status Sample of a Reminder Notice Sample of Water Supply Restriction Notice Sample of Notice to Restrict Card Sample of Restriction Notice Evidence of Payment or Payment Plan Sample of Reinstatement Notice <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of six (6) samples that, during the audit period, the Corporation did not start a water supply restriction unless the Corporation gave the customer a reminder notice (that included the information specified in clause 35), the water service charge was still not paid in full and the Corporation gave the customer a restriction notice.</p> <p>We noted that the following occurs <i>prior</i> to water supply restriction action taking place:</p> <ul style="list-style-type: none"> SMS reminder sent to the customer 7 days after the due date. SMS or email reminder sent to the customer 14 days after the due date. Phone call made to the customer 21 days after the due date. Reminder notice issued 24 days after the due date. Intention to restrict notice issued 31 days after the due date. <p>We also noted that the Corporation issues a restriction notice and delivers a notice to restrict card in person</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			prior to restriction taking place. Recommendations Not applicable		
137B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 36(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not give a customer a restriction notice, less than 7 days before the day on which the water supply restriction is proposed to start</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) Contact Central Knowledge Page – Management of Recovery Status 2 Samples of Water Supply Restriction Notices <p>We confirmed through interviews with relevant personnel and review of policies and procedures as well as examination of two (2) samples obtained from the Grange Billing system that, during the audit period, the Corporation did not give a customer a restriction notice, less than 7 days before the day on which the water supply restriction was proposed to start.</p> <p>We noted that the Corporation generally provides the restriction notice 14 days or more before the day on which the restriction is proposed to start and delivers the notice to restrict card in person at least 3 days before the day on which the restriction is proposed to start.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
137C	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 36(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The restriction notice must include the specified information.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Supply Restriction Notice Customer Bill Format Procedure (Doc ID: 96811436) <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report provided to the ERA.</p> <p>We determined through interviews with relevant personnel and review of policies and procedures as well as examination of two (2) samples obtained from the Grange Billing system that, during the audit period, restriction notices issued by the Corporation did not include all of the specified information as specified below.</p> <p>We noted that the Corporation commenced and completed the following corrective action to ensure future compliance, during the audit period.</p> <ul style="list-style-type: none"> Formal process and associated corporate process documentation relating to changes to customer bills was developed and implemented in March 2020. Updated the restriction notice template on 8 July 2020 to include the following: <ul style="list-style-type: none"> The reasons for the proposed restriction. The complaints procedure available to customers. The procedure for applying to the water services ombudsman. The procedures and costs associated with restoration of water supply. <p>Recommendations</p> <p>No recommendations were made as the non-compliance issue was resolved.</p>		
138	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 37(1)(a)-(e) & (h).</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not start a water supply restriction if the specified circumstances apply.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Recovery of Property Debt Restrictions – Work 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Instruction (Doc ID: 58546261)</p> <ul style="list-style-type: none"> S326 Recovery of Overdue Debt (Doc ID: 58535638) Recovery Action Intention to Restrict (Excel spreadsheet) Processing Entitled Concession Applications for Rebate (Doc ID: 58534960) Restriction samples x 2 <p>We confirmed through interviews with relevant personnel and review of policies and procedures as well as examination of two (2) samples obtained from the Grange Billing system that, during the audit period, the Corporation did not start water supply restriction where the circumstances specified in Section 37 of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> applied.</p> <p>We noted that where the circumstances specified in Section 37 apply, the information is recorded in the Grange Billing system and the system has been set up to automatically prevent recovery action from commencing.</p> <p>Recommendations</p> <p>Not applicable</p>		
138A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 37(1)(f)-(g)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not start a water supply restriction if the specified circumstances apply.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Recovery of Property Debt Restrictions – Work Instruction (Doc ID: 58546261) S326 Recovery of Overdue Debt (Doc ID: 58535638) Recovery Action Intention to Restrict (Excel spreadsheet) Processing Entitled Concession Applications for Rebate (Doc ID: 58534960) Restriction samples x 2 <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Corporation's website as well as examination of two (2) samples obtained from the Grange Billing system that, during the audit period, the Corporation did not start water supply restriction where the circumstances specified in Section 37 of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> applied.</p> <p>Recommendations</p> <p>Not applicable</p>		
138B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 38</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not start a water supply restriction on or during the specified times.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Metro Field Support – Credit Management Actions (Doc ID: 4791123) Recovery of Property Debt Restrictions (Doc ID: 412235) Metro Credit Management Actions (Excel spreadsheet) 10 Samples <p>We confirmed through interviews with relevant personnel and review of policies, procedures and extracted data as well as examination of ten (10) samples of completed work orders for restrictions that, during the audit period, the Corporation did not start a water supply restriction on or during the specified times.</p> <p>We noted that the total fire ban requirement is new to this audit period, the Corporation takes steps to avoid restriction in the first instance and the Corporation is not restricting water supply during the Covid-19 pandemic.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
139	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 39</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must not, under section 95(1)(b) or (2) of the Act, reduce the rate of flow of water to a customer to</p>	1	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	below 2.3 litres each minute.		<ul style="list-style-type: none"> Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Recovery of Property Debt Restrictions (Doc ID: 412235) Asset Monitoring & System Investigations AMSI-W-143 Testing Flow Control Devices (Doc ID: Nexus: #81940461) Test Report – Report No: MET-LAB-2019/1192 November 2019 Restriction Device Specifications <p>We confirmed through interviews with relevant personnel and review of policies and procedures as well as examination of the device specifications and one (1) batch test report that, during the audit period, the Corporation did not, under Section 95(1)(b) or (2) of the <i>Water Services Act 2012</i>, reduce the rate of flow of water to a customer to below 2.3 litres each minute.</p> <p>There was a finding against this obligation in the 2018 Operational Audit, with the auditor identifying that the Corporation did not conduct regular testing of the restriction device and there was no policy in place for device testing.</p> <p>The Corporation commenced batch testing new restriction devices in November 2019 and developed and implemented <i>Asset Monitoring & System Investigations AMSI-W-143 Testing Flow Control Devices</i> in December 2019, which details the requirement to and procedure for testing.</p> <p>We noted that the Corporation receives a quality assurance certificate from the restriction device supplier with each purchase and the Corporation has not been restricting water supply during the Covid-19 pandemic.</p> <p>Recommendations</p> <p>Not applicable</p>		
140	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 41(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Metro Field Support – Credit Management Actions (Doc ID: 4791123) 10 Samples <p>We confirmed through interviews with relevant personnel and review of procedures as well as examination of ten (10) samples of completed work orders for water supply restoration in the Perth metropolitan area that, during the audit period, the Corporation restored water supply to land in the metropolitan region within the specified timeframe, unless expressly agreed otherwise between the Corporation and customer.</p> <p>We noted that the Corporation exceeds the specified timeframe and water supply restoration is a key performance indicator, so forms part of the Corporation's monthly business performance reporting.</p> <p>Recommendations</p> <p>Not applicable</p>		
141	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 41(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Metro Field Support – Credit Management Actions (Doc ID: 4791123) 10 Samples Metro, 2 Samples Regional <p>We confirmed through interviews with relevant personnel and review of procedures as well as examination of two (2) samples of completed work orders for water supply restoration in regional areas that, during the audit period, the Corporation restored water supply to land outside the metropolitan region within the specified timeframe, unless expressly agreed otherwise between the Corporation and customer.</p> <p>We noted that the Corporation has not been actively restricting water supply in regional areas since November 2019, due to safety issues identified.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
142	Not applicable to the Water Corporation				
143	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 41(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The Water Corporation must ensure that there is a 90% compliance rate with clauses 41(2) and 41(3) in any 12-month period ending on 30 June.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Metro Field Support – Credit Management Actions (Doc ID: 4791123) 2 Samples 1 Sample of KPI Rule <p>We determined through interviews with relevant personnel and review of procedures as well as examination of three (3) samples relating to business performance reporting that, during the audit period, the Corporation ensured that there was a 90% compliance rate with clauses 41(2) and (3) in any 12-month period ending on 30 June.</p> <p>We noted that the Corporation measures the performance of water supply restorations through monthly business performance reporting, which is based on data that is automatically extracted from the SAP and Grange Billing systems in line with key performance indicator rules. This information is reviewed and approved by both a data expert and management.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
144	Not applicable to the Water Corporation				
144A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 43(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance 	B	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Supply Planned Interruptions (Doc ID: 58585590) https://www.watercorporation.com.au/Outages-and-works Outage Management procedure – draft Outage Management work instruction – draft Customer Notification work instruction – draft 10 Samples <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of ten (10) samples of service interruption notices issued to customers that, during the audit period, the Corporation gave notice of all planned service interruptions to each customer that would be affected by the service interruption.</p> <p>We noted that the Corporation now uses the Outage Management tool for planned service interruptions, which enables personnel to simulate the service interruption and its impacts as well as identify the properties that will be impacted by the interruption. The Corporation then publishes the service interruption on its website and issues the service interruption notices produced by the Outage Management tool to customers.</p> <p>We also noted that the Corporation is currently investigating additional notification options in the form of SMS and email, as it has been identified that customers may not visit the Corporation's website or see the service interruption notice issued to them <i>prior</i> to the service interruption commencing.</p> <p>We determined that this did not impact the Corporation's compliance during the audit period but noted that it could potentially negatively impact compliance going forward.</p> <p>This applies to Obligations 144A and 144B.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity has been communicated to the Corporation in a separate document.</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
144B	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 43(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The notice of any planned service interruption must be given within the prescribed timeframes.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Supply Planned Interruptions (Doc ID: 58585590) https://www.watercorporation.com.au/Outages-and-works Outage Management procedure – draft Outage Management work instruction – draft Customer Notification work instruction – draft 10 Samples <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of ten (10) samples that, during the audit period, notices of planned service interruptions were given within the prescribed timeframes.</p> <p>We noted that the service interruption notice created using the Outage Management tool is published on the Corporation's website at least 48 hours prior to the interruption commencing and a written notice is letter box dropped to the affected customers as soon as practicable.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity has been communicated to the Corporation in a separate document.</p>	B	1
144C	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 44(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>operations Performance</p> <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Management of Bursts, Leaks, Spills & Blockages Framework (Doc ID: 75599296) Wastewater Overflow Response Procedures March 2013 https://www.watercorporation.com.au/About-us/Our-commitments/Customers-and-service-commitments https://www.watercorporation.com.au/Outages-and-works/Report-a-fault#/form/56fcae9182359b0d343b5881/app/5f88115bfe2a951bc4fbbfb5 https://www.watercorporation.com.au/Outages-and-works/Ongoing-Works/Pipes-for-Perth PP045 Minimising Water Service Disruption to Customers (Doc ID: 12994809) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation had the required policies, practices and procedures in place for dealing with and minimising the impact of a burst, leak or blockage in its water supply or sewerage works.</p> <p>We noted that the Corporation developed and implemented the Management of Bursts, Leaks, Spills & Blockages Framework in August 2019, which brings together all of the Corporation's practices, policies and procedures relating to bursts, leaks or blockages in its water supply works or sewerage.</p> <p>Recommendations</p> <p>Not applicable.</p>		
144D	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 44(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Operations Compliance, Operations Performance Manager Metering Services, Operations Performance Coordinator Metro Field Support, Operations Performance Manager, Commercial & Industrial Services Specialist Business Performance & Assurance, operations Performance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Management of Bursts, Leaks, Spills & Blockages Framework (Doc ID: 75599296) Wastewater Overflow Response Procedures March 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>2013</p> <ul style="list-style-type: none"> https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments https://www.watercorporation.com.au/Outages-and-works/Report-a-fault#/form/56fcae9182359b0d343b5881/app/5f88115bfe2a951bc4fbbfb5 https://www.watercorporation.com.au/Outages-and-works/Ongoing-Works/Pipes-for-Perth PP045 Minimising Water Service Disruption to Customers (Doc ID: 12994809) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the policies, practices and procedures under Clause 44(1) in the <i>Water Services Code of Conduct (Customer Service Standards) 2008</i> deal with the prescribed matters.</p> <p>Recommendations</p> <p>Not applicable.</p>		
144E	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 45</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must provide a 24 hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.</p>	5	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager – Customer and Wastewater Operations <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Operations Centre Voice System Disaster Recovery Plan (Doc ID 1262177) Operations Centre Relocation Plan (Doc ID 48537017) www.watercorporation.com.au/About-us/Contact-us <p>We confirmed through interviews with relevant personnel and review of corporate plans and the Corporation's website that, during the audit period, the Corporation had a dedicated 24 hour information line, at the cost of a local telephone call (excluding mobile telephones), that a customer could use to notify the Corporation of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruptions.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
145	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 46(1)</p> <p>OL 15 - Clause 3.1.1</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 16 - Clause 4.1.1</p> <p>The licensee must have a written complaint 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>Billing & Assurance</p> <ul style="list-style-type: none"> Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc ID: 353406) https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments/Customer-complaint-resolution https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit, the Corporation had a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the Corporation or a failure by the Corporation to provide a water service.</p> <p>Recommendations</p> <p>Not applicable</p>		
146	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 46(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee's complaints procedure must be developed using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's guidelines (if any).</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>ID: 353406)</p> <ul style="list-style-type: none"> Economic Regulation Authority Customer Complaints Guidelines: Distinguishing Customer Queries from Complaints <p>We confirmed through interviews with relevant personnel and review of policies and procedures as well as ERA guidelines that the Corporation's complaints procedure was developed using, as minimum standards, <i>AS ISO 10002-2006</i> and the ERA's customer complaints guidelines.</p> <p>We noted that <i>AS ISO 10002-2006</i> was superseded by <i>AS/NZS 10002-2014</i> on 29 October 2014 and the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> was updated to reflect the new standard at the time.</p> <p>We determined that the Corporation was compliant with this obligation during the audit period.</p> <p>Recommendations</p> <p>Not applicable</p>		
147	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 46(3)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>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>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments/Customer-complaint-resolution https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc ID: 353406) Review Bill and Processing (Doc ID: 58574496) <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report provided to the ERA.</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation's complaints procedure provided for the matters specified in relation lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.</p> <p>The Corporation reported this obligation as non-compliant, however, we determined that the Corporation was in fact compliant during the audit period as the obligation relates to the complaints procedure itself, rather than the action of resolving a complaint within 15 business days.</p> <p>Recommendations</p> <p>Not applicable</p>		
148	Not used				
148A	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 46(4)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments/Customer-complaint-resolution https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc ID: 353406) Review Bill and Processing (Doc ID: 58574496) Classification and Rating Guide (Doc ID: 58565167) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation's complaints procedure listed the procedures available to the customer under the <i>Water</i></p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p><i>Services Act 2012</i> as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review was available under regulations mentioned in section 222(2)(k).</p> <p>We noted that customers can obtain this information from the Corporation's website or via email and telephone.</p> <p>Recommendations</p> <p>Not applicable</p>		
149	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 46(5)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments/Customer-complaint-resolution https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc ID: 353406) Review Bill and Processing (Doc ID: 58574496) <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website that, during the audit period, the Corporation's complaints procedure was available on its website and hardcopies were available to be provided to customers upon request, at no charge to the customer.</p> <p>We noted that customer requests for hardcopies are recorded in the Grange Billing system.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
149A	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i>	3	<p>We interviewed the following personnel:</p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Clause 47</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer accordingly, inform the customer that the customer has a right to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman.</p>		<ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> PCY225 Customer Complaints (Doc ID: 353413) https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments/Customer-complaint-resolution https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments PCY317 Support Customer Contacts (Doc ID: 2140594) S115 Processing External Customer Contacts (Doc ID: 353406) Review Bill and Processing (Doc ID: 58574496) 4 Samples from Grange and email <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report provided to the ERA.</p> <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the Corporation's website as well as examination of four (4) samples obtained from the Grange Billing system that, during the audit period, the Corporation did not, in all instances, inform customers that they had the right to apply to the water services ombudsman for a review of their complaint and provide the Freecall telephone number for the water services ombudsman.</p> <p>We determined that the non-compliance relates to <i>verbal communication</i> of this information and predominantly personnel outside of the Customer Billing & Assurance and Contact Centre business units, who have less experience in this area.</p> <p>We also determined that the Corporation took appropriate corrective action during June 2020 as follows:</p> <ul style="list-style-type: none"> Conducted an extensive review and implemented significant changes to the process, corporate process documentation, training and reporting to 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>ensure future compliance; and</p> <ul style="list-style-type: none"> Established the Complaints Working Group to embed the changes and monitor compliance on an ongoing basis. <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue has been resolved.</p>		
150	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 48(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must provide a customer with the specified services on request and at no charge.</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments https://www.watercorporation.com.au/About-us/Contact-us https://www.watercorporation.com.au/About-us/Contact-us/Account-enquiries https://www.watercorporation.com.au/About-us/Contact-us/Online-services https://www.watercorporation.com.au/About-us/Contact-us/Other-enquiries https://www.watercorporation.com.au/Legal/Using-our-systems/My-Water Contact Central Knowledge Page – Disability, Access and Alternative Bill Formats Contact Central Knowledge Page – Security Policy Guidelines <p>We confirmed through interviews with relevant personnel and review of procedures and the Corporation's website that, during the audit period, the Corporation provided customers with the services specified in 48(1) on request and at no charge to the customer.</p> <p>We noted that customers who have a hearing or speech impairment, or require interpreter services, are flagged within the Grange Billing system to ensure that communication between the Corporation and the</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			customer is appropriate. Recommendations Not applicable		
151	Not used				
152	<p><i>Water Services Code of Conduct (Customer Service Standards) 2013</i> Clause 48(2)</p> <p>OL 15 - Clause 3.1.1</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must make available to each customer, at no charge, the customer's personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods.</p>	4	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> https://www.watercorporation.com.au/About-us/Contact-us https://www.watercorporation.com.au/About-us/Contact-us/Account-enquiries https://www.watercorporation.com.au/About-us/Contact-us/Online-services https://www.watercorporation.com.au/About-us/Contact-us/Other-enquiries https://www.watercorporation.com.au/Legal/Using-our-systems/My-Water Contact Central Knowledge Page – Security Policy Guidelines Sample of recorded phone call <p>We confirmed through interviews with relevant personnel and review of procedures, the Corporation's website and a recorded telephone call with a customer that, during the audit period, the Corporation made available to customers, at no charge to the customer, the customer's personal account information, including information about bills previously issued to the customer and the quantity of water supplied to or wastewater discharged by the customer in previous billing periods.</p> <p>We noted that the Corporation makes this information available to customer via the My Water online platform, email and telephone as well as bills and notices issued.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
153	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 49(1)</p> <p>OL 15 - Clause 3.1.1</p> <p>The licensee must make the prescribed information available on the licensee's website and a hardcopy provided to a customer upon request at no charge.</p> <p>OL 16 - Clause 4.1.1</p> <p>The licensee must make the prescribed information publicly available.</p>	4	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> https://www.watercorporation.com.au/Developing-and-building/Building/Fees-and-charges/Water-supply-service-fees https://www.watercorporation.com.au/Developing-and-building/Building/Fees-and-charges https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Payments/Credit-card-transaction-fees https://www.watercorporation.com.au/Help-and-advice/Bill-and-account https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Billing/Help-with-paying-your-bill https://www.watercorporation.com.au/About-us/Our-performance/Drinking-water-quality https://www.watercorporation.com.au/Our-water/Sustainability-and-innovation Customer Billing & Assurance Water Services Licence Compliance Summary 8 Samples of customer bills <p>We confirmed through interviews with relevant personnel and review of the Corporation's website as well as examination of eight (8) samples of customer bills that, during the audit period, the Corporation made the prescribed information publicly available.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
154	<p><i>Water Services Code of Conduct (Customer Service Standards) 2013</i> Clause 49(2)</p>	4	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance 	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	OL 15 - Clause 3.1.1 OL 16 - Clause 4.1.1 The licensee must ensure that the specified information about bills may be obtained from its website.		<ul style="list-style-type: none"> Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre We reviewed the following documents: <ul style="list-style-type: none"> https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Meter-readings/Estimated-meter-reads https://www.watercorporation.com.au/Help-and-advice/Bill-and-account/Meter-readings/How-to-read-your-meter https://www.watercorporation.com.au/Help-and-advice/Property-management https://www.watercorporation.com.au/About-us/Our-commitments/Customer-and-service-commitments https://www.watercorporation.com.au/About-us/Contact-us/Account-enquiries https://www.watercorporation.com.au/About-us/The-way-we-work/Corporate-governance/Complaints-and-dispute-resolution-policy We confirmed through interviews with relevant personnel and review of the Corporation's website that, during the audit period, the specified information about bills could be obtained from the Corporation's website. Recommendations Not applicable		
154A	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 49(3) OL 15 – Clause 3.1.1 OL 16 - Clause 4.1. The licensee must ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	5	We confirmed through interviews with relevant personnel and review of the Corporation's website as well as the applicable link on their website that, during the audit period, the Corporation's website contained a link to the current version of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> , appearing on the website maintained by the Western Australian Government that provides public access to electronic version of Western Australian legislation. Recommendations Not applicable	N/P	1
154B	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i>	2	We interviewed the following personnel: <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Clause 51(1) & (3)</p> <p>OL 15 – Clause 3.1.1</p> <p>The licensee must maintain an up to date preserved supply register for the purposes of Part 9 of the Code. The register must record the prescribed information.</p> <p>OL 16 - Clause 4.1</p> <p>The licensee must maintain an up-to-date preserved supply register for the purposes of Part 9 of the Code if the licensee meets the criteria in clause 51(2). The register must record the prescribed information in clause 51(3) if the criteria in clause 51(2) applies to the licensee.</p>		<p>Billing & Assurance</p> <ul style="list-style-type: none"> Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> S532 Supply of water to persons with special requirements (Doc ID: 93277641) Preserved Supply Register (Excel spreadsheet) Conveyancing Team Home Dialysis Register (Excel spreadsheet) Contact Central Knowledge Page – Water Supply – Special Requirement Customer <p>We confirmed through interviews with relevant personnel and review of policies, procedures and registers maintained by the Corporation that, during the audit period, the Corporation maintained an up-to-date preserved supply register for the purposes of Part 9 of the Code, where the Corporation met the criteria detailed in clause 51(2). The register recorded the information prescribed in clause 51(3).</p> <p>We noted that the Customer Billing & Assurance business unit is responsible for the preserved supply register, updates it on a regular basis and distributes it to other business units as required.</p> <p>Recommendations</p> <p>Not applicable</p>		
154C	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 52</p> <p>OL 15 – Clause 3.1.1</p> <p>OL 16 - Clause 4.1</p> <p>The licensee must not, under section 95(1)(b) of the Act, reduce the rate of flow of a supply of water to a supply address recorded on the preserved supply register.</p>	1	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> S532 Supply of water to persons with special requirements (Doc ID: 93277641) 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Preserved Supply Register (Excel spreadsheet) Conveyancing Team Home Dialysis Register (Excel spreadsheet) Contact Central Knowledge Page – Water Supply – Special <p>We confirmed through interviews with relevant personnel and review of policies, procedures and the registers maintained by the Corporation that, during the audit period, the Corporation did not, under section 95(1)(b) of the <i>Water Services Act 2012</i>, reduce the rate of flow of a supply of water to a supply address recorded on the Corporation's preserved supply register.</p> <p>We noted that in November 2019, the Corporation identified that it has fragmented processes relating to preserved supply across the organisation and thereafter conducted an end to end process review and implemented the following improvements:</p> <ul style="list-style-type: none"> Established S532 Supply of water to persons with special requirements. Updated corporate information systems, SAP and My World. Updated the Grange Billing system. Provided training to relevant personnel. <p>Recommendations</p> <p>Not applicable</p>		
154D	<p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 53</p> <p>OL 15 – Clause 3.1.1</p> <p>OL 16 - Clause 4.1</p> <p>Despite clause 43(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 43(1) must be sent by post or delivered to that supply address.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Compliance & Assurance, Customer Billing & Assurance Team Leader Compliance & Assurance, Customer Billing & Assurance Analyst Compliance & Assurance, Customer Billing & Assurance Lead Operations, Contact Centre Lead Financial Support, Contact Centre Manager Operations, Contact Centre <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Water Supply Planned Interruptions (Doc ID: 58585590) PP045 Minimising Water Service Disruption to Customers (Doc ID: 12994809) S532 Supply of Water to persons with Special Requirements (Doc ID: 93277641) <p>We determined through interviews with relevant personnel that, during the audit period, there were no</p>	B	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>instances of planned services interruptions that impacted properties listed on the preserved supply register, across the Perth metropolitan area and regional areas.</p> <p>We confirmed through interviews with relevant personnel and review of policies and procedures that the Corporation delivers written notices in person to these properties, at least 48 hours prior to the interruption commencing.</p> <p>We noted that the Corporation is currently investigating SMS and email notification options, in addition to existing measures, and implementation of more comprehensive work orders that include GPS tracking, as it was identified that customers may not see the written notice <i>prior</i> to the service interruption commencing and be left without water supply for treatment during the interruption.</p> <p>We also noted that the Corporation publishes planned service interruptions on its website.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity has been communicated to the Corporation in a separate document.</p>		
Licence Conditions					
155	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.2.1</p> <p>The licensee must pay the applicable fees and charges in accordance with the applicable regulations.</p> <p>OL 16 - Clause 4.2.1</p> <p>The licensee must pay the applicable fees and charges in accordance with the <i>Economic Regulation Authority (Licensing Funding) Regulation 2014</i>.</p>	4	<p>We confirmed that the ERA required the Corporation to pay annual licence fees as well as a standing charge fees for the audit period.</p> <p>We reviewed the invoices issued by the ERA and confirmed that the annual licence fees and standing charge fees were paid in full and within the time periods specified in the <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i> and the Corporation's <i>Licence Fee Work Instruction</i>.</p> <p>Based on the previous audit findings, we noted that the Corporation implemented the recommendation made in that the Corporation included an additional control (in the <i>Economic Regulation Authority Licence Fee Work Instruction</i>) as a reminder mechanism to ensure payment is made within the allowed period.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
156	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.1.1</p> <p>Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation.</p>	1	<p>Please refer to obligation 11.</p> <p>The Corporation, in its 2018/19 and 2019/20 <i>Annual Compliance Report</i> reported a non-compliance with this obligation.</p> <p>This obligation is no longer used as the ERA, in its Reporting Manual dated May 2020, removed the obligation as auditors will assess the individual obligations under the <i>Water Services Act 2012</i> and</p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			code. Although it has been removed from 1 May 2020, the Corporation did not comply with obligation 156 for the audit period 1 July 2018 to 30 April 2020. Recommendations No recommendations were made against this obligation as it has been removed from the Water Compliance Reporting Manual in May 2020.		
157	Not used				
158	Not used				
159	Water Services Act Section 12 OL 15 - Clause 3.1.2 OL 16 - Clause 4.1.2 The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	2	If the Corporation receives a written direction notice from the ERA, the notice will be recorded in the Corporation's <i>ERA Correspondence Register and Action Register</i> . The Corporation uses the Correspondence register and action register to ensure that the ERA's directions are complied with within the specified timeframe. Through a review of the Corporation's <i>ERA Correspondence Register and Action Register</i> , we noted that there was one instance where the Corporation received a direction from the ERA to, as required by Obligation 78, make the records, for all land in respect of which water service charges apply, available to any person for inspection. The letter was addressed to the Corporation's CEO, Mr Pat Donovan, dated 8 March 2019. We confirm that the ERA's direction had been complied with. The required information is now available for inspection by any person through performing a "Property Search" on the Corporation's website and by scheduling an appointment to inspect the required records and information. Recommendations Not applicable	A	1
159A	Not used				
160	Water Services Act Section 12 OL 15 - Clause 3.6.1 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. OL 16 - Clause 4.6.1 The licensee and any related body corporate must maintain accounting records that comply with standards issued by the Australian Accounting Standards Board or equivalent	4	We conformed through discussions that the Corporation does not have any related body corporates. The Corporation's financial statements were audited by the Office of the Auditor General. We obtained the audited group financial statements for financial years 2018/19 and 2019/20; and confirmed that these were issued with unqualified audit opinions. As outlined in the Auditor General's report, the financial reports complied with the Australian Accounting Standards. Additionally, we obtained a copy of Corporation's Financial Management Framework which provides guidance on the Corporation's financial policies, systems and procedures. Our review identified that this document was out of date and was due for review in	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	International Accounting Standards.		February 2020. Recommendations Not applicable		
161	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 4.2.1</p> <p>OL 16 - Clause 5.2.1</p> <p>The licensee must comply with any individual performance standards prescribed by the ERA.</p>	1	<p>Please refer to Obligation 190 as non-compliances identified in Obligation 190 directly influence the compliance posture of this obligation.</p> <p>The Corporation reported this obligation as non-compliant in the 2018/19 and 2019/20 Annual Compliance Reports.</p> <p>The following obligations have been identified as exceptions and therefore directly impact the Corporation's compliance with obligation 161:</p> <ul style="list-style-type: none"> Obligation 190, Section 1.2.1 Obligation 190, Section 6.1.1 Obligation 190, Section 6.1.2 <p>Recommendations</p> <p>See Obligation 190</p>	B	2
162	<p><i>Water Services Act</i> Section 12</p> <p>OL 15:</p> <p>Clause 4.3.4</p> <p>The licensee must cooperate with the independent expert and comply with the ERA's standard audit guidelines dealing with the operational audit.</p> <p>OL 16 - Clause 5.3.4</p> <p>The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the operational audit.</p>	4	<p>We reviewed correspondence from the ERA dated 8 March 2019 stating that the previous operational audit was completed and complied with Section 25 of the <i>Water Services Act 2012</i>.</p> <p>We inspected the Corporation's "<i>Operational Audit</i>" and "<i>Summary of Licence Obligations & Supporting Documentation</i>" work instructions and noted that it directly refers to the ERA's <i>Audit and Review Guidelines for Water Licences</i>.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
163	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.7.1(a), (b), (c)</p> <p>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.</p> <p>OL 16 – Clauses 4.7.1(a), (b), (c)</p> <p>The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a change</p>	4	<p>We conducted interviews with relevant stakeholders to confirm 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 technical circumstances.</p> <p>We also confirmed that there were no changes to the Corporation's name, ABN, address or the description of its water service works during the audit period.</p> <p>The '<i>Notification to ERA under WSL - External Administration Procedure</i>' documents the requirement to notify the ERA if the Corporation is under external administration, including any material changes in corporate, financial or technical circumstances that may materially impact the Corporation's ability to meet license obligations.</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.		Recommendations Not applicable		
164	Not used				
165	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.8.1</p> <p>OL 16 - Clause 4.8.1</p> <p>The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.</p>	4	<p>Through a review of several reports submitted to the ERA, we confirm that the Corporation provided specified information relevant to the operation of the licence or the licensing scheme. The following information and reports, consistent with the ERA specified requirements were reviewed:</p> <ul style="list-style-type: none"> 2017/18 Performance Reporting Submission dated 11 October 2018 2018/19 Performance Reporting Submission dated 11 October 2019 2018/2019 National Performance Audit Report, conducted by Crowe <p>The Annual ERA Performance Reporting Work Instruction describes the relevant steps involved in delivering the performance reporting requirements to the ERA.</p> <p>Recommendations Not applicable</p>	N/P	1
166	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.8.2</p> <p>The licensee must comply with any information reporting requirements prescribed by the ERA, including but not limited to the provisions of the <i>Water Compliance Reporting Manual</i> that apply to the licensee.</p>	4	<p>Please refer to Obligation 165 as it has similar requirements.</p> <p>This obligation is only applicable for the audit period 1 July 2018 to 30 April 2020 as it was removed from the ERA's Reporting Manual in May 2020 and is no longer applicable.</p> <p>Recommendations Not applicable</p>	N/P	1
167	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.8.3</p> <p>OL 16 - Clause 4.8.2</p> <p>The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the <i>Water, Sewerage and Irrigation Licence Performance Reporting Handbook</i>, and the National Performance Framework that apply to the licensee.</p>	3	<p>Please refer to Obligation 165 as it has similar requirements.</p> <p>Recommendations Not applicable</p>	A	1
168	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clauses 2.8.1 and 2.8.2</p> <p>Subject to clause 2.8.3, the licensee must publish within the specified timeframe any information that the</p>	3	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager – Regulation & Compliance Specialist – Water Services licence – Risk & Assurance 	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>ERA has directed the licensee to publish under clause 2.8.1.</p> <p>OL16 - Clauses 3.8.1 and 3.8.2</p> <p>Subject to clause 3.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 3.8.1.</p>		<p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Position Statement – Risk and Assurance <p>Through discussions we observed that the Corporation has not been directed by the ERA to publish any information during the audit 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> <p>Recommendations</p> <p>Not applicable</p>		
169	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 2.7.1</p> <p>OL 16 - Clause 3.7.1</p> <p>Unless otherwise specified, all notices must be in writing.</p>	4	<p>We noted that all formal correspondence between the Corporation and the ERA is in writing via email or letter. The ERA Correspondence Register is used to record and track all correspondence between the ERA and the Corporation.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
170	Not used				
170A	<p><i>Water Services Act</i> Section 12</p> <p>OL 16 - Clause 5.1.2 (a), (b)</p> <p>The licensee must notify the ERA of the details of the asset management system within five business days from the later of:</p> <p>a) the commencement date; or</p> <p>b) the completion of construction of the licensee's water services works.</p>	4	<p>Please refer to Obligation 7.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
171	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 4.1.2</p> <p>OL 16 - Clause 5.1.3</p> <p>The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.</p>	4	<p>Please refer to Obligation 7.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
172	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 4.1.6</p> <p>The licensee must cooperate with the independent expert and comply with the ERA's standard guidelines dealing with the asset management</p>	4	<p>We held discussions with the following key personnel:</p> <ul style="list-style-type: none"> Head of Asset Strategy Manager – Asset Management System & Risk – Asset Strategy Specialist – Asset Management System & Risk 	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>system review.</p> <p>OL 16 - Clause 5.1.7</p> <p>The licensee must cooperate with the independent expert and comply with the ERA's audit and review guidelines dealing with the asset management system review.</p>		<p>We reviewed the following key documentation:</p> <ul style="list-style-type: none"> Management of ERA Asset Management System Compliance Asset Management System Review 2018 <p>We reviewed the Corporation's <i>Management of ERA Asset Management System Compliance</i> procedure and confirm that it outlines the accountabilities to meet the external compliance requirements defined by the ERA, for the Corporation's AMS. This procedure details both the periodic review of the Asset Management System Review (AMSR), and ongoing monitoring and reporting of outcomes of reviews.</p> <p>The ERA was able to conduct a review of the AMS using the services of an independent third party. The independent third party engaged by the ERA acknowledged the Corporation support during the review.</p> <p>Recommendations</p> <p>Not applicable</p>		
172A	<p><i>Water Services Act</i> Section 12</p> <p>OL 16 - Clause 6.1.1</p> <p>If the ERA considers that one or more of a licensee's standard terms and conditions of service is no longer in the public interest, the ERA may direct the licensee:</p> <p>a) to amend:</p> <ol style="list-style-type: none"> the standard term or condition of service; or the standard term or condition of service in accordance with a term proposed by the ERA: and <p>b) to do so within a specified period.</p>	5	<p>This obligation is a new obligation and is only applicable for the audit period 1 May 2020 to 30 June 2020.</p> <p>Through a review of the Corporation's <i>ERA Correspondence and Action Register</i> and discussions with personnel, we noted there was no activity during the audit period to exercise this obligation.</p> <p>In the event the Corporation is directed by the ERA to amend the standard terms and conditions of service, 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>Recommendations</p> <p>Not applicable</p>	N/P	N/R
172B	<p><i>Water Services Act</i> Section 12</p> <p>OL 16 - Clause 6.1.2</p> <p>The licensee must comply with a direction given to the licensee under clause 6.1.1.</p>	5	<p>This obligation is a new obligation and is only applicable for the audit period 1 May 2020 to 30 June 2020.</p> <p>Please refer to obligation 172A.</p> <p>There was no activity during the audit period to exercise this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
173	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 5.5.1</p> <p>The licensee must not supply water</p>	4	<p>We checked the <i>Register of Members</i> published on the Energy and Water Ombudsman Western Australia (EWOWA) website to confirm that the Corporation is a</p>	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.		member of the Water Services Ombudsman Scheme. Discussions and review of the 2018/19 EWOWA Annual Report indicated that there has been no binding decisions or directions from the EWOWA during the audit period. Recommendations Not applicable		
174	Not used				
175	<i>Water Services Act</i> Section 12 OL 15 - Clause 5.1.1 If directed by the ERA, the licensee must submit a draft customer contract for approval.	5	Through discussions we noted that the ERA has not directed the Corporation to submit a draft customer contract, nor has it established customer contract guidelines. In the event the Corporation is directed by the ERA to submit a draft customer contract for the ERA's approval, the Corporation will create and submit a customer contract to the ERA, which direction will be tracked in the Corporation's <i>ERA Correspondence and Action register</i> . This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable	N/P	N/R
176	<i>Water Services Act</i> Section 12 OL 15: Clause 5.1.2 The licensee must comply with any <i>Customer Contract Guidelines</i> that apply to the licensee.	5	Through discussions we noted that Corporation does not have customer contracts that apply to water services. There was no activity during the audit period to exercise this obligation. This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable	N/P	N/R
177	<i>Water Services Act</i> Section 12 OL 15: Clause 5.1.3 The licensee may only amend the customer contract with the ERA's approval.	4	Through discussions we noted that the Corporation does not have customer contracts that apply to water services. There was no activity during the audit period to exercise this obligation. This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable	N/P	N/R
178	<i>Water Services Act</i> Section 12 OL 15 - Clause 5.1.5	5	Through discussions we noted that Corporation does not have customer contracts that apply to water services.	N/P	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	The licensee must comply with any direction by the ERA to amend the customer contract.		There was no activity during the audit period to exercise this obligation. This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable		
179	<i>Water Services Act</i> Section 12 OL 15 - Clauses 5.3.1 and 5.3.2 Unless clause 5.3.3 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.	4	The Corporation utilises agreements as opposed to customer contracts. The service by agreement template was approved by the ERA in 2008. We inspected a number of versions for the service by agreement template and confirmed that amendments were made in consultation with the ERA and / or were approved prior to being implemented. There was no activity during the audit period to exercise this obligation. This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable	N/P	N/R
180	<i>Water Services Act</i> Section 12 OL 15 - Clause 5.3.4 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.	4	We confirmed through interviews with relevant personnel and review of the 2017/18 and 2018/19 Services Provided by Agreement reports that, during the period 1 July 2018 to 30 April 2020, the Corporation did not enter into any agreements that excluded, modified or restricted the terms and conditions of the licence or the requirements of the <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> . This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020. Recommendations Not applicable	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
181	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 5.6.1</p> <p>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> <p>OL 16 - Clause 6.3.1</p> <p>If the licensee is appointed as the supplier of last resort for a designated area in relation to the provision of a particular water service, 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>	4	<p>Please refer to Obligation 14 as it has similar requirements.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
182	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 3.4.1(b)</p> <p>OL 16 - Clause 4.4.1(b)</p> <p>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>	5	<p>Please refer to Obligation 4.</p> <p>The current boundaries of the Water Licence include the whole of the State for water, sewerage and / or drainage.</p> <p>As indicated in Obligation 4, the Corporation does not provide water service outside of the operating area of the licence, hence no activity with regards to this obligation.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	N/R
183	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 5.4.3</p> <p>The licensee must comply with the ERA's Financial Hardship Policy Guidelines as they apply to the licensee.</p>	3	<p>We confirmed through interviews with relevant personnel and review of the financial hardship policy, the ERA's website and the ERA's applicable guidelines that, during the period 1 July 2018 to 30 April 2020, the Corporation complied with the ERA's Financial Hardship Policy guidelines as they apply to the Corporation.</p> <p>This obligation is only applicable for the period 1 July 2018 to 30 April 2020 as it has been removed by the ERA, in its Reporting Manual dated May 2020.</p> <p>Recommendations</p> <p>Not applicable.</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
184	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.1</p> <p>OL 16 - Clause 7.1.1</p> <p>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.</p> <p>OL 16 - Clause 7.1.1</p> <p>Where the licensee provides potable water, 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.</p>	5	<p>We confirmed through interviews with relevant personnel and review of the Memorandum of Understanding and the Corporation's website that, on 28 November 2017, the Corporation had entered into a Memorandum of Understanding with the Department of Health for potable water.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
184A	<p><i>Water Services Act</i> Section 12</p> <p>Note: This obligation was not used prior to 1 May 2020</p> <p>OL 16 - Clause 7.1.2</p> <p>Where the licensee provides sewerage services, 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</p>	5	<p>We confirmed through interviews with relevant personnel and review of the Memorandum of Understanding and the Corporation's website that, on 30 November 2018, the Corporation had entered into a Memorandum of Understanding with the Department of Health for sewerage services.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
184B	<p><i>Water Services Act</i> Section 12</p> <p>OL 16 - Clause 7.1.3</p> <p>If the licensee provides both potable water and sewerage services, the licensee must enter into a separate Memorandum of Understanding with the Department of Health in respect of each of the potable water service and sewerage service.</p>	5	<p>This obligation is a new obligation and is only applicable for the audit period 1 May 2020 to 30 June 2020.</p> <p>We confirmed through interviews with relevant personnel and review of the Memorandums of Understanding that the Corporation had entered into a separate Memorandum of Understanding with the Department of Health in respect of each of the potable water service and sewerage service.</p> <p>Recommendations</p> <p>Not applicable</p>	N/P	1
185	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.2</p> <p>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>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Framework & Systems, Water Quality Team Leader Framework Management, Water Quality Team Leader Data & Systems, Water Quality 	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>OL 16 - Clause 7.1.4</p> <p>A 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>We reviewed the following documents:</p> <ul style="list-style-type: none"> Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water 28 November 2017 Memorandum of Understanding between the Department of Health and Water Corporation for Wastewater Services and Groundwater Replenishment 30 November 2018. Water Quality Water Services Licence Compliance Summary Email re. MoU document 18 May 2020 Water Corporation 2012 Drinking Water Quality Management Performance Audit Memorandum 9 April 2020 – Review of Memorandum of Understanding between Water Corporation and Department of Health for Wastewater Services and Groundwater Replenishment Wastewater MoU Review with Recommendations (Excel spreadsheet) Memorandum of Understanding for Wastewater Services and Groundwater Replenishment between the Department of Health and Water Corporation October 2014 <p>The Corporation reported this obligation as non-compliant in the 2019/20 Annual Compliance Report provided to the ERA.</p> <p>We confirmed through interviews with relevant personnel and review of the Memorandums of Understanding as well as relevant emails, audit reports and documentation relating to review of the Memorandums of Understanding that, during the audit period, the potable water Memorandum of Understanding complied with the specified requirements in relation to legal standing of the document and compliance audits by the Department of Health.</p> <p>The wastewater services and groundwater replenishment (Sewerage Services) Memorandum of Understanding does not comply with the specified requirement in relation to legal standing of the document but does comply with the specified requirement in relation to compliance audits by the Department of Health. We noted that the Corporation is currently in the process of correcting this issue with the Department of Health, having amended the memorandum of understanding and submitted the draft to the Department of Health on 21 April 2020. We also noted that this obligation only came into effect from 1 May 2020.</p> <p>Recommendations – Reference No 07/2020</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			We recommend that the Corporation ensure that the wastewater services and groundwater replenishment Memorandum of Understanding with the Department of Health includes the specified requirement relating to the legal standing of the document and is approved by the Department of Health.		
186	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.3</p> <p>The licensee must comply with the terms of the Memorandum of Understanding.</p> <p>OL 16 - Clause 7.1.5</p> <p>The licensee must comply with the terms of a Memorandum of Understanding.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Framework & Systems, Water Quality Team Leader Framework Management, Water Quality Team Leader Data & Systems, Water Quality <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> S010 – Drinking Water Quality Performance (Nexus Doc ID: 58539231) S097 – Drinking Water Source Protection (Doc ID: 948661 v9) Water Corporation Drinking Water Sampling Procedures Drinking Water Monthly Quality Report – September 2019 Drinking Water Monthly Quality Report – February 2020 S015 Wastewater Recycling Irrigation – Low/Extra-Low Exposure Risk (Doc ID: PM-# 8794350 v4A) S079 Biosolids & Sludge Quality Management (Doc ID: PM-# 2390592 v5A) S100 Standards for Wastewater Monitoring (Nexus ID 58562119) S210 Wastewater Sampling Guidelines (Nexus ID 58547619) S342 Groundwater Replenishment (GWR) Water Sampling Guidelines (Nexus ID 58554926 Version 7.0) S499 Groundwater Replenishment Monitoring (Nexus 58583686) Wastewater Monthly Quality Report – September 2019 Wastewater Monthly Quality Report – May 2020 <p>We confirmed through interviews with relevant personnel and review of policies, procedures and monthly quality reports that, during the audit period, the Corporation complied with the terms of its Memorandum of Understandings with the Department of Health.</p> <p>We noted that the terms of the Corporation's Memorandums of Understanding with the Department of Health are reflected in corporate process documents</p>	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			and have been entered into the systems used to guide operations. Recommendations Not applicable		
187	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.4</p> <p>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>OL 16 - Clause 7.1.6</p> <p>The licensee must publish in the form agreed with the Department of Health, a Memorandum of Understanding and any amendments to a Memorandum of Understanding within one month of signing or making the amendment.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Framework & Systems, Water Quality Team Leader Framework Management, Water Quality Team Leader Data & Systems, Water Quality <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> MOU Amendments (Excel spreadsheet) https://www.watercorporation.com.au/About-us/Our-performance/Drinking-water-quality https://www.watercorporation.com.au/Our-water/Wastewater/Our-wastewater-system Email Drinking Water Quality MoU revised to remove Nabawa from exemptions list 17 August 2018 Email Drinking Water Quality MoU revised to update to version 3.5 of ADWG 12 July 2019 Email Wastewater Quality MoU uploaded to external website 20 May 2020 <p>We determined through interviews with relevant personnel and review of the Corporation's website, internal emails and other documentation relating to review of the Memorandums of Understanding that, during the audit period, the Corporation published, in the form agreed with the Department of Health, the Memorandum of Understandings for drinking water and wastewater services within a month of them being approved and signed by both parties.</p> <p>However, we noted an instance where the Corporation did not publish an amendment to the <i>Memorandum of Understanding between the Department of Health and Water Corporation for Drinking Water</i> within a month of it being approved by the Department of Health. We did not note any other instances of non-compliance during the audit period.</p> <p>We noted that there are several personnel within the Water Quality business unit that are responsible for the Memorandums of Understanding with the Department of Health.</p> <p>Recommendations – Reference No 08/2020</p> <p>We recommend that the Corporation further strengthen its processes relevant to publishing Memorandum of Understandings between the Corporation and the Department of Health and review revisions made to</p>	A	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			ensure that all amendments to Memorandum of Understandings are published within the required one-month period.		
188	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.5</p> <p>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>OL 16 - Clause 7.1.7</p> <p>The licensee must publish the audit report on compliance with its obligations under a Memorandum of Understanding on its website within one month of the completion of the audit.</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Framework & Systems, Water Quality Team Leader Framework Management, Water Quality Team Leader Data & Systems, Water Quality <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> 2017 Drinking Water Quality Management Performance Audit Summary of 2017 Drinking Water Quality Management Performance Audit Email from Deloitte re. MOU Audit Internal Email re. MOU on Website https://www.watercorporation.com.au/About-us/Our-performance/Drinking-water-quality https://www.watercorporation.com.au/-/media/WaterCorp/Documents/About-us/Our-performance/Drinking-Water-Quality/Memorandum-of-understanding-for-drinking-water-abridged-report-2017.pdf <p>We confirmed through interviews with relevant personnel and review of documentation relating to audit planning and reporting as well as emails and the Corporation's website that, during the audit period, the Corporation published the audit report on compliance with its obligations under the drinking water Memorandum of Understanding on its website, within one month of the completion of the audit.</p> <p>We noted that it has been agreed between the Department of Health and Corporation that a redacted version of the report should be published on the Corporation's website for operational confidentiality and privacy purposes.</p> <p>Recommendations</p> <p>Not applicable</p>	A	1
189	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 - Clause 6.1.6</p> <p>OL 16 - Clause 7.1.8</p> <p>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</p>	2	<p>We interviewed the following personnel:</p> <ul style="list-style-type: none"> Manager Framework & Systems, Water Quality Team Leader Framework Management, Water Quality Team Leader Data & Systems, Water Quality <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Drinking Water Quality Annual Report 2017/18 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	the Department of Health.		<ul style="list-style-type: none"> Drinking Water Quality Annual Report 2018/19 https://www.watercorporation.com.au/About-us/Our-performance/Drinking-water-quality <p>The Department of Health requires an annual Drinking Water Quality Report and an annual Wastewater Quality report as per the Memorandums of Understanding.</p> <p>We confirmed through interviews with relevant personnel and review of several drinking water reports and the Corporation's website that, during the audit period, the Corporation published the required drinking water annual report on its website.</p> <p>We noted the following:</p> <ul style="list-style-type: none"> The 2019/20 drinking water report has not been published on the Corporation's website yet as it is currently being approved by the Department of Health. There have been no wastewater reports published on the Corporation's website to date as the audit requirement did not come into effect until 30 November 2018. <p>Recommendations</p> <p>Not applicable</p>		
190	<p><i>Water Services Act</i> Section 12</p> <p>OL 15 & OL 16 - Schedule 2</p> <p>OL 15:</p> <p>The licensee must comply with the service and performance standards as set out in Schedule 2.</p> <p>OL 16:</p> <p>The licensee must comply with the standards set out in Schedule 2 of the licence.</p>	1	<p>Please refer to Schedule 2:</p> <p>Section 1.2.1;</p> <p>Section 6.1.1; and</p> <p>Section 6.1.2</p>	B	2
Schedule 2 – Performance Standards					
Potable Water					
1.1	<p>Potable water system – pressure and flow standards</p> <p>1.1.1</p> <p>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:</p>	3	<p>Through interviews of the following:</p> <ul style="list-style-type: none"> Acting Head of Asset Investment Planning Regional – Asset Investment Planning Regional Senior Principle - Strategic Programs – Asset Investment Planning Metro Principle – Drainage & Liveable Communities – Asset Investment Planning Metro Acting Manager – Customer Networks – Asset Investment Planning Regional Senior Planner – Drainage & Liveable 	N/P	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>Water Corp Perth Metropolitan</p> <ul style="list-style-type: none"> 15 minimum static pressure (metres of water) 100 maximum static pressure (metres of water) 20 minimum flow (litres per minute) <p>Water Corp Country Urban Areas</p> <ul style="list-style-type: none"> 13 minimum static pressure (metres of water) 100 maximum static pressure (metres of water) 20 minimum flow (litres per minute) 		<p>Communities – Asset Investment Planning Metro</p> <ul style="list-style-type: none"> Manager – Asset Performance – Operational Asset Management <p>and a review of the following:</p> <ul style="list-style-type: none"> Water Supply Planning Technical Guidelines Criteria for Drinking Water Supply Pressure and Flow Exemption Procedure DS60 Water Supply Distribution Standard Service By Agreement Review Process 2019 <p>The Corporation has commenced hydraulic modelling of the farmlands supply in the Goldfields and Agricultural Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region farmlands schemes. Where the modelling indicates that pressures may prove marginal to meet the flow requirements in the water services licence, then onsite verification of pressures will be undertaken to determine if there is non-compliance.</p> <p>Through interviews we were advised that the Corporation has nearly completed (90% completion rate) the hydraulic modelling.</p> <p>Recommendations</p> <p>Not applicable. An improvement opportunity has been communicated to the Corporation in a separate document.</p>		
1.2	<p>Potable water system – pressure and flow exemptions</p> <p>1.2.1</p> <p>The licensee must notify:</p> <p>(a) new customers upon purchase of the affected property as soon as practicable; and</p> <p>(b) existing customers at least annually</p> <p>If the pressure and flow of the water supplied to the customer's property falls outside of the standard pressure and flow range set out in clause 1.1 of this Schedule.</p> <p>1.2.2</p> <p>The notification in clause 1.2.1 must advise the customer whether the pressure and flow of water supplied to the customer's property will be lower or higher than the pressure and flow range set out in clause 1.1 of this Schedule.</p>	1	<p>Through interviews of the following:</p> <ul style="list-style-type: none"> Team Leader – Compliance & Assurance – Customer Billing & Assurance Acting Team Leader – Water Use Investigations – Customer Billing & Assurance Officer – Water Use Investigations – Customer Billing & Assurance Team leader – Rating Services – Customer Billing & Assurance <p>and a review of the following:</p> <ul style="list-style-type: none"> S115 Processing External Customer Contacts Notifying New Customers of Service Conditions Process for Farmland Properties Process Service Agreement <p>We noted that:</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 	B	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>flow range as well as further information about how to manage the exempt pressure and flow.</p> <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>The Corporation, in its <i>2019/20 Annual Compliance Report</i> reported non-compliances in that 69 customers were sent incorrect information informing them that their properties now meet the required pressure and flow standards and would no longer be identified with pressure and flow exemptions.</p> <p>These properties had not had any changes to the pressure and flow conditions of their water service and would have continued to receive water pressure outside of the operating requirement. There were errors in the data set provided for the annual notification process. The audit notes that data errors have remained pervasive since the last audit.</p> <p>We confirmed that the Corporation rectified the errors in the data sets and that all effected customers were notified of the incorrect communication. Customers were also provided with the current and correct conditions of their respective service.</p> <p>The Corporation also plan to conduct a full review of the annual pressure exempt process and to review its records management processes and business accountability.</p> <p>Recommendations</p> <p>No recommendations were made for the non-compliance as it has been resolved, however, an improvement opportunity has been communicated to the Corporation in a separate document.</p>		
1.3	<p>Water restrictions</p> <p>1.3.1</p> <p>The licensee must notify the ERA annually of any restrictions applied in accordance with the <i>Water Services Regulations 2013</i> to a potable water supply, detailing restrictions by scheme, type (severity), duration, start date and number of services affected.</p>	2	<p>Through interviews of the following:</p> <ul style="list-style-type: none"> Head of Asset Strategy Manager – Asset Management System & Risk – Asset Strategy Specialist – Asset Management System & Risk <p>and a review of the following:</p> <ul style="list-style-type: none"> Annual ERA Performance Reporting Work Instruction PCY142 Temporary Water Restrictions Metropolitan Perth Temporary Water Restrictions Procedure Regional Temporary Water Restrictions Procedure Water Restrictions Register Temporary Water Restrictions Register 	A	N/R

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<p>Maintenance Work Instruction</p> <ul style="list-style-type: none"> Sprinkler Rosters and Outdoor Use Information Sheet <p>Through interviews and a review of the <i>Annual ERA</i> Performance Reporting Work Instruction and the Performance Reports submitted to the ERA, we confirm that the Corporation, through its Performance Reports for 2018/19 and 2019/20 reported no water restrictions during this period. The Corporation's Performance Reports would normally include the restrictions by scheme, type (severity), duration, start date and number of services affected, as required by the licence.</p> <p>Recommendations</p> <p>No recommendations</p>		
Non-Potable Water – Not applicable					
4.1	<p>Drainage service standards</p> <p>4.1.1</p> <p>The licensee must operate, manage, maintain, plan and construct its drains and drainage schemes as set out below, and shall consult in relation to such activities as required by this Schedule.</p> <p>4.1.2</p> <p>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 following standard:</p> <p>Drainage – Design of new urban infrastructure</p> <p>Design of new urban drainage scheme infrastructure protects against flooding from peak flows of stormwater runoff from rainfall events with intensities up to:</p> <ul style="list-style-type: none"> Residential – 5-year average recurrence interval Commercial – 10-year average recurrence interval <p>4.1.3</p> <p>The meaning of the term “average</p>	1	<p>Section 4.1.1</p> <p>Through interviews of the following:</p> <ul style="list-style-type: none"> Acting Head of Asset Investment Planning Regional – Asset Investment Planning Regional Senior Principle - Strategic Programs – Asset Investment Planning Metro Principle – Drainage & Liveable Communities – Asset Investment Planning Metro Acting Manager – Customer Networks – Asset Investment Planning Regional Senior Planner – Drainage & Liveable Communities – Asset Investment Planning Metro Manager – Asset Performance – Operational Asset Management <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Number of properties flooded Metro & Regional Drainage standard guideline – Manual of Standards 1977 - DS66-Urban Main Drainage Standard - (5276371 Urban Infrastructure design audits Geotech Report for Preston River Flood Levees PP030 Rural drainage in road reservations PP002 Rural drainage PP005 Drainage services PCY239 Rural drainage Design of urban main drainage projects work instruction S478 Maintenance standard drainage pumping 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>recurrence interval" shall be consistent with the discussion on probability concepts for flood estimation and rainfall intensity – frequency – duration estimation, as contained in Books 1 & 2 respectively of the Institution of Engineers Australia publication, Australian Rainfall and Runoff (1987).</p> <p>4.1.4</p> <p>In planning and designing urban infrastructure, the licensee must have due regard to the principles, concepts and recommendations of Australian Rainfall and Runoff (1987).</p> <p>4.1.5</p> <p>If, prior to 1 January 1996, the licensee constructed drainage infrastructure to levels of service standards which were less than those specified in this Schedule then there will be no obligation under this licence for the licensee to upgrade any infrastructure existing as at 1 January 1996, to meet the standards where there have been no instances of flooding confirmed to be due to the upper capacity of the infrastructure to meet those standards. Where there have been instances of flooding confirmed to be due to under capacity of infrastructure to meet the standards of this Schedule, the licensee must upgrade the infrastructure to those standards or must take such action as agreed with affected customers.</p> <p>4.1.6</p> <p>The drainage system will accept drainage water from Local Government works but will not be required under this licence to be upgraded to accept any additional drainage water.</p> <p>4.1.7</p> <p>Notwithstanding that the licensee's urban drainage infrastructure shall itself be designed to the capacity standards listed in this Schedule, in planning and designing such infrastructure, the licensee must</p>		<p>station and pressure main</p> <p>Through discussions 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.</p> <p>The Corporation is now in the process of upgrading its drainage infrastructure in line with the drainage standards.</p> <p>Section 4.1.2</p> <p>Through the review of documentation, we noted that the Corporation tracks the number of properties flooded both in the Metropolitan and Regional areas. The Corporation indicated that the Metropolitan drainage infrastructure is now being upgraded and is nearly 50% complete. There are two main drainage systems being upgraded in Fremantle (Cliff St MD and Phillimore Street MD) Also refer to 4.1.5 below.</p> <p>We noted that as at 1 May 2020 the Corporation is no longer required to complete the desk audit for drainage, however the recommendations from the Deloitte report were implemented by the Corporation.</p> <p>Section 4.1.3</p> <p>We examined the drainage policies and noted that the term "average recurrence interval" has been used to describe the probability concepts for flood estimation and rainfall intensity – frequency, also referred to by the Corporation as ARI. This has been reflected for instance in the <i>flood protection works as it is used to define the level of operation and maintenance to cater for the peak flows of stormwater runoff from individual rainfall events. The ARI for Preston River levees for instance has been set at 1 in 100 year and the ARI for Vasse River Diversion 1 in 20 year.</i></p> <p>This appears to be consistent with Book 1 & 2 of the Institution of Engineers Australia publication, Australian Rainfall and Runoff (1987).</p> <p>Section 4.1.4</p> <p>Refer to 4.1.3 above. Through the review of its policies and procedures, the Corporation has indicated that it follows the concepts and recommendations of Australian Rainfall and Runoff (1987). This is demonstrated by its use of ARI as shown for Preston River levees and Vasse River Diversion.</p> <p>Section 4.1.5</p> <p>Through discussion with Corporation personnel, we noted that prior to 2018/19, drainage compliance reporting was based on the number of properties flooded compared to the total number served by main drainage systems. As a result, the compliance figure</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>have due regard to the major/minor concept of drainage design discussed in Book 8, 1.5.1 of Australian Rainfall and Runoff (1987). Such due regard will be adequately demonstrated:</p> <p>(a) In the case of it undertaking, commissioning or accepting a design for new drainage infrastructure, by the licensee ensuring that the local authorities involved have been made aware of the predicted response of the combined major/minor system to major storm events, for the information of those authorities in relation to their responsibilities for the establishment and management of the major (as described in Australian Rainfall and Runoff (1987)) elements of the major/minor system infrastructure; and</p> <p>(b) In the case of it undertaking a capacity review of an existing licensee drainage scheme, by the licensee causing a broad assessment to be made of the behaviour of the combined major/minor system under major event conditions, and conveying the conclusions of such assessment to the local authorities involved, for the information of those authorities in relation to their responsibilities for management of the major (as described in Australian Rainfall and Runoff (1987)) elements of the major/minor system infrastructure.</p> <p>4.1.8</p> <p>The licensee will ensure all new rural drainage infrastructure complies with the Rural Drainage Manual of Standards 1977. The licensee shall endeavour to operate and maintain its rural drainage infrastructure so that the period of inundation to land abutting a drain that forms part of the system shall be a maximum of 72 hours. If the period of inundation</p>		<p>was always about 99.8%+ which the Corporation rounded up to 100% for audit and annual reporting purposes.</p> <p>In 2019/20 there was confirmed street flooding in Fremantle which coincided with the start of drainage capital upgrades in this area.</p> <p>The two main drainage systems being upgraded in Fremantle (Cliff St MD and Phillimore Street MD) are currently performing in line with Section 4.1.5 of the WSL but with the capital project upgrades they will then comply with the Drainage Service Standard specified by Section 4.1.2.</p> <p>Section 4.1.6</p> <p>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> <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>Section 4.1.8</p> <p>The Corporation maintains a register - "<i>Number of properties flooded Metro & Regional</i>", detailing the flooding incidents and the following detail:</p> <ul style="list-style-type: none"> • Regularity of and severity of Flooding • Storm Intensity Scheme • Source of Information or Reported By • Cause • Investigation Status 		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>should exceed 72 hours, the licensee must carry out an investigation of the adequacy of those operations and maintenance procedures. An exception is those low-lying land areas where the contours make this impossible or where detention basins have been constructed for the retention of water for longer periods. This inundation period shall apply provided multiple storm events do not increase flow levels in the drains above the rural drainage requirements of rural properties in the Drainage Services Control Areas.</p> <p>4.1.9</p> <p>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.</p> <p>Preston River levees (Bunbury – Leschenault Inlet to Picton Bridge)</p> <ul style="list-style-type: none"> 1 in 100-year level of protection (average recurrence interval) <p>Vasse River Diversion (Busselton)</p> <ul style="list-style-type: none"> 1 in 20-year level of protection (average recurrence interval) 		<ul style="list-style-type: none"> Planning Corrective Actions <p>In addition to the above, the register has a comment section which is used to provide additional information including, but not limited to, the fact that a 72-hour threshold has been met or not. A review of the register and supporting information indicated that the Corporation met the 72-hour threshold.</p> <p>Section 4.1.9</p> <p>Information reviewed indicated that the Corporation is planning to upgrade the Vasse Diversion Drain. A project is currently being developed with the aim of enhancing current drainage capacity in a manner that mitigates flood risk in the Bunbury/Busselton area. We identified that the Corporation is taking into account the “1 in 100-year event” which refers to the estimated probability of an event happening in any given year. The project is expected to be completed by July 2021.</p> <p>Recommendations</p> <p>Not applicable</p>		
Irrigation					
5.1	<p>Irrigation Service Standards</p> <p>5.1.1</p> <p>The licensee must supply water that is suitable for irrigation purposes.</p> <p>5.1.2</p> <p>The licensee must provide at least 5 business days’ notice to a customer of any planned service interruption.</p> <p>5.1.3</p> <p>The licensee must comply with the standards set out below:</p> <ul style="list-style-type: none"> < 1,200 mg/L TDS irrigation water quality > 90 percentage of customers given 5 days’ notice of a planned interruption. 	2	<p>Section 5.1.1</p> <p>We held discussions with the following key personnel</p> <ul style="list-style-type: none"> Acting Head of Asset Investment Planning Regional – Asset Investment Planning Regional Acting Manager – Customer Networks – Asset Investment Planning Regional Manager - Operations Compliance – Operations Performance Team Leader – Compliance & Assurance – Customer Billing & Assurance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Ord Irrigation Customer Notification Work Instruction Ord Irrigation Manage Ord Irrigation Customer Work Instruction Ord Irrigation Register of Customers 	A	1

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
			<ul style="list-style-type: none"> Drinking Water Sampling Procedures Field and Laboratory Test Procedures ERA Correspondence - Annual performance reporting submission – RABU annual audit RABU raw performance reporting data – licence specific worksheet Fieldwork – QRS – Feedback – 010 Poor supply Feedback SAP PM Business Rule <p>Through discussions and a review of the Drinking Water Sampling Procedures (also used for irrigation water testing) and the Field and Laboratory Test Procedures, we confirm that the Corporation, to supply suitable irrigation water, send water samples for analysis to an external contracted laboratory namely SGS Australia.</p> <p>Section 5.1.2</p> <p>Through interviews, a review of the <i>NWR Ord Irrigation Customer Notifications</i> work instruction and a sample review of planned service interruptions, we confirm that the Corporation provide at least 5 business days' notice to customers.</p> <p>Section 5.1.3</p> <p>Through interviews and a review of relevant sampling and test procedures, we confirm that the Corporation monitors water quality to ensure it complies with the set standards.</p> <p>We confirm that the Corporation also submit performance data on the Irrigation Scheme to the ERA on an annual basis in October each year. The latest data reported for the 2018/19 financial year reported a TDS of 262.5.</p> <p>We tested a sample of 1 out of 5 planned interruptions and confirm that all customers were provided with 5 days' notices for planned interruptions.</p> <p>Recommendations</p> <p>Not applicable</p>		
Farmlands					
6.1	<p>Farmland Areas Water System Standards</p> <p>6.1.1</p> <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 as detailed as follows:</p> <p>Annual notification of conditions</p>	1	<p>Section 6.1.1 (B1)</p> <p>We held discussions with the following key personnel</p> <ul style="list-style-type: none"> Acting Head of Asset Investment Planning Regional – Asset Investment Planning Regional Acting Manager – Customer Networks – Asset Investment Planning Regional Manager - Operations Compliance – Operations Performance 	B	2

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>of service</p> <ul style="list-style-type: none"> Farmlands water services where services are provided by agreement and customers are notified of the conditions under which services supplied. In every twelve-month period 95% of customers receiving these services were notified of the conditions under which water was supplied. <p>6.1.2</p> <p>Subject to customers complying with licence 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 detailed as follows:</p> <p>Farmland services supplied from the Goldfields and Agriculture Water Supply, the Great Southern Town Water Supply Scheme and Mid-West Region</p> <ul style="list-style-type: none"> Minimum static pressure (metres of water) – not applicable Maximum static pressure (metres of water) – 200 Minimum flow – 3kL/day per service <p>Rural Water Supply Schemes</p> <ul style="list-style-type: none"> Minimum static pressure (metres of water) – not applicable Maximum static pressure (metres of water) – 200 Minimum flow – 1.8kL/day per service <p>Farmlands area water systems – pressure and flows are kept within the acceptable range</p> <ul style="list-style-type: none"> From complaints received, the number of services with confirmed water pressure/flow faults divided by total number of water service connections 		<ul style="list-style-type: none"> Team Leader – Compliance & Assurance – Customer Billing & Assurance <p>We reviewed the following documents:</p> <ul style="list-style-type: none"> Ord Irrigation Customer Notification Work Instruction Ord Irrigation Manage Ord Irrigation Customer Work Instruction Ord Irrigation Register of Customers Drinking Water Sampling Procedures Field and Laboratory Test Procedures ERA Correspondence - Annual performance reporting submission – RABU annual audit RABU raw performance reporting data – licence specific worksheet Fieldwork – QRS – Feedback – 010 Poor supply Feedback SAP PM Business Rule <p>We reviewed the information provided in relation to annual notification of condition of service. Among this information was performance data reported to ERA.</p> <p>The Corporation is required to submit performance data on farmland notifications to the ERA on an annual basis in October of each year. The latest data reported to the ERA for the 2018/19 financial year indicated that 97.7% of farmland customer received notifications. This meets the requirement of 95%.</p> <p>The Corporation, in its <i>2019/20 Annual Compliance Report</i> reported non-compliances in that two (2) farmland customers did not receive the annual notification of the water supply conditions for the properties they have purchased. This was caused by a system error and the Corporation is investigating the system error. Whilst the investigation is conducted, additional controls have been implemented to ensure compliance with the section.</p> <p>It was later discovered that the two farmland customers actually received the appropriate notifications on their bill and that a notice was provided to the selling Agent at settlement.</p> <p>The Corporation incorrectly reported this breach.</p> <p>We confirm that the Corporation issued explanatory letters to each customer and a copy of the agreement for the conditions of their service on or before 31 August 2020.</p> <p>With regards to findings from the 2018 Operational Audit, the Corporation's MRA business unit included, as part of their audits, Service By Agreements.</p>		

Reference Number	Licence Reference & Summary of Licence Obligation	Audit Priority	Observations & Recommendations	Controls Rating	Compliance Rating
	<p>expressed as a % and then subtracted from 100.</p> <ul style="list-style-type: none"> 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. Does not include poor pressure due to bursts or planned activities. <p>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.</p>		<p>Section 6.1.2 (A2)</p> <p>Through discussions with Corporation personnel, we noted that the Corporation tests the pressure and flow, as required by Schedule 2 – Section 6.2 of the Licence, if a complaint is received from a customer. Investigations are also made to determine the cause of pressure issues.</p> <p>Through review of documentation, we noted that the Corporation reports, as part of the performance reporting, the “Percentage of customers receiving Farmlands Water services whose service met the water pressure and flow standards specified in the licence”. We noted that this particular performance achieved a 100% outcome.</p> <p>Through interviews we noted that the Corporation has implemented a hydraulic modelling system (90% completion rate). The Corporation indicated that where the modelling indicates that pressures may prove marginal to meet the flow requirements in the water services licence, then onsite verification of pressures will be undertaken to determine if there is non-compliance.</p> <p>During the 2018 Operational Audit a finding was made against this obligation.</p> <p>We noted that the Corporation did not agree with the findings made and indicated that the Corporation measure compliance by using an infrastructure design model to identify flow (3kL/day and 1.8kL/day) instead of validating flow at the property meter outlet. The Corporation further indicated that there was no evidence that flow at the outlet is non-compliant with the requirements. To enhance compliance with this requirement, the Corporation implemented hydraulic modelling.</p> <p>We also noted that the quick reference sheet (procedures document) for operators responding to a poor supply complaint has been updated: QRS link Fieldwork-QRS-Feedback-010 Poor Supply Feedback and as such, a work order cannot be marked as finished until all relevant feedback has been entered for that particular job. It is also now mandatory to enter pressure and flow readings in work order feedback.</p> <p>Recommendations</p> <p>A recommendation has not been made as the non-compliance issue has been resolved. An improvement opportunity has been communicated to the Corporation with regards to Section 6.1.1.</p>		

Appendix 1: Obligations audited in the Goldfields and Agricultural Region

No.	Obligations Under	Licence Condition	Summary Description
32.	<i>Water Services Act</i> Section 129(5)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.
55.	<i>Water Services Act</i> Section 176(3)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.
57.	<i>Water Services Act</i> Section 181	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.
58.	<i>Water Services Act</i> Section 186	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.
59.	<i>Water Services Act</i> Section 187(1) – (3)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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
60.	<i>Water Services Act</i> Section 190(4)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.

No.	Obligations Under	Licence Condition	Summary Description
61.	<i>Water Services Act</i> Section 190(5)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.
93.	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 9(2) and (4)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	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.
144A	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 43(1)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.
144B	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 43(2)	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.
154D	<i>Water Services Code of Conduct (Customer Service Standards) 2018</i> Clause 53	OL15 – Clause 3.1.1 OL16 – Clause 4.1.1	Despite clause 43(3), in the case of a service interruption that will affect a supply address recorded on the preserved supply register, the notice required by clause 43(1) must be sent by post or delivered to that supply address.
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.

Appendix 2: Personnel Interviewed During the Operational Audit

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

Name	Title
Andrew Pascoe	Manager – Regulation & Compliance
Anthony Dilorito	Team Leader – Creation & Process Services – Customer Billing & Assurance
April Buttsworth	Acting Team Leader – Water Use Verifications – Customer Billing & Assurance
Aron Smit	Officer – Safety – Engineering
Barry Ford	General Manager Operations
Ben Ludik	Head of Procurement & Property
Cameron Gordon	Team Leader – Framework Management, Water Quality
Carolyn Begg	Acting Regional Coordinator – South-West Region
Cheryl Delpont	Acting Manager – Customer Networks – Asset Investment Planning Regional
Craig Masarei	Head of Legal Services & Company Secretary
Danielle Higgs	Manager – Asset Management System & Risk – Asset Strategy
Dannie Lim	Specialist Business Performance & Assurance, Operations Performance
David Morgan	Senior Planner – Property Portfolio, Procurement & Property
Dean Page	Chief Financial Officer
Deborah Hunt	Senior Analyst – Financial Accounting & Reporting – Group Finance
Derek Host	Manager – Service Delivery – Goldfields & Agricultural Region
Ebru Cotton	Acting Team Leader – Best Practice
Evan Hambleton	General Manager Assets Planning and Delivery
Gaurav Gahlaut	Team Leader – Data & Systems, Water Quality
Greg Pickering	Manager Metering Services, Operations Performance
Helen Forte	Head of Asset Strategy
Helen Wanless	Lead Operations, Contact Centre
Ian Gibb	Manager – Asset Performance
James Wegner	Principal – Drainage & Liveable Communities, Asset Investment Planning Metro
Jasmine Hart	Water Use Investigations – Customer Billing & Assurance
Jason Ducie	Manager Operations, Contact Centre
Jessica Smith	Specialist – Water Services Licence, Risk & Assurance

Name	Title
Joe Allia	Team Leader – Processing, Development Services
John Todd	Head of Development Services
John Van Den Hurk	Acting Head of Asset Investment Planning Metro
Julie Doessel	Advisor – Building Services, Development Services
Julia Krsnik	Acting Head of Asset Investment Planning Regional
Karen Willis	General Manager Customer & Community
Lara Elborough	Officer – Rating Services, Customer Billing & Assurance
Larry Bayley	Operations Manager – Service Delivery – Goldfields & Agricultural Region
Mark Harris	Lead Financial Support, Contact Centre
Matt Cronin	General Manager Strategic Performance
Michael Stark	Manager – Commercial & Industrial Services
Natasha Burkett	Asset Management System & Risk
Nathan Hardwick	Head of Project Management
Paul Bendotti	Head of Operational Asset Management
Paul Prottey	Manager Customer and Wastewater Operations
Peter Davenport	Team Leader Compliance & Assurance, Customer Billing & Assurance
Peter McGuire	Manager – Business Management, Development Services
Ray Curtis	Acting Head of Group Finance – Group Finance
Rachael Miller	Head of Water Quality
Ray Willis	Senior Advisor – Business Management (Compliance) Development Services
Rianna Fitzpatrick	Support Officer – Business Services, Development Services
Rod Holme	Manager – Framework & Systems Water Quality Branch
Shannon Arnott	Acting Head of Operations Performance
Steve Fazey	Manager Customer Assurance
Stuart Penney	Compliance Manager – Operations Performance
Terry Hobson	Manager Financial Accounting & Reporting – Group Finance
Tracy Durham	Analyst Compliance & Assurance, Customer Billing & Assurance
Wayne Kearney	Head of Risk & Assurance



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