



# Notice

5 August 2021

## Aquasol Pty Ltd

### 2021 operational audit and asset management system review

The Economic Regulation Authority has published the [2021 operational audit and asset management system review report](#) and the [post-audit and post-review implementation plan](#) for Aquasol Pty Ltd's water services licence WL42.

Aquasol supplies sewerage services to the Fairways Retirement Village and non-potable water services to the Lakelands Country Club golf course in Gnangara, Perth.

#### *The ERA's decision*

The ERA considers that Aquasol has achieved an adequate level of compliance with its licence and has an effective asset management system.

The ERA has decided to maintain the audit and review period at 36 months. The next audit and review will cover the period 1 February 2021 to 31 January 2024, with the report due by 31 May 2024.

#### *Background to the ERA's decision*

#### *Audit ratings*

The audit of the 192 obligations applicable to WL42 found:

- 53 were rated A1 (adequate controls, compliant)
- two were rated A2 (adequate controls, non-compliant with minor impact)
- 63 were rated A/NR (adequate controls, not rated as no activity took place)
- one was rated B1 (generally adequate controls, compliant)
- one was rated B2 (generally adequate controls, non-compliant with minor impact)
- four were rated NP/1 (controls rating not performed, compliant)
- one was rated NP/2 (controls rating not performed, non-compliant with minor impact)
- 37 were rated NP/NR (controls rating not performed, not rated as no activity took place)
- 30 were rated NA/NA (obligation identified as not applicable).

The audit identified four non-compliances, three of which were resolved by the time the audit was conducted.

### ***Audit recommendations***

The auditor made a single recommendation to address the unresolved non-compliance.

The post-audit implementation plan stated that Aquasol would address the audit recommendation by the end of July 2021. On 3 August 2021, Aquasol confirmed that the non-compliance had been resolved.

### ***Review ratings***

The assessment of the 12 asset management components prescribed in the ERA's *2019 Audit and Review Guidelines: Water Licences* found:<sup>1</sup>

- Eight components were rated A1 (documentation adequately defined, performing effectively).
- Two components were rated B1 (documentation requires some improvement, performing effectively).
- One component was rated B2 (documentation and performance require some improvement).
- One was rated C2 (documentation requires significant improvement, performance require some improvement).

The review identified a single asset management deficiency in the environmental analysis component of the asset management plan.

### ***Review recommendations***

The auditor made one recommendation to address the asset management deficiency.

The post-review implementation plan states that Aquasol will address the review recommendation between now and the end of December 2021.

## ***The ERA's assessment of the audit and review findings***

### ***Audit***

Three of the four non-compliances found in the audit were minor administrative issues. The remaining non-compliance was due to customer bills not including prescribed information about concessions, discounts and rebates, which has now been resolved.

### ***Review***

The review found that, overall, there had been an improvement in Aquasol's asset management system since the previous review in 2018.

The single asset management deficiency identified in the review was the due to Aquasol's failure to include references to the Department of Health approval and the Department of Water and Environmental Regulation licence for the wastewater treatment plant and details of

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<sup>1</sup> As required by the 2019 guidelines, the auditor also provided a rating for each of the 58 asset management effectiveness criteria. A copy of the guidelines is available on the ERA [website](#).

the agreements with the two customers of the sewerage and non-potable water scheme in the asset management plan.

The auditor commented that the sewerage and non-potable water supply schemes are performing well and providing a reliable service to customers.

### ***Further information***

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