



City of Kalgoorlie-Boulder

Water Services Licence

2020 Operational Audit and Asset Management System Review

Report
16 July 2021

PAXON GROUP

Private Client Services
Audit and Assurance
Taxation

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1 Executive Summary

1.1 Operational Audit

1.1.1 Audit Objective

The operational audit (Audit) was carried out to assess the City of Kalgoorlie-Boulder's level of compliance with the conditions of its licence.

The Audit covered the period from 1 January 2019 to 31 December 2020 (Audit Period).

1.1.2 Licence, Water Services and Major Changes

The City of Kalgoorlie-Boulder (CKB) provides water services under the provisions of a Water Services Licence (WL4) issued by the Economic Regulation Authority (ERA).

The ERA granted the CKB WL4 which commenced on 29 April 1996. WL4 authorises the CKB to provide non-potable water supply services and sewerage services. WL4 version 7, dated 1 May 2020, was issued during the Audit Period.

The legislation which governs the licensing of water service providers is the Water Services Act 2012 (Act). The Act, except for some sections, commenced on 18 November 2013.

No major change took place in the business of the CKB during the Audit Period.

1.1.3 CKB's Response to Previous Audit Report Recommendations

The previous Audit was conducted by Cardno in respect of the period 1 January 2017 to 31 December 2018. The Cardno report, dated 11 June 2019, identified 20 instances of inadequate controls and/or non-compliance with individual obligations.

Paxon found 9 of the 20 identified instances of inadequate controls and/or non-compliance with individual obligations are still unresolved. Comprehensive details of these 9 instances are provided in Table 6 entitled: *"Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)"* as included in section 3.1 of this Report.

The Cardno report, dated 11 June 2019, also included instances of inadequate controls and/or non-compliance with individual obligations which resulted from Audits prior to the Cardno Audit. Paxon found all of these instances of inadequate controls and/or non-compliance with individual obligations are still unresolved. Comprehensive details of these instances are provided in Table 6 entitled: *"Operational Audits Prior to 2019: Inadequate Controls, Non-Compliances and Recommendations (Part C)"* as included in section 3.1 of this Report.

1.1.4 Summary of Inadequate Controls, Non-Compliances and Recommendations Arising from the Current Audit

The CKB was assessed to have:

- Had moderate controls during the Audit Period; and
- Complied with the majority of the legislative obligations applicable to its activities during the Audit Period.

Two separate assessments are provided in respect of the CKB's controls adequacy and compliance with obligations. These assessments disclose Paxon's findings for both controls and compliance:

- A summary of ratings for both controls and compliance per individual obligation is disclosed in Table 9 entitled: "*Audit: Obligation Ratings Summary*" as included in section 4.2 of this Report; and
- A detailed assessment of both controls and compliance per individual obligation is disclosed in Table 10 entitled: "*Audit Observations and Recommendations*" as included in section 4.3 of this Report.

Furthermore, specific detailed information for those individual obligations assessed as having inadequate controls or being non-compliant is disclosed in Table 11 entitled: "*Current Audit: Inadequate Controls, Non-Compliances and Recommendations*" as included in section 4.4 of this Report.

1.1.5 Auditor's Opinion on the Control Environment

The CKB was assessed to have had moderate controls during the Audit Period. Paxon found:

- 12 obligations for which generally adequate controls were evident, but which needs improvement;
- 2 obligations for which inadequate controls were evident, which requires significant improvement; and
- 57 obligations for which no controls were evident.

1.1.6 Auditor's Opinion on Compliance

The CKB was assessed to have complied with the majority of the legislative obligations applicable to its activities during the Audit Period. Paxon assessed:

- 10 obligations as being non-compliant – minor effect on customers or third parties; and
- 1 obligation as being non-compliant – moderate effect on customers or third parties.

Where deemed necessary, recommendations were made for these instances of non-compliance. The recommendations are recorded in Table 8 entitled: "*Current Audit: Inadequate Controls, Non-Compliances and Recommendations*" as included in section 4.4 of this Report.

A summary of Audit ratings for both controls and compliance across all obligations is disclosed in Table 1 on the next page:

		Compliance Rating						
		1	2	3	4	NR	NA	Total
Controls Rating	A	38	3	1		52		94
	B	1	4			7		12
	C					2		2
	D	18	3			36		57
	NP					4		4
	NA						8	8
	Total	57	10	1		101	8	177

Table 1: Summary of Audit Ratings

1.2 Asset Management System Review

1.2.1 Review Objective

The Water Services Act 2012 and CKB's WL 4 (versions 6 and 7) each require the CKB provides for and maintains an asset management system. The system should set out the processes to be taken by the CKB to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services.

The Act requires the CKB provides the ERA with a report by an independent expert on the effectiveness of the system.

This asset management system effectiveness review (Review) provides the ERA with an independent opinion on whether or not the CKB has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

A detailed description of the scope of the Review and the methodology adopted is provided in Section 2 of this report.

The Review covered the period from 1 January 2019 to 31 December 2020.

1.2.2 Summary of Conclusions

This review concludes the CKB operates its sewerage and non-potable water supply system services in an efficient professional manner. Its upgraded computer-based asset management systems are broad ranging and practical.

Recent changes in assessment of the condition of sewerage assets and comparative assessment of assets for acquisition, replacement or disposal have not been documented as procedures. Similarly, the current practise of condition assessment of sewers, access chambers and pumping stations - and implementation of unscheduled necessary maintenance has not been documented.

However, the CKBs management procedures are generally well documented - although presentation of the documentation is confusing- being contained in three separate documents, each of which provides information relevant to both systems. The documents are the

partly completed Water Services Asset Management Plan (AMP), Standard Operating Procedures (SOP) and Water Quality Management Plan.

CKB should complete the new AMP document as soon as possible. The AMP was due for completion in August 2020.

CKB is consistently achieving the standards required of its customer commitments and the various licences and agreements related to the services provided under its water services licence.

Water Services personnel constitute a competent, focussed and cooperative team. However, their numbers are small and will need to be increased to enable asset management documentation to be completed and the re-cycled water facilities and staff to be assimilated and managed by the water services group.

This review awarded the highest “A1” rating to two of the twelve key processes reviewed. The second highest rating of “B1” to three processes and “B2” to three processes. Ratings of “C1” and “C3” (requires substantial improvement and corrective action required) were assessed for Planning, Asset Acquisition, Contingency Planning and Review of Asset Management System respectively

Eleven recommendations were made – ten resulting from this review and one from the previous review.

It should be noted in general higher ratings for process and policy definition were precluded due to the need to complete the AMP - which was planned to occur in March 2020. Also of note is the highest rating for seven of the performance criteria.

1.2.3 CKB’s Response to Previous Review Report Recommendations

The previous Review was conducted by Cardno in respect of the period 1 January 2017 to 31 December 2018. The Cardno report, dated 11 June 2019, identified ten issues and recommendations regarding the CKB’s asset management procedures or operations. This review found seven of these issues/recommendations were resolved, two are no longer applicable and one remains unresolved. Details of the issues and associated recommendations are set out in Table 7 entitled: “*Previous Review: Deficiencies and Recommendations*” in Section 3.2 of this report.

The unresolved issues are carried over as recommendations of this Review.

1.2.4 Licence Compliance

Tables 8 and 9 of the ERA’s: “*2019 Audit and Review Guidelines - Water Licences – March 2019*” provided the basis for the ratings allocated during the Review to:

- Asset management;
- Policy; and
- Asset management performance.

The Reviewer’s rating (based on the above tables) of the effectiveness of the CKB’s asset management system is summarised in Table 2 entitled: “*Summary of Review Ratings*” on the next page:

Asset Management System	Process and Policy Rating				Performance Rating			
Process	Adequately Defined	Requires Some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
	A	B	C	D	1	2	3	4
Asset Planning			✓		✓			
Asset Creation and Acquisition			✓		✓			
Asset Disposal		✓				✓		
Environmental Analysis	✓				✓			
Asset Operations		✓				✓		
Asset Maintenance		✓			✓			
Asset Management Information System		✓			✓			
Risk Management		✓			✓			
Contingency Planning			✓				✓	
Financial Planning	✓				✓			
Capital Expenditure Planning		✓				✓		
Review of Asset Management System			✓				✓	

Table 2: Summary of Review Ratings

2 Scope of Work

2.1 Objectives

2.1.1 Operational Audit

The objective of the Audit was to assess the effectiveness of measures taken by the CKB to meet the quality and performance standards required by WL4 in relation to the provision of the water services authorised by WL4.

The Audit was performed as a reasonable assurance engagement.

This Audit Report identifies areas where improvement is required and recommends corrective action (see Table 11 entitled: *“Current Audit: Inadequate Controls, Non-Compliances and Recommendations”* as included in section 4.4 of this Report).

2.1.2 Asset Management System Review

The Water Services Act 2012 requires the CKB provides for and maintains an asset management system. The system should set out the processes to be taken by the CKB to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services. The Act requires the CKB to provide the ERA with a report by an independent expert on the effectiveness of the system.

This review provides the ERA with an independent opinion on whether or not the CKB has in place the appropriate systems for the planning, construction, operation and maintenance of its water services assets.

This review was undertaken as a reasonable assurance engagement.

This Review Report identifies areas where improvement is required and recommends corrective action (see Table 17 entitled: *“Current Review: Asset Management System Deficiencies and Recommendations”* as included in section 5.4 of this Report).

2.2 Scope

2.2.1 Operational Audit

The Audit focused on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by WL4. The Audit considered:

- **Process compliance** – the effectiveness of systems and procedures in place throughout the Audit Period, including the adequacy of internal controls;
- **Outcome compliance** – the actual performance against standards prescribed in WL4 throughout the Audit Period;
- **Output compliance** – the existence of output from systems and procedures throughout the Audit Period (that is, proper records exist to provide assurance procedures are being consistently followed and controls are being maintained);
- **Integrity of reporting** – the completeness and accuracy of the compliance and

performance reports provided to the ERA during the Audit Period; and

- **Compliance with any individual licence conditions** – the requirements imposed on the CKB during the Audit Period by the ERA or specific issues advised by the ERA.

Further references to the Audit scope are included in this section of the Report.

2.2.2 Asset Management System Review

The Review focused on the asset management system, including asset management plans and supporting documentation, which set out the measures taken by the CKB for the proper operation and maintenance of assets. The plans must convey the CKB's business strategies to ensure the effective management of assets over at least a five- year period.

The scope of the Review included an assessment of the adequacy and effectiveness of the asset management system by evaluation of the 12 key asset management processes mandated, being:

- Asset planning;
- Asset creation/acquisition;
- Asset disposal;
- Environmental analysis;
- Asset operations;
- Asset maintenance;
- Asset management information system;
- Risk management;
- Contingency planning;
- Financial planning;
- Capital expenditure planning; and
- Asset management system.

Further references to the Review scope are included in this section of the Report.

2.3 Audit/Review Methodology

2.3.1 Audit Plan

A risk-based approach was used to develop an Audit and Review plan. This approach assessed the appropriate risk factors and consequently the Audit and Review fieldwork focused on higher risk areas, with less intensive coverage of medium and lower risk areas.

2.3.2 Fieldwork

The Audit fieldwork consisted of the following steps:

- Conducted an initial meeting with relevant staff at the CKB and reviewed processes to obtain an understanding of procedures, systems and controls which were in place to ensure compliance with license conditions;
- Evaluated the adequacy of the controls to cover the identified risks and performed more extensive testing of higher risk areas to provide sufficient assurance and

confirmed lower risk areas by discussion and observation;

- Assessed compliance with WL4 over the Audit Period as well as at the time of the Audit;
- Researched instances of inadequate controls and non-compliances with WL4 obligations as identified; and
- Developed appropriate recommendations for improvement for discussion with management.

The Review fieldwork consisted of the following steps:

- In company with the relevant staff of the CKB inspected a selection of the sewerage collection pumping and treatment facilities, together with facilities for the storage and disposal of treated wastewater - including non-potable water supply distribution installations. Discussed general operation practises and strategies, process implications, production and quality monitoring;
- The adequacy or otherwise of the outputs of the system - including documentation of performance standards and statutory requirements, system opportunities and threats, review and discussion of operations manuals, maintenance schedules, together with action records, registers of the location, condition, age etc. of assets;
- The extent to which the risks associated with the system environment and/or unexpected system failures have been assessed, quantified, documented as contingency plans and reduced by specific practices - such as stocking selected spare parts or, equipment items subject to extended delivery or repair periods, additional storage etc.;
- The existence and effectiveness of systems implemented for the assessment, planning, financing and construction of new, replacement and major maintenance works and disposal of redundant assets;
- Whether or not the system has been subject to regular internal review, with systems in place to ensure plans are regularly updated to current status, provide for prior identification of new or replacement assets, their implementation, and initiatives to improve the overall effectiveness of the asset management system; and
- CKB's response to the recommendations made in previous reviews.

2.3.3 Audit/Review Reporting

The Audit/Review reporting consisted of the following steps:

- Provided a draft Audit and Review report to the ERA for review. The ERA forwarded the draft Audit and Review report to the CKB for their comment;
- The ERA and the CKB provided comments on the draft Audit and Review report to Paxon. Paxon considered the comments received and made amendments to the draft Audit and Review report, as appropriate; and
- Paxon provided the final Audit and Review report to the ERA.

The ERA will procure the post-Audit implementation plan from the CKB.

2.4 Time Interval Covered in Audit/Review

The Audit and Review covered the period from 1 January 2019 to 31 December 2020.

2.5 Audit and Review Dates

The Audit and Review fieldwork were conducted during March 2021.

2.6 Licensee's Representatives

CKB representatives who participated in the Audit were as follows:

CKB Representative	Position
Peter Rees	Water Services Project Manager
Sheena Clark	Water Services Engineer
Casey Radford	Finance and Compliance Coordinator

Table 3: Audit: CKB Representatives

CKB Representative	Position
Peter Rees	Water Services Project Manager
Sheena Clark	Water Services Engineer
Emil Saule	Water Technical Officer
Shane Hearn	Water Technical Officer
	Staff of the CKB IT Department

Table 4: Review: CKB Representatives

2.7 Key Documents and Other Information Sources

2.7.1 Operational Audit

Details of key documents and other information sources examined during the Audit are as follows:

- Water Services Act 2012;
- Water Services Code of Conduct (Customer Service Standards) 2018;
- Water Services Regulations 2013;
- ERA: Water Services Licence – CKB – WL4, version 6, 1 July 2016;
- ERA: Water Services Licence – CKB – WL4, version 7, 1 May 2020;
- ERA: 2019 Audit and Review Guidelines - Water Licences – March 2019;
- Cardno Report: Audit Report – Performance Audit and Asset Management Review – 3607-80, dated 11 June 2019;
- ERA: Water Compliance Reporting Manual – Water Services Act 2012 – May 2018;
- ERA: Water Compliance Reporting Manual – Water Services Act 2012 – May 2020;
- CKB's compliance reports for 2018-2019 and 2019-2020;

- CKB's *"Financial Hardship Policy for Water Services – January 2019"*;
- CKB's *"Financial Hardship Policy for Debtors"*;
- Sample of rate notices/tax invoices;
- CKB's *"Water Services – WS-001 Standard Operating Procedures (SOP) Manual"*;
- CKB's *Wastewater Collection & Treatment Service – Customer Service Charter – June 2020"*;
- *"Memorandum of Understanding between the Department of Health and City of Kalgoorlie Boulder for Sewerage and Non-potable Water Services"*; and
- Responsibility Matrix.

2.7.2 Asset Management System Review

Details of key documents and other information sources examined during the Review are as follows:

- ERA: Water Services Licence – CKB – WL4, version 6, 1 July 2016;
- ERA: Water Services Licence – CKB – WL4, version 7, 1 May 2020;
- ERA: 2019 Audit and Review Guidelines - Water Licences – March 2019;
- Cardno Report: Audit Report – Performance Audit and Asset Management Review – 3607-80, dated 11 June 2019;
- CKB - Asset Management Plan - version 4, revision 1, dated July 2019;
- CKB - Long Term Financial Management Plan 2019 – 2040;
- CKB - Wastewater Treatment Plant Process Description;
- CKB - Wastewater Treatment Plant Operating Procedures;
- CKB - Water Services Standard Operating Procedures Manual;
- CKB - Re-Cycled Water, Operations and Maintenance Manual;
- CKB - Water Services Organisation Chart;
- CKB - Compliance Reports for 2018/2019 and 2019/2020;
- CKB - Performance Reports for 2018/2019 and 2019/2020;
- CKB - DWER annual reports for 2018/2019 and 2019/2020;
- CKB - Waste Discharge Notifications to DWER during 2019 to 2021;
- CKB - DOH reports for 2018/2019 and 2019/2020;
- CKB - Water Services Quality Management Plan;
- CKB - Monthly Report for February 2021;
- CKB - contract documents for mechanical services, wastewater treatment plant and pump station;
- CKB - contract documents for electrical control system services for South Boulder wastewater treatment plant and wastewater pump stations;
- CKB - Report by Wise Water Infrastructure Science and Engineering Pty Ltd on engineering software;
- CKB - WWTP Operator's weekly report; and
- CKB - Contractor Job Service Report - Unplanned Sewer Maintenance - December 2020.

2.8 Audit and Review Team Members and Hours Utilised

The Audit and Review team members and the hours utilised were as follows:

Team Member	Hours
Cameron Palassis – Executive Director	4
Anton Prinsloo – Senior Consultant	70
Barry Robbins - Barry Robbins Engineering & Project Management	70
TOTAL	144

Table 5: Audit and Review Team Members and Hours Utilised

3 Licensee's Response to Previous Recommendations

3.1 Previous Audit: Inadequate Controls, Non-Compliances and Recommendations

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A2/2019	<ul style="list-style-type: none"> Number: 32; Ratings: controls – A and compliance - 1; Obligations: Act, section 129(5) and WL4 version 6, clause 3.1.1; and Details: <p>We note the Customer Service Charter informs customers that <i>"For planned work within a property, the City shall advise the occupier in advance."</i> However, the Charter does not inform that at least 48 hours advance notice must be given.</p> 	We recommend CKB updates the information in its Customer Charter to specify the notice it is required to provide.	06/2020	<ul style="list-style-type: none"> FAR: no; and Details: <p>See the controls observations for obligation number 32 as included in section 4.3 of this Report – Table 10.</p>
A4/2019	<ul style="list-style-type: none"> Number: 107; Ratings: controls – NP and compliance - NR; Obligations: 2018 Code of Conduct, clause 18(2) and WL4 version 6, clause 3.1.1; and Details: <p>The text in the Customer Service Charter does not specify CKB can only recover</p> 	We recommend CKB adds this disclaimer to the text included in the Customer Service Charter.	06/2020	<ul style="list-style-type: none"> FAR: no; and Details: <p>See the controls observations for obligation number 107 as included in section 4.3 of this Report – Table 10.</p>

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor’s Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A4/2019 (continued)	undercharged amounts in the 12-month period ending on the day on which the licensee informed the customer of the undercharging.			
A5/2019	<ul style="list-style-type: none">• Number: 109;• Ratings: controls – NP and compliance - NR;• Obligations: 2018 Code of Conduct, clause 18(4) and WL4 version 6, clause 3.1.1; and• Details: The text in the Customer Service Charter does not specify CKB must not charge interest or late payment fees on an undercharged amount.	We recommend CKB adds this to the text included in the Customer Service Charter.		<ul style="list-style-type: none">• FAR: no; and• Details: See the controls observations for obligation number 107 as included in section 4.3 of this Report – Table 10.
A6/2019	<ul style="list-style-type: none">• Number: 110;• Ratings: controls – NP and compliance - NR;• Obligations: 2018 Code of Conduct, clause 18(5) and WL4 version 6, clause 3.1.1; and• Details: Although the text in the Customer Service Charter informs customers: “The City of Kalgoorlie-Boulder can make special financial	We recommend CKB adds additional text to the Customer Service Charter to inform the customers of the requirements under this obligation.		<ul style="list-style-type: none">• FAR: no; and• Details: See the controls observations for obligation number 107 as included in section 4.3 of this Report – Table 10.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor’s Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A6/2019 (continued)	<p><i>arrangements to assist customers experiencing hardship in the payment of their accounts.”</i></p> <p>However, this text does not specify CKB 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 the bill in clause 18(3) is issued.</p>			
A8/2019	<ul style="list-style-type: none">• Number: 112A;• Ratings: controls – NP and compliance - NR;• Obligations: 2018 Code of Conduct, clause 19(3) and WL4 version 6, clause 3.1.1; and• Details: The Customer Service Charter informs customers that: <i>“If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.”</i> However, the text does not specify the requirement to undertake this within 15 business days.	We recommend CKB adds text to the Customer Service Charter to inform customers it must refund any overcharged amount or credit the overcharged amount to the customer’s account within 15 business days of the licensee receiving the instructions.	06/2020	<ul style="list-style-type: none">• FAR: no; and• Details: See the controls observations for obligation number 111A as included in section 4.3 of this Report – Table 10.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A9/2019	<ul style="list-style-type: none"> Number: 112B; Ratings: controls – NP and compliance - NR; Obligations: 2018 Code of Conduct, clause 19(4) and WL4 version 6, clause 3.1.1; and Details: The Customer Service Charter informs customers that: <i>"If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer."</i> However, the text does not specify the requirements under this obligation. 	We recommend CKB adds to the text included in the Customer Service Charter to specify it must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days if instructions from the customer about the refunding or crediting of the overcharged amount have not been received at the end of the period of 10 business days starting on the day an overcharging notice is sent.	06/2020	<ul style="list-style-type: none"> FAR: no; and Details: See the controls observations for obligation number 111A as included in section 4.3 of this Report – Table 10.
A13/2019	<ul style="list-style-type: none"> Number: 131C; Ratings: controls – B and compliance – 2; Obligations: 2018 Code of Conduct, clause 30(4)(c) and WL4 version 6, clause 3.1.1; and Details: CKB's Financial Hardship Policy (16 May 2014) does not provide written information to the customer about: 	<ul style="list-style-type: none"> We recommend CKB updates its Financial Hardship Policy to provide all of the written information required under this obligation; We note the 2019 update of CKB's Financial Hardship Policy includes information about payment methods that rectifies the non-compliance observed in the version of the document that was in place during the audit period; and 	01/2019	<ul style="list-style-type: none"> FAR: no; and Details: See the controls observations for obligation number 131A as included in section 4.3 of this Report – Table 10.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A13/2019 (continued)	<ul style="list-style-type: none"> o The bill payment methods provided by the licensee; and o Applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes. 	<ul style="list-style-type: none"> • CKB has confirmed other than concession card holders, there are no other government-funded grant schemes that ratepayers can access to assist them with their rates payments. 		
A16/2019	<ul style="list-style-type: none"> • Number: 144B; • Ratings: controls – NP and compliance – NR; • Obligations: 2018 Code of Conduct, clause 43(2) and WL4 version 6, clause 3.1.1; and • Details: <ul style="list-style-type: none"> o CKB's Customer Service Charter informs customers that "Unless interruptions are limited to a few minutes, notification shall be given to domestic customers at least twenty-four (24) hours prior and for commercial and industrial customers at least five (5) days prior or by agreement."; and <p>We note this does not comply with clause 43(2)(a) to provide "not less than 48 hours before the start of the service interruption". Although CKB's notice complies with clause 43(2)(b), "if it is not reasonably</p>	<p>We recommend CKB revises the information in the Customer Service Charter to inform customers that it will provide at least 48 hours' notice for planned service interruptions.</p>		<ul style="list-style-type: none"> • FAR: no; and • Details: <p>See the controls observations for obligation number 32 as included in section 4.3 of this Report – Table 10.</p>

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor’s Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A16/2019 (continued)	practicable to comply with paragraph (a), at the earliest practicable time before the start of the service interruption”, we consider CKB is non-compliant against this obligation.			
A17/2019	<ul style="list-style-type: none">Number: 145;Ratings: controls – A and compliance – 1;Obligations: 2018 Code of Conduct, clause 46(1) and WL4 version 6, clause 3.1.1; andDetails: We note the Customer Service Charter references the Department of Water for escalating complaints. This reference is out of date.	We recommend the details included in the Customer Service Charter be updated to reference the water services ombudsman.	06/2020	<ul style="list-style-type: none">FAR: no; andDetails: See the controls observations for obligation number 148A as included in section 4.3 of this Report – Table 10.
A18/2019	<ul style="list-style-type: none">Number: 147;Ratings: controls – A and compliance – 1;Obligations: 2018 Code of Conduct, clause 46(3) and WL4 version 6, clause 3.1.1; andDetails: We observed CKB’s Complaints Handling Policy does not set out any dispute resolution arrangements.	We recommend the documents are revised to include the policies related to these matters.	06/2020	<ul style="list-style-type: none">FAR: no; andDetails: See the controls observations for obligation number 147 as included in section 4.3 of this Report – Table 10.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations				
A. Resolved During Current Audit Period				
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation			
	Details of Inadequate Controls and/or Non-Compliance			
A19/2019	<ul style="list-style-type: none"> • Number: 149A; • Ratings: controls – D and compliance – 2; • Obligations: 2018 Code of Conduct, clause 47 and WL4 version 6, clause 3.1.1; and • Details: <ul style="list-style-type: none"> ○ CKB does not record any confirmation that it has advised the customers they have a right to apply to the water services ombudsman for a review of the complaint; and ○ In addition, although CKB informs customers of the right to apply to water services ombudsman for a review of the complaint, CKB's Complaint Handling Policy (EXEC-OD-001) does not include any specific information regarding the management of water service complaints, including that the customer has the right to apply to the water services ombudsman for a review of the complaint. 	<ul style="list-style-type: none"> • We recommend this information is recorded against each complaint in the complaints register together with the details of the complaint and CKB's response and any documentation sent to them; and • We recommend CKB adds a section on water service complaints into its Complaints Handling Policy to outline the policies and procedures relating to these complaint types. 		<ul style="list-style-type: none"> • FAR: no; and • Details: <p>See the controls observations for obligation number 149A as included in section 4.3 of this Report – Table 10.</p>

Table 6: Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part A)

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A1/2019	<ul style="list-style-type: none">• Number: 6;• Ratings: controls – A and compliance - 1;• Obligations: Act, sections 24(1)(a) and 24(2) and WL4 version 6, clause 4.1.1; and• Details: The operating licence reference included in the Standard Operating Procedure Manual is out of date and we recommend that it is updated. We also note that the Code of Conduct reference also needs to be updated.			Update the SOP Manual to take account of the changes in legislative documents.	<ul style="list-style-type: none">• FAR: yes;• Details: The CKB document entitled: “Water Services – WS-001 Standard Operating Procedures (SOP) Manual” (SOP Manual) in section 5.3 entitled: “State and Federal Government Acts & Regulations” still refers to the “Water Services Code of Conduct 2013 (WA)”;and• Recommendation: The SOP Manual should be updated to refer to the Water Services Code of Conduct (Customer Service Standards) 2018.
A3/2019	<ul style="list-style-type: none">• Number: 102A;• Ratings: controls – B and compliance - 2;• Obligations: 2018 Code of Conduct, clause 13(6) and WL4 version 6, clause 3.1.1; and• Details: The rates notices used for billing customers for sewerage services do not include:			We recommend CKB updates its rates notice templates to include the omissions that have been listed above.	<ul style="list-style-type: none">• FAR: yes;• Details:<ul style="list-style-type: none">○ Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. The sampled tax invoices confirm the disclosure of the prescribed information included in clause 13(6) of the 2018 Code of Conduct except for clauses:<ul style="list-style-type: none">• 13(6)(e) – telephone number for 24-hour information line; and• 13(6)(g) – disclosure of National Interpreter Symbol and the words “Interpreter Services”.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A3/2019 (continued)	<ul style="list-style-type: none">o The telephone number of the 24-hour information line provided in accordance with clause 45;o Contact details for account, payment and general enquiries for use by customers with hearing or speech impairment; ando For a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words “Interpreter Services”.			<ul style="list-style-type: none">o Paxon examined a sample of tax invoices issued during the Audit Period, which record “Effluent Water Consumption”. The sampled tax invoices confirm the disclosure of the prescribed information included in clause 13(6) of the 2018 Code of Conduct except for clauses:<ul style="list-style-type: none">• 13(6)(c) - telephone number for complaints;• 13(6)(d) - Freecall telephone number for the office of the water services ombudsman;• 13(6)(e) - telephone number for 24-hour information line;• 13(6)(h) - statement the website contains information about estimates, meter reading and testing, complaints and review; and• 13(6)(i) - statement the bill can be reviewed in accordance with the CKB’s review procedure.• Recommendation: 5/2021:<ul style="list-style-type: none">o The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the of rate notices/tax invoices issued for sewerage charges. The following additional information should be disclosed on these tax invoices:<ul style="list-style-type: none">• Clause 13(6)(e) - the telephone number of the 24- hour information line provided in accordance with clause 45 of the 2018 Code of Conduct; and	

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A3/2019 (continued)					<ul style="list-style-type: none">• Clause 13(6)(g) - for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words “Interpreter Services”. (See recommendation 5/2021 as included in Table 11 entitled: “Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)” in section 4.4 of this Report.)○ The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the tax invoices issued for non-potable water supply. The following additional information should be disclosed on these tax invoices:<ul style="list-style-type: none">• Clause 13(6)(c) - a telephone number for complaints;• Clause 13(6)(d) - a Freecall telephone number for the office of the water services ombudsman;• Clause 13(6)(e) - the telephone number of the 24-hour information line provided in accordance with clause 45 of the 2018 Code of Conduct;• Clause 13(6)(h) a statement that the website contains information about estimates, meter reading and testing, complaints and review; and• Clause 13(6)(i) - a statement the bill can be reviewed in accordance with the CKB’s review procedure.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A7/2019	<ul style="list-style-type: none">• Number: 111A;• Ratings: controls – NP and compliance – NR;• Obligations: 2018 Code of Conduct, clause 19(2) and WL4 version 6, clause 3.1.1; and• Details: The Customer Service Charter informs customers that: <i>“If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.”</i> However, the text does not specify the requirement to undertake this within 15 business days.			We recommend CKB adds text to the Customer Service Charter to specify the requirement to 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 within 15 business days.	<ul style="list-style-type: none">• FAR: yes;• Details: The CKB’s <i>“Wastewater Collection & Treatment Service – Customer Service Charter – June 2020”</i> (Sewerage Services Charter) includes appropriate references to the stipulations of clauses 19(3) and 19(4) in section 2.6 entitled <i>“Charges and Accounts”</i> (but not the stipulations of clauses 19(2) and 19(5)); and• Recommendation: The CKB’s Sewerage Services Charter should be updated to include appropriate references to the stipulations of clauses 19(2) and 19(5) of the 2018 Code of Conduct.
A10/2019	<ul style="list-style-type: none">• Number: 114;• Ratings: controls – B and compliance – 2;• Obligations: 2018 Code of Conduct, clause 20(2) and WL4 version 6, clause 3.1.1; and			<ul style="list-style-type: none">• We recommend CKB develops a written procedure for the review of a bill on the customer’s request; and• We note a procedure has been added to the CKB website since the audit.	<ul style="list-style-type: none">• FAR: yes;• Details:<ul style="list-style-type: none">◦ The CKB’s website states: <i>“We (the City) will review your rates account at your request in accordance with clause 20 of the “Water Services Code of Conduct (Customer Service Standards) 2018”;</i>

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
A10/2019 (continued)	<ul style="list-style-type: none">Details: At the time of the audit, CKB was not able to provide a written procedure for the review of a bill at the customer’s request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.				<ul style="list-style-type: none">The CKB’s website also mentions the customer may, if unsatisfied with the outcome of the review, refer the matter to the Energy and Water Services Ombudsman (both the above-mentioned matters were found on the dedicated webpage entitled: “My Property/ Rates/About Rates - Sewerage and Utility Services”);The CKB’s Sewerage Services Charter addresses both undercharging and overcharging for sewerage services in section 2.6 entitled: “Charges and Accounts”. Thus, written procedure for the review of sewerage bills is fragmented as it is recorded in different documents;However, no reference could be found regarding referring a sewerage bill complaint to the State Administrative Tribunal; andPaxon could not find any written procedure for the review of bills for non-potable water supply services. Thus, during the Audit Period, the CKB did not comply with the stipulations of clauses 20(2), (3), (4) and (6) of the 2018 Code of Conduct regarding the review of non-potable water supply bills. <ul style="list-style-type: none">Recommendations:<ul style="list-style-type: none">The CKB should:<ul style="list-style-type: none">Include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter; and

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A10/2019 (continued)					<ul style="list-style-type: none">• Ensure the Sewerage Services Charter is publicly available.○ The CKB should compile a written procedure for the review of a non-potable water supply bills. This procedure should:<ul style="list-style-type: none">• Include the stipulations of clauses 20(2), (3), (4) and (6) of the 2018 Code of Conduct; and• Be publicly available. <p>(See recommendation 06/2021 as included in Table 11 entitled: “Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)” in section 4.4 of this Report.)</p>
A11/2019	<ul style="list-style-type: none">• Number: 115;• Ratings: controls – B and compliance – 2;• Obligations: 2018 Code of Conduct, clauses 20(3) and 20(6) and WL4 version 6, clause 3.1.1; and• Details:<p>At the time of the audit, CKB’s bill review procedure was not available on its website. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</p>			<ul style="list-style-type: none">• We recommend CKB develops a written procedure for the review of a bill on the customer’s request that includes the specified information and is available on CKB’s website and a hardcopy provided to a customer upon request at no charge; and• We note a procedure has been added to the CKB website since the audit.	<ul style="list-style-type: none">• FAR: yes; and• Details: as recorded for A10/2019 directly above.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
A12/2019	<ul style="list-style-type: none">Number: 116;Ratings: controls – B and compliance – 2;Obligations: 2018 Code of Conduct, clause 20(4) and WL4 version 6, clause 3.1.1; andDetails: At the time of the audit, CKB was not able to provide a written procedure for the review of a bill at the customer's request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.			We recommend CKB develops a written procedure for the review of a bill that meets the requirements of this obligation.	<ul style="list-style-type: none">FAR: yes; andDetails: as recorded for A10/2019 directly above.
A14/2019	<ul style="list-style-type: none">Number: 133A;Ratings: controls – A and compliance – 1;Obligations: 2018 Code of Conduct, clause 32 and WL4 version 6, clause 3.1.1; andDetails: CKB's Financial Hardship Policy does not inform customers it does not charge interest or fees for late payment of a bill by a customer:			<ul style="list-style-type: none">We recommend the additional two dot points be added to CKB's Financial Hardship Policy to inform customers of the obligations under this clause; andWe note this information has also not been added to the updated January 2019 version of the Financial Hardship Policy.	<ul style="list-style-type: none">FAR: yes;Details:<ul style="list-style-type: none">The CKB's "Financial Hardship Policy for Water Services" (Hardship Policy) provides for compliance with clause 32(1)(a) of the 2018 Code of Conduct in section 7 entitled: "Payment Plans"; andNeither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct.Recommendation: The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A14/2019 (continued)	<ul style="list-style-type: none">• If a complaint made by the customer to the licensee that directly relates to the non-payment of the bill is not resolved; and• If a complaint made by the customer to the water services ombudsman that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman.				Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer: <ul style="list-style-type: none">• If a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved; or• If a complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman. (See recommendation 07/2021 as included in Table 11 entitled: “Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)” in section 4.4 of this Report.)
A15/2019	<ul style="list-style-type: none">• Number: 134A;• Ratings: controls – A and compliance – 1;• Obligations: 2018 Code of Conduct, clause 33(1)(d) and (e) and WL4 version 6, clause 3.1.1; and• Details: CKB does not make its customers aware of its obligations under this clause in the Financial Hardship Policy. We also note this information is not included in CKB’s Customer Service Charter.				We recommend CKB updates its Financial Hardship Policy and its Customer Service Charter to make its customers aware of the obligations under this clause.

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A15/2019 (continued)					<ul style="list-style-type: none">○ A complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman. <p>(See recommendation 08/2021 as included in Table 11 entitled: “Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)” in section 4.4 of this Report.)</p>
A20/2019	<ul style="list-style-type: none">• Number: 153;• Ratings: controls – B and compliance – 2;• Obligations: 2018 Code of Conduct, clause 48(1) and WL4 version 6, clause 3.1.1; and• Details: We reviewed CKB’s Customer Service Charter, Financial Hardship Policy and the rates notice template and observed that the specified services related to facilities for customer with hearing or speech impairment and interpreter services are only included in the Financial Hardship policy. Large print versions of any of CKB’s available documents are not advertised.		<ul style="list-style-type: none">• We recommend CKB provides all the specified services required under Clause 48(1); and• We also recommend CKB includes all of the specified services required under the clause in its Customer Service Charter and on its rate notice templates.		<ul style="list-style-type: none">• FAR: yes;• Details:<ul style="list-style-type: none">○ The CKB’s website provides details of rates which includes only the sewerage services provided by the CKB (and not the non-potable water supply services the CKB is licenced to supply). The website details include:<ul style="list-style-type: none">• Fees and charges that will be imposed and collected by the CKB (dedicated webpage entitled: “My Property/Rates/About Rates”);• Bill payment method options (dedicated webpage entitled: “My Property/Rates/Pay your rates”);• Concessions available to customers (dedicated webpages entitled: “My Property/Rates/Pensioners and Seniors”, “My Property/Rates/Rates Exemptions” and “My Property/Rates/Rates Concession”); and• The CKB’s Sewerage Services Charter, as available on the CKB website does, in section 3.3 entitled: “Service Interruptions” address planned and unplanned

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				
A20/2019 (continued)					<p>interruptions of sewerage service supply or other incidents that may significantly affect the provision of sewerage services to customers.</p> <ul style="list-style-type: none">○ The CKB’s Sewerage Services Charter, as available on the CKB website does, in section 3.3 entitled: “Service Interruptions” address planned and unplanned interruptions of sewerage service supply or other incidents that may significantly affect the provision of sewerage services to customers; and○ Clauses 49(1)((e) to (k) of the 2018 Code of Conduct specifically address the non-potable water supply services the CKB is licenced to provide. The CKB’s Sewerage Services Charter, as available on the CKB website does not specifically address non-potable water supply services. Paxon could not find any other specific references on the CKB’s website which address bills for non-potable water supply services. <p>• Recommendation:</p> <p>The CKB must ensure the information specified in clause 49(1) of the 2018 Code of Conduct is:</p> <ul style="list-style-type: none">• Available on its website; and• Disclosed, as far as applicable, in its Sewerage Services Charter. <p>The website should disclose the stipulated information, as appropriate, for both the non-potable water supply services</p>

Previous Audit: Inadequate Controls, Non-Compliances and Recommendations					
B. Unresolved at End of Current Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Controls and Compliance Rating				
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliance				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
A20/2019 (continued)					and sewerage services the CKB is licenced to provide.

Table 6: Previous Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
2011 Operational Audit					
2011-2012	<ul style="list-style-type: none">• Ratings: CR: 4;• Obligations: clause 5.1; and• Details:<ul style="list-style-type: none">○ The City has identified legislation and regulations applicable to the operation of their organisation and provision of the services and these are listed in Section 5 - Regulatory Requirements of the Asset Management Plan; and○ In addition, Federal, State and Local acts, laws and policies related to the City's sustainability and waste services are listed (and hyperlinked) in Section 7 of its Standard Operating Procedures (SOP) Manual, August 2012.			<p>2017 Operational Audit:</p> <p>Although relevant legislation is listed in the AMP and in the SOP Manual, a reference in these sections to the officer/department responsible for monitoring applicable legislation and the workflow process/procedure for identifying / implementing / seeking exemption is recommended.</p> <p>2019 Operational Audit:</p> <ul style="list-style-type: none">• The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work; and• The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.	<ul style="list-style-type: none">• FAR: yes; and• Details: See recommendations R1/2021 to R4/2021 as included in Table 17 entitled: “Current Review: Asset Management System Deficiencies and Recommendations (Part B)” in section 5.4 of this Report.

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
2015 Operational Audit					
A2/2015	<ul style="list-style-type: none">• Number: 4;• Ratings: controls – D and compliance – NR;• Obligations: Act, section 22 and WL4 version 5, clause 28.1;• Number: 7;• Ratings: controls – D and compliance – NR;• Obligations: Act, section 24(1)(b) and WL4 version 5, clause 20.2; and• Details: and• Details:<ul style="list-style-type: none">○ Paxon has noted the CKB’s Reporting Matrix does not provide for compliance with this stipulation (provision of water services outside of the operating area of the license) and only lists some compliance obligations and the calendar month it is to be performed; and○ Paxon has noted the CKB Reporting Matrix does not list any reporting			2017 Operational Audit: <ul style="list-style-type: none">• The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL);• The CKB should maintain a list of reportable events and incidents of a non-repetitive nature ("once-off" or "specific event" reporting obligations). This list should be added as an attachment to the Reporting Matrix; and• The Reporting Matrix should also be changed to include the following information:<ul style="list-style-type: none">○ Operating Licence reference;○ Compliance requirement;○ Frequency of action specified;○ (Next) due date;○ Responsible officer; and○ Notes.• A specific person should be allocated responsibility for:	2017 Operational Audit: <ul style="list-style-type: none">• FAR: yes;• Details:<ul style="list-style-type: none">○ Paxon examined a “<i>Responsibility Matrix</i>” which records the following information:<ul style="list-style-type: none">• Source of the obligation (for example: Water Services Act 2012 (Act), section number, WL4 clause number etc.);• Action required;• Output;• Frequency;• Date; and• Responsible persons (primary and secondary).○ The “<i>Responsibility Matrix</i>” focuses primarily on obligations in terms of the Act, with limited references to obligations in terms of WL4. No references could be found for obligations in terms of:<ul style="list-style-type: none">• Water Services Regulations 2013 (2013 Regulations); and• Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Code of Conduct).• Recommendations:<ul style="list-style-type: none">○ The CKB should expand its “<i>Responsibility Matrix</i>” to include its obligations in terms of the:

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
A2/2015 (continued)	obligation in respect of changes to CKB's asset management system. Further references: <ul style="list-style-type: none">• Number: 156;• Ratings: controls – D and compliance – 2; and• Obligations: Act, section 12 and WL4 version 5, clause 5.1.• Numbers: 163, 171 and 182;• Ratings: controls – D and compliance – NR; and• Obligations: Act, section 12 and WL4 version 5, clauses 15.1(a), (b) and (c), 20.2 and 28.1(b).			<ul style="list-style-type: none">○ Ensuring compliance with the dates disclosed in the Reporting Matrix; and○ Continually updating the Reporting Matrix. 2019 Operational Audit: <ul style="list-style-type: none">• The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work. CKB should ensure that the requirements to notify the ERA under Obligations 4, 7 and 171 are included in this update; and• The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.	<ul style="list-style-type: none">• 2013 Regulations;• 2018 Code of Conduct; and• WL4.○ The <i>Responsibility Matrix</i>” should also identify, per individual compliance obligation, appropriate policy and procedure document; and○ The ERA’s document entitled: “<i>Water Compliance Reporting Manual - Water Services Act 2012 – May 2020</i>” may help the CKB to expand its “<i>Responsibility Matrix</i>”. 2019 Operational Audit: See recommendations R1/2021 to R4/2021 as included in Table 17 entitled: “ <i>Current Review: Asset Management System Deficiencies and Recommendations (Part B)</i> ” in section 5.4 of this Report.

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
A3/2015	<ul style="list-style-type: none">• Number: 6;• Ratings: controls – C and compliance – 2;• Obligations: Act, sections 24(1)(a) and 24(2) and WL4 version 5, clause 20.1; and• Details: CKB has stated that it does not have any specific asset management documentation for the non-potable water supply services it provides, nor a standard operating procedures manual. <p>Further references:</p> <ul style="list-style-type: none">• Numbers: 96 and 97;• Ratings: controls – D and compliance – 1; and• Obligations: 2013 Code of Conduct, clauses 10(3) and 10(4) and WL4 version 5, clause 5.3.• Numbers: 98, 103, 104 and 105;• Ratings: controls – D and compliance – NR; and			<p>2017 Operational Audit:</p> <ul style="list-style-type: none">• An appropriate asset management system should be documented for the non-potable water supply services being provided by CKB. Alternatively, the current asset management system for the sewerage services should be appropriately updated to include those services; and• An operating procedures manual for the non-potable water supply services that CKB provides should be documented. Alternatively, the current SOP Manual for the sewerage services should be appropriately updated to include those services. <p>2019 Operational Audit:</p> <p>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</p>	<p>2017 and 2019 Operational Audit:</p> <ul style="list-style-type: none">• FAR: yes; and• Details: See recommendations R1/2021 to R4/2021, R5/2021, R7/2021 to R9/2021 as included in Table 17 entitled: “Current Review: Asset Management System Deficiencies and Recommendations (Part B)” in section 5.4 of this Report.

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
A3/2015 (continued)	<ul style="list-style-type: none">• Obligations: 2013 Code of Conduct, clauses 10(5), 13(1), (13(2) and 14(1) and WL4 version 5, clause 5.3.• Number: 106;• Ratings: controls – B and compliance – 2; and• Obligations: 2013 Code of Conduct, clause 15 and WL4 version 5, clause 5.3.• Numbers: 175, 177, 178, 179 and 180;• Ratings: controls – D and compliance – NR; and• Obligations: Act, section 12 and WL4 version 5, clauses 23.1, 23.3, 23.6, 24.1-2 and 24.4.• Number: 176;• Ratings: controls – D and compliance – 1; and• Obligations: Act, section 12 and WL4 version 5, clause 23.2.				

Operational Audits Prior to 2019: Inadequate Controls, Non-compliances and Recommendations					
B. Unresolved at End of Previous Audit Period					
Recommendation Reference (no./year)	Licence Number	Obligation	Reference	Auditor’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Control and Compliance Rating				Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Legislative Obligation				
	Details of Inadequate Controls and/or Non-Compliances				
2017 Operational Audit					
A7/2017	<ul style="list-style-type: none">• Ratings: controls – D and compliance – 2;• Obligations: Act, section 12 and WL4 version 6, clause 3.1.1; and• Details:<ul style="list-style-type: none">○ Paxon has noted, regarding some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for:<ul style="list-style-type: none">• "Monitoring changes in the legislation"; and• "Implementing relevant changes in the legislation".○ Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation or monitoring such compliance.			<p>2017 Operational Audit:</p> <p>It is recommended both the Asset Management Plan and the SOP Manual explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for:</p> <ul style="list-style-type: none">• Actual compliance; and• Monitoring compliance therewith. <p>2019 Operational Audit:</p> <ul style="list-style-type: none">• The CKB AMP and SOP documents have not yet been updated to include all of the legislation relevant to the CKB and the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.• The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.	<p>2017 and 2019 Operational Audit:</p> <ul style="list-style-type: none">• FAR: yes; and• Details: See recommendations R1/2021 to R4/2021, R5/2021, R7/2021 to R9/2021 as included in Table 17 entitled: “<i>Current Review: Asset Management System Deficiencies and Recommendations (Part B)</i>” in section 5.4 of this Report.

Table 6: Operational Audits Prior to 2019: Inadequate Controls, Non-Compliances and Recommendations (Part C)

3.2 Previous Review: Deficiencies and Recommendations

Previous Review: Deficiencies and Recommendations				
A. Resolved During Current Review Period				
Recommendation Reference (no./year)	Rating			
	Asset Management Process and Effectiveness Criterion			
	Details of Deficiency			
		Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
R1/2019		We recommend CKB considers these items in the final AMP that is due to be completed by 30 June 2019.		<ul style="list-style-type: none"> • FAR: no; and • Details: not applicable.
R2/2019		We recommend CKB considers these for the final AMP that is due to be completed by 30 June 2019.		<ul style="list-style-type: none"> • FAR: no; and • Details: not applicable.
R4/2019		We recommend CKB provides additional clarification for the projected operations and maintenance expenditure in the AMP as no details as to inclusions/exclusions (e.g., non-infrastructure) have been provided.		<ul style="list-style-type: none"> • FAR: no; and • Details: not applicable.

Previous Review: Deficiencies and Recommendations				
A. Resolved During Current Review Period				
Recommendation Reference (no./year)	Rating	Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management Process and Effectiveness Criterion			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Details of Deficiency			
R4/2019 (continued)	AMP shows expenditure as being relative stable across the period. However, no detail as to inclusions in the expenditure has been listed. The capital works CKB is currently planning would expect to have an impact on the forecast operations and maintenance budget estimates.			
R5/2019	<ul style="list-style-type: none"> • Rating: C 2; • Component: Asset Planning - Asset management plan covers key requirements; and • Details: We note the graph of expenditure in the AMP does not appear to align with CKB's capital works program out to 2023/24 that has been endorsed by Council. 	We recommend CKB addresses these issues in the preparation of the final AMP due for completion by 30 June 2019.		<ul style="list-style-type: none"> • FAR: no (graph of expenditure in the AMP has been deleted); and • Details: not applicable.
R7/2019	<ul style="list-style-type: none"> • Rating: B 2; • Component: Asset Operations - Assets are documented in an Asset Register, including asset assessment of assets' physical, structural condition and accounting data; and • Details: 	We recommend CKB develops a Roadmap/Action Plan to assist it in making a decision on its AMS. This document should set out the requirements CKB requires for its AMS, with timelines to complete an assessment of the current system, research for potential options and costs and to undertake implementation. The options analysis should also include		<ul style="list-style-type: none"> • FAR: no (RAMM has been adopted and Excel data is being transferred as required); and • Details: not applicable.

Previous Review: Deficiencies and Recommendations					
A. Resolved During Current Review Period					
Recommendation Reference (no./year)	Rating		Reviewer's Recommendation	Date Resolved	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management Effectiveness	Process and Criterion			Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Details of Deficiency				
R7/2019 (continued)	Although CKB was using RAMM as its operational asset register, it was decided to not continue to use the system for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years.		maintaining the current Excel-based system.		
R9/2019	<ul style="list-style-type: none">• Rating: B 2;• Component: Risk Management - Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system; and• Details: CKB is still drafting the Risk Management section to be finalised by 30 June 2019. We note at present no risk evaluation is included in the AMP for the treated effluent distribution system.		We recommend CKB reviews and updates its risk assessment against the licence obligations and requirements to ensure all potential risk hazards and events have been considered and addressed.		<ul style="list-style-type: none">• FAR: no (risk assessment table has been completed); and• Details: not applicable.
R10/2019	<ul style="list-style-type: none">• Rating: B 2;• Component: Financial Planning - The financial plan provides projections of operating statements (profit and loss) and statement of financial position		We recommend CKB addresses these omissions when completing the AMP. The document is due to be completed by 30 June 2019.		<ul style="list-style-type: none">• FAR: no (a detailed long-term financial plan is now included in the AMP); and• Details: not applicable.

Previous Review: Deficiencies and Recommendations				
A. Resolved During Current Review Period				
Recommendation Reference (no./year)	Rating			
	Reviewer's Recommendation			
	Date Resolved			
Further Action Required (FAR) (Yes/No/Not Applicable)	Asset Management Process and Effectiveness Criterion			
	Details of Deficiency			
	Details of Further Action Required (Including Current Recommendation Reference, if Applicable)			
R10/2019 (continued)	<p>(balance sheets). The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period; and</p> <ul style="list-style-type: none"> Details: <p>The financial plan included in the AMP does not provide projections of operating statements (profit and loss) and statement of financial position (balance sheets). Additionally, the financial plan does not provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period.</p>			

Table 7: Previous Review: Deficiencies and Recommendations (Part A)

Previous Review: Deficiencies and Recommendations			
B. Unresolved at End of Current Review Period			
Recommendation Reference (no./year)	Rating	Reviewer's Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable) Details of Further Action Required (Including Current Recommendation Reference, if Applicable)
	Asset Management Process and Effectiveness Criterion Details of Deficiency		
R3/2019	<ul style="list-style-type: none"> • Rating: C 2; • Component: Asset Planning - Asset management plan covers key requirements; and • Details: Critical assets listed in the AMP only include the wastewater assets and do not include any of the non-potable water assets. 	We recommend CKB reviews its non-potable water assets to consider the criticality of the assets and includes these items in the final AMP that is due to be completed by 30 June 2019.	<ul style="list-style-type: none"> • FAR: yes; and • Details: Critical assets of the re-cycled water system should be indicated as for the colour coded system adopted for the sewer reticulation system. Carried forward as part of Recommendation R4/2021 of this Review.
R6/2019	<ul style="list-style-type: none"> • Rating: B 1; • Component: Asset Creation and Acquisition - Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood; and • Details: We note the Water Services Code of Conduct (Customer Service Standards) 2018 is not referenced in the legislation included in the AMP. Although the Code of Conduct is specifically included in the list of "State and Federal Government Acts & Regulations" contained in the Waste and Compliance Services SOP Manual, the reference is for the 2013 version of the Code. 	We recommend CKB adds the Code of Conduct to the list of legislation in the AMP and updates the reference in the SOP Manual to the most recent 2018 version.	<ul style="list-style-type: none"> • FAR: not applicable; and • Details: As the issue was rated B1 in the previous review, it is no longer subject to a recommendation and is therefore not carried forward as a recommendation in this current review.

Previous Review: Deficiencies and Recommendations				
B. Unresolved at End of Current Review Period				
Recommendation Reference (no./year)	Rating		Reviewer’s Recommendation	Further Action Required (FAR) (Yes/No/Not Applicable)
	Asset Management Process and Effectiveness Criterion			Details of Further Action Required
	Details of Deficiency			(Including Current Recommendation Reference, if Applicable)
R8/2019	<ul style="list-style-type: none">Rating: B 2;Component: Asset Maintenance - Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule; andDetails: We note that although the Treated Wastewater for Reuse SOP references “contingency measures”, no details are provided as to what measures are available or need to be taken.		We recommend additional details be included in the SOP to address these issues.	<ul style="list-style-type: none">FAR: not applicable; andDetails: As the issue was rated B2 in the previous review, it is no longer subject to a recommendation and is therefore not carried forward as a recommendation in this current review.

Table 7: Previous Review: Deficiencies and Recommendations (Part B)

4 Operational Audit: Comprehensive Report

4.1 Audit: Controls and Compliance Rating Scales

The controls and compliance ratings allocated to each obligation are set out in Table 8 - taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019" (ERA's Guidelines, Table 6).

Controls and Compliance Rating Scales (Audits)					
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	
NP	Not performed – a controls rating was not required		NR	Not rated - no activity took place during the Audit Period	
NA	Obligation identified as not applicable during the Audit Period		NA	Obligation identified as not applicable during the Audit Period	

Table 8: Audit: Controls and Compliance Rating Scales

The Controls and Compliance Rating Scales (Audit), as contained in the ERA's Guidelines: Table 6 were amended to include the following ratings:

- Controls rating: "NA"; and
- Compliance rating: "NA".

4.2 Audit: Obligation Ratings Summary

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Act 2012	Water Services Licence – Version 7			A	B	C	D	NP	NA	1	2	3	4	NR	NA
2	21(1)(b)	4.3.1(b)	Duty to provide services and do works	4	✓										✓	
3	21(1)(c)	4.1.1		2	✓						✓					
4	22	4.4.1(a)	Provision of water services outside operating areas	3	✓										✓	
5	23	4.5.1	Works holding arrangements	4	✓						✓					
6	24(1)(a) & 24(2)	5.1.1	Asset management system 3	3	✓						✓					
7	24(1)(b)	5.1.2 & 5.1.3		3	✓										✓	
8	24(1)(c)	5.1.4		4	✓						✓					
9	25	5.3.1	Operational audit	4	✓						✓					
10	26(3)	4.1.1	Compliance with codes of practice made by Minister	4	✓										✓	
13	36	4.1.1	Duty to perform functions of supplier of last resort	4	✓										✓	
14	60	6.3.1	Perform functions of supplier of last resort	4	✓										✓	
15	70(2)	6.2.1	Membership of approved scheme	4	✓						✓					
16	77(3)	4.1.1	Interruption of water services generally	4	✓						✓					

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
17	82(4) & (5)	4.1.1	Notification of and requirements as to building work	4	✓						✓					
18	84(2)	4.1.1	Ensuring water service works are done	4	✓										✓	
19	87(2)	4.1.1	Review of decisions under or relating to this Division	4	✓										✓	
20	90(7)	4.1.1	Construction etc over or in vicinity of water service works of licensee	5	✓										✓	
21	95(3)	4.1.1	Disconnection or reduction in rate of flow etc	2					✓						✓	
22	96(1)	4.1.1	Fire hydrants	4					✓						✓	
23	96(5)	4.1.1		5					✓						✓	
24	98(3)	4.1.1	Minister may require connection to sewerage works	4	✓										✓	
25	106(2)	4.1.1	Compliance notices	4	✓						✓					
28	119(2)	4.1.1	Compliance notice	4	✓										✓	
29	122(2)	4.1.1	Review of decisions relating to giving compliance notices	4	✓										✓	
30	125(2)	4.1.1	Supplying groups of dwellings	4	✓						✓					
31	128(4)	4.1.1	Prohibition on dealings in land	4	✓										✓	
32	129(5)	4.1.1	Reading meters etc and routine inspection and maintenance	4	✓						✓					

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
33	139(3)	4.1.1	Ancillary works power	5	✓										✓	
34	141(1)	4.1.1	Special provisions applicable to road works	4	✓						✓					
35	142	4.1.1	Prerequisites to provision of major works	4	✓										✓	
36	143(2)	4.1.1	Licensee to prepare plans and publish and give notice of major works	4	✓										✓	
37	143(3)	4.1.1		4	✓										✓	
38	144(3)	4.1.1	Objections and submissions	4	✓										✓	
39	145(2)	4.1.1	Licensee may amend proposal	4	✓										✓	
40	147(3)	4.1.1	Powers of Minister in respect of proposal	4	✓										✓	
41	147(4)	4.1.1		4	✓										✓	
42	151(1)	4.1.1	Licensee to prepare plans and give notice of general works	4	✓										✓	
43	151(2)	4.1.1		4	✓										✓	
44	152(3)	4.1.1	Objections and submissions	4	✓										✓	
45	153(3)	4.1.1	Licensee may amend proposal	4	✓										✓	
46	166(5)	4.1.1	Taking of interest in land for purposes of licensee	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
47	166(6)	4.1.1	Taking of interest in land for purposes of licensee	4	✓										✓	
48	170	4.1.1	Sale of land	4	✓										✓	
49	173(4)	4.1.1	Entry with consent or under notice or warrant	4	✓										✓	
50	174(1)	4.1.1	Notice of entry	4	✓							✓				
51	174(3)	4.1.1		4	✓							✓				
52	175(2)	4.1.1	Rights of occupier of dwelling	4	✓										✓	
53	175(5)	4.1.1		4	✓										✓	
54	176(1)	4.1.1	When authorised person must leave etc.	4	✓										✓	
55	176(3)	4.1.1		4	✓								✓			
56	176(4)	4.1.1		4	✓										✓	
57	181	4.1.1	Actions of authorised persons and others	5	✓						✓					
58	186	4.1.1	Contents of application	4	✓										✓	
59	187(1) – (3)	4.1.1	How application to be made	4	✓										✓	
60	190(4)	4.1.1	Execution of warrant	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
61	190(5)	4.1.1	Execution of warrant	4	✓											✓
62	210(5)	4.1.1	Designation of inspectors and compliance officers	4	✓											✓
63	218(2)	4.1.1	Liability of certain persons for damage caused in exercise of powers	5	✓						✓					
64	218(3)	4.1.1		4	✓						✓					

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 - May 2020" (numbers 2 to 64)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: “Obligation Under” for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Regulations 2013	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Regulation Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
65	23(2)	4.1.1	Meters in multi-unit developments	4				✓							✓	
66	24(4)	4.1.1	Access to meters and their associated fittings	4				✓							✓	
67	26(3)	4.1.1	Testing water meters	4				✓							✓	
68	26(5)	4.1.1		4				✓							✓	
69	29(1)	4.1.1	Subdivision: deferring infrastructure contributions	4				✓							✓	
70	42(2)	4.1.1	Backflow prevention devices: installation	4				✓							✓	
71	43(3)	4.1.1	Backflow prevention devices: testing and maintenance	4				✓							✓	
72	43(6)	4.1.1		4				✓							✓	
74	60(2)	4.1.1	Altering position of service infrastructure in roads	4				✓			✓					
75	63	4.1.1	Roads broken up to be reinstated	4				✓							✓	
89	85	4.1.1	Compliance notices	4				✓			✓					

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 - May 2020" (numbers 65 to 89)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
92	8(1) – (3)	4.1.1	Information about connections	2				✓			✓					
94	10(2)	4.1.1	Bills other than for quantities supplied or discharged	4				✓			✓					
95	11(2)	4.1.1	Bills for quantities supplied or discharged	4				✓							✓	
96	11(3)	4.1.1		4				✓							✓	
97	11(4)	4.1.1		4				✓							✓	
98	11(5)	4.1.1		4				✓							✓	
98A	11(6)	4.1.1		4				✓							✓	
99	12	4.1.1	Sending bills	4	✓						✓					
100	13(1)	4.1.1	Information on bills	2	✓						✓					
100A	13(3)	4.1.1		4					✓						✓	
101	13(4)	4.1.1		4				✓							✓	
101A	13(5)	4.1.1		4				✓							✓	
102A	13(6)	4.1.1	Information on bills	1		✓						✓				

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
103	14(1)	4.1.1	Estimates: Licensee's obligations	4				✓							✓	
104	14(2)	4.1.1		4				✓							✓	
104A	15(3)	4.1.1	Information on bills if charge per kL varies depending on volume supplied	4				✓							✓	
105	16(1)	4.1.1	Requested meter readings, revised bills: licensee's obligations	4				✓							✓	
106	17(2) & (3)	4.1.1	Leaks	3				✓							✓	
107	18(2)	4.1.1	Undercharging in bills	4		✓									✓	
108	18(3)	4.1.1		4		✓									✓	
109	18(4)	4.1.1		4		✓									✓	
110	18(5)	4.1.1		4		✓									✓	
111A	19(2)	4.1.1	Overcharging in bills	4			✓								✓	
112A	19(3)	4.1.1		4	✓										✓	
112B	19(4)	4.1.1		4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
112C	19(5)	4.1.1	Overcharging in bills	4			✓								✓	
113	20(1)	4.1.1	Review of bills	4		✓									✓	
114	20(2)	4.1.1		3		✓						✓				
115	20(3) & (6)	4.1.1		3		✓						✓				
116	20(4)	4.1.1		3		✓						✓				
117	20(5)	4.1.1		4				✓							✓	
117A	21	4.1.1	Notice of alterations to charges	4				✓			✓					
118	23	4.1.1	When payment due	4				✓			✓					
119	24(1)	4.1.1	Payment methods	2	✓						✓					
120	24(2)	4.1.1		4	✓						✓					
121	25(1)	4.1.1	Consent for direct debits	4	✓						✓					
122	26(1)	4.1.1	Payment in advance	4				✓			✓					
123	27	4.1.1	Free redirection in case of absence or illness	4				✓							✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
124A	28(2)	4.1.1	Assistance for customers experiencing payment difficulties	4	✓						✓					
124B	28(3)	4.1.1		4	✓						✓					
124C	28(4)	4.1.1		4	✓						✓					
125	29(1) & (2)	4.1.1 & Sch. 3, Cl. 1.1.1	Financial hardship policy	4	✓						✓					
126A	29(3)	4.1.1		4	✓						✓					
126B	29(4)	4.1.1		4				✓			✓					
127	29(5)	4.1.1		4						✓						✓
128	29(6)	4.1.1		4				✓			✓					
129A	29(7)	4.1.1		4	✓						✓					
129B	29(8)	4.1.1		4				✓			✓					
129C	29(9)	4.1.1		4				✓			✓					
130A	30(2)	4.1.1	Assistance for customers experiencing financial hardship	4	✓										✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
130B	30(3)	4.1.1	Assistance for customers experiencing financial hardship	4	✓										✓	
131A	30(4)(a)	4.1.1		4	✓										✓	
131B	30(4)(b)	4.1.1		4	✓										✓	
131C	30(4)(c)	4.1.1		3	✓										✓	
133	31(4) & (5)	4.1.1	Matters relating to customers experiencing payment difficulties or financial hardship	4	✓						✓					
133A	32	4.1.1	No interest or charges for late payment in certain cases	4				✓							✓	
134	33(1)(a)-(c)	4.1.1	No debt collection in certain cases	4	✓						✓					
134A	33(1)(d)-(e)	4.1.1		4				✓							✓	
144A	43(1)	4.1.1	Notice of matters that will affect a water supply service	4		✓									✓	
144B	43(2)	4.1.1		4		✓									✓	
144C	44(1)	4.1.1	Bursts, leaks, blockages and spills	4		✓					✓					
144D	44(2)	4.1.1		2	✓						✓					

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
144E	45	4.1.1	Licensee to have 24-hour information line	4	✓						✓					
145	46(1)	4.1.1		4	✓						✓					
146	46(2)	4.1.1		2				✓				✓				
147	46(3)	4.1.1	Procedure for dealing with complaints about water services	4	✓						✓					
148A	46(4)	4.1.1		4	✓						✓					
149	46(5)	4.1.1		4	✓						✓					
149A	47	4.1.1	Licensee to advise customer of right to apply to Water Services Ombudsman for review of complaint	3	✓										✓	
150	48(1)	4.1.1	Services to be provided without charge	4	✓						✓					
152	48(2)	4.1.1		4				✓				✓				
153	49(1)	4.1.1		1				✓			✓					
154	49(2)	4.1.1	Information to be publicly available - bills	4				✓			✓					

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating (Refer to the 6-point rating scale in Table 8 for details)						Compliance Rating (Refer to the 6-point rating scale in Table 8 for details)					
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7														
	Clause Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
154A	49(3)	4.1.1		2				✓			✓					

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 - May 2020" (numbers 92 to 154A)]

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
155	12	4.2.1	Fees	4	✓						✓					
159	12	4.1.2	Compliance with applicable legislation and licence conditions	4				✓							✓	
160	12	4.6.1	Accounting records	4				✓			✓					
161	12	5.2.1	Individual performance standards	4	✓										✓	
162	12	5.3.4	Operational audit	4				✓			✓					
163	12	4.7.1(a), (b), (c)	Reporting a change in circumstances	4	✓										✓	
165	12	4.8.1	Provision of information	2				✓				✓				
166*	12	3.8.2		1	✓						✓					
167	12	4.8.2		2	✓							✓				
168	12	3.8.1 and 3.8.2	Publishing information	4				✓							✓	
169	12	3.7.1	Notices	4				✓			✓					
170A	12	5.1.2	Asset management system	4						✓						✓
171	12	5.1.3		3	✓										✓	
172	12	5.1.7		4				✓			✓					
172A	12	6.1.1	Standard terms and conditions of service	4				✓							✓	
172B	12	6.1.2		4				✓							✓	

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
173*	12	5.5.1	Water services ombudsman scheme	4	✓						✓					
175*	12	5.1.1	Customer contract	4				✓							✓	
176*	12	5.1.2		4				✓							✓	
177*	12	5.1.3		4				✓							✓	
178*	12	5.1.5		4				✓							✓	
179*	12	5.3.1 & 5.3.2	Non-standard terms and conditions of service	4				✓							✓	
180*	12	5.3.4		4				✓							✓	
181	12	6.3.1	Supplier of last resort	4	✓										✓	
182	12	4.4.1(b)	Provision of water services outside operating area	4	✓										✓	
183*	12	5.4.3	Hardship policy	4				✓							✓	
184A	12	7.1.2	Memorandum of understanding	4						✓						✓
184B	12	7.1.3		4						✓						✓
185	12	7.1.4		4						✓						✓
186	12	7.1.5		4						✓						✓

No.	Obligation Under:		Abbreviated Description of Obligation (See the Sources Quoted Below the Heading: "Obligation Under" for the Exact Wording of the Obligation)	Audit Priority Rating: (1 = High to 5 = Low)	Controls Rating						Compliance Rating					
	Water Services Act 2012	Water Services Licence – Version 7			(Refer to the 6-point rating scale in Table 8 for details)						(Refer to the 6-point rating scale in Table 8 for details)					
	Section Number	Clause Number			A	B	C	D	NP	NA	1	2	3	4	NR	NA
187	12	7.1.6		4						✓						✓
188	12	7.1.7		4						✓						✓
190	12	Schedule 2	Performance standards	4	✓										✓	

Table 9: Audit: Obligation Ratings Summary

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 - May 2020" (numbers 155 to 190, except as indicated below)]

[*Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2018" (numbers 166, 173, 175-180 and 183)]

4.3 Audit Observations and Recommendations

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
2	21(1)(b)	4.3.1(b)	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.	4	Controls: <ul style="list-style-type: none"> Paxon examined a “<i>Responsibility Matrix</i>” which records the following information: <ul style="list-style-type: none"> Source of the obligation (for example: Water Services Act 2012 (Act), section number, WL4 clause number etc.); Action required; Output; Frequency; Date; and Responsible persons (primary and secondary). The “<i>Responsibility Matrix</i>” focuses primarily on obligations in terms of the Act, with limited references to obligations in terms of WL4; and The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 21(1)(b) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB was not requested to provide water services authorised by WL4 to any other person (not covered by section 21(1)(a) of the Act) 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
2 (cont.)					<p>within the operating area of the licence; and</p> <ul style="list-style-type: none"> Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 21(1)(b) of the Act. 		
3	21(1)(c)	4.1.1	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).	2	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 21(1)(c) of the Act.</p> <p>Compliance:</p> <ul style="list-style-type: none"> The provision, operation and maintenance of the water service works during the Audit Period were rated across 12 asset management system processes. Comprehensive detail of the Reviewer’s assessment is included in section 5 of this Report. The Reviewer has stated: <p>“ <i>This review concludes the CKB operates its sewerage and non-potable water supply system services in an efficient professional manner.</i> ”</p> <ul style="list-style-type: none"> A summary of the Reviewer’s findings is included in Table 2 above entitled: “<i>Summary of Review Ratings</i>”. 	A	1
4	22	4.4.1(a)	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.	3	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 22 of the Act.</p>	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
4 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not provide water services outside of the operating area of WL4; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 22 of the Act. 		
5	23	4.5.1	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.	4	Controls: The "Responsibility Matrix" acknowledges the obligation recorded in section 23 of the Act. Compliance: Paxon confirmed by interview of the CKB's Water Services Project Manager that, during the Audit Period, the CKB owned all water service works it used in the provision of water services.	A	1
6	24(1)(a) & 24(2)	5.1.1	The licensee must provide for an asset management system in respect of the licensee's water service works.	3	Controls The "Responsibility Matrix" acknowledges the obligations recorded in sections 24(1)(a) and 24(2) of the Act. Compliance: See the compliance observations for obligation number 3 above.	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
7	24(1)(b)	5.1.2 and 5.1.3	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).	3	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 24(1)(b) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB made no changes to the asset management system; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 24(1)(b) of the Act. 	A	NR
8	24(1)(c)	5.1.4	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 24(1)(c) of the Act. Compliance: <ul style="list-style-type: none"> Cardno performed a review of the CKB’s asset management system in 2019 which covered the period from 1/01/2017 to 31/12/2018; This Review which was conducted in March 2021 covered the period from 01/01/2019 to 31/12/2020; and Consequently, the CKB complied with section 24(1)(c) of the Act during the Audit Period. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
9	25	5.3.1	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 25 of the Act. Compliance: <ul style="list-style-type: none"> • Cardno performed an Audit in 2019 which covered the period from 1/01/2017 to 31/12/2018; • This Audit which was conducted in March 2021 covered the period from 01/01/2019 to 31/12/2020; and • Consequently, the CKB complied with section 25 of the Act during the Audit Period. 	A	1
10	26(3)	4.1.1	The licensee must comply with each code of practice made by the Minister to the extent to which it applies to the licensee.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 26(3) of the Act. Compliance: <ul style="list-style-type: none"> • The Minister has not made a code of practice; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 26(3) of the Act. 	A	NR
13	36	4.1.1	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 36 of the Act.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
13 (cont.)			not remove any part of the works except with the approval of the Minister.		Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Project Manager that, during the Audit Period, the CKB did not cease to provide a water service in an area; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 36 of the Act. 		
14	60	6.3.1	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 comply with the relevant duties and carry out the relevant operations prescribed.	4	Controls: The "Responsibility Matrix" acknowledges the obligation recorded in section 60 of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB was not a supplier of last resort for a designated area; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 60 of the Act. 	A	NR
15	70(2)	6.2.1	The licensee must not supply water services to customers unless the licensee: <ul style="list-style-type: none"> is a member of the water services ombudsman scheme; and is bound by the scheme; and 	4	Controls: The "Responsibility Matrix" acknowledges the obligation recorded in section 70(2) of the Act. Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
15 (cont.)			<ul style="list-style-type: none"> will comply with any decision or direction of the water services ombudsman under the scheme. 		<p>Engineer that, during the Audit Period, the CKB:</p> <ul style="list-style-type: none"> Was a member of the water services ombudsman scheme; Was bound by the scheme; and As far as he is aware, the water services ombudsman did not inform the CKB of any decision or direction which required compliance. <ul style="list-style-type: none"> Paxon examined a sample of tax invoice issued by the Energy and Water Ombudsman (WA) Ltd regarding the annual levy payable by the CKB for the 2019/2020 and 2020/2021 years. 		
16	77(3)	4.1.1	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	4	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 77(3) of the Act.</p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB took reasonable steps to minimise the extent or duration of any interruption of water services it was responsible for; and Paxon examined a register which records details of water services interruptions which occurred since 07/2020. Based on the register entries, the 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
16 (cont.)					CKB took reasonable steps to minimise the extent or duration of water services interruptions.		
17	82(4) and (5)	4.1.1	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligations recorded in sections 82(4) and (5) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> Received notification of building works to be carried out on land in the operating area of WL4; Provided written directions about the proposed building work CKB considered necessary to ensure the safety and efficacy of the provision of water services; and Returned documentation received and the written directions to the person within 7 days of receiving the fee for dealing with the notification. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
18	84(2)	4.1.1	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.	4	Controls: The <i>"Responsibility Matrix"</i> acknowledges the obligation recorded in section 84(2) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Project Manager that, during the Audit Period, the CKB did not give a notice under section 83(3)(a) of the Act; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 84(2) of the Act. 	A	NR
19	87(2)	4.1.1	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.	4	Controls: The <i>"Responsibility Matrix"</i> acknowledges the obligation recorded in section 87(2) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that she is not aware of any application made with the State Administrative Tribunal, during the Audit Period, for a review of a decision in respect of the CKB providing additional water services; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 87(2) of the Act. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
	Section Number	Clause Number					
20	90(7)	4.1.1	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.	5	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 90(7) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that she is not aware of any compliance notices given, during the Audit Period, to a person who was undertaking construction or carrying out similar works in the vicinity of water service works; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 90(7) of the Act. 	A	NR
21	95(3)	4.1.1	The licensee cannot cut off the supply of water to an occupied dwelling unless the occupier agrees to that.	2	Controls and Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not supply non - potable water services to occupied dwellings; Thus, no controls were necessary during the Audit Period, to ensure compliance with this not applicable obligation; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 95(3) of the Act. 	NP	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
22	96(1)	4.1.1	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.	4	Controls and Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not provide water supply reticulation works, or entered into an agreement for the provision of water supply reticulation works; Thus, no controls were necessary during the Audit Period to ensure compliance with this not applicable obligation; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 96(1) of the Act. 	NP	NR
23	96(5)	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.	5	Controls: See the controls observations for obligation number 22 above. Compliance: See the compliance observations for obligation number 22 above.	NP	NR
24	98(3)	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	Controls: The "Responsibility Matrix" acknowledges the obligation recorded in section 98(3) of the Act.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
24 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Project Manager that, during the Audit Period, the Minister did not require the CKB to connect a wastewater inlet on land to its sewerage works; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 98(3) of the Act. 		
25	106(2)	4.1.1	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 106(2) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB issued a compliance notice in relation to failure to maintain fittings, fixtures and pipes; and Paxon examined the compliance notice and found it recorded: <ul style="list-style-type: none"> A fixture was filled with silt and discharging silt directly into the sewerage works and the fixture coverings were inaccessible and did not allow appropriate servicing and inspections to be completed; 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
25 (cont.)					<ul style="list-style-type: none"> ○ In Schedule 2 to the notice - what the person given the notice had to do to comply with the notice; and ○ Stated compliance with the notice was required within 30 days from serving the notice. 		
28	119(2)	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).	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 119(2) of the Act. Compliance: <ul style="list-style-type: none"> • Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not give a compliance notice in relation to the matters set out in section 119(1) of the Act; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 119(2) of the Act. 	A	NR
29	122(2)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 122(2) of the Act. Compliance: <ul style="list-style-type: none"> • Paxon confirmed by interview of the CKB’s Water Services Engineer that she is not aware of any application made, during the Audit Period, 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
29 (cont.)					with the State Administrative Tribunal under section 122(1) of the Act; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 122(2) of the Act.		
30	125(2)	4.1.1	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> .	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 125(2) of the Act. Compliance: Paxon was informed by the CKB’s Water Services Engineer that, during the Audit Period, the CKB apportioned fees, if appropriate, with reference to GRV values.	A	1
31	128(4)	4.1.1	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 128(4) of the Act. Compliance: • Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not lodge a withdrawal of memorial with the Registrar; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 128(4) of the Act.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
	Section Number	Clause Number					
32	129(5)	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 129(5) of the Act; The CKB’s “<i>Wastewater Collection & Treatment Service – Customer Service Charter – June 2020</i>” (Sewerage Services Charter) in section 3.3 entitled: “<i>Service Interruptions</i>” provides for giving notice of planned interruptions as follows: <ul style="list-style-type: none"> Domestic customers at least 48 hours prior notice; and Commercial and industrial customers at least 5 days prior notice or as agreed. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB gave 48 hours’ notice of proposed entry to the occupiers of places regarding routine inspections or maintenance likely to cause disruption; and Paxon examined a template (‘drop card’) used for informing residents regarding “<i>Planned Sewer Maintenance</i>” which provides for recording locations and dates. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
	Section Number	Clause Number					
33	139(3)	4.1.1	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.	5	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 139(3) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not remove or erect a fence or gate when exercising a works power conferred by the Act; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 139(3) of the Act. 	A	NR
34	141(1)	4.1.1	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 141(1) of the Act. Compliance: Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> Only exercised works powers within roads under its control and/or management; and Internal discussions were held regarding the planned exercise of works powers in roads. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
35	142	4.1.1	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligations recorded in sections 142, 143(2), 143(3), 144(3), 145(2), 147(3) and 147(4) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not propose to undertake major works; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 142, 143(2), 143(3), 144(3), 145(2), 147(3) and 147(4) of the Act. 	A	NR
36	143(2)	4.1.1	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.	4	Controls: See the controls observations for obligation number 35 above. Compliance: See the compliance observations for obligation number 35 above.	A	NR
37		4.1.1	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.	4	Controls: See the controls observations for obligation number 35 above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
37 (cont.)					Compliance: See the compliance observations for obligation number 35 above.		
38	144(3)	4.1.1	The licensee must have regard to an objection or submission lodged within the relevant period.	4	Controls: See the controls observations for obligation number 35 above. Compliance: See the compliance observations for obligation number 35 above.	A	NR
39	145(2)	4.1.1	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	4	Controls: See the controls observations for obligation number 35 above. Compliance: See the compliance observations for obligation number 35 above.	A	NR
40	147(3)	4.1.1	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).	4	Controls: See the controls observations for obligation number 35 above. Compliance: See the compliance observations for obligation number 35 above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
	Section Number	Clause Number					
41	147(4)	4.1.1	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.	4	Controls: See the controls observations for obligation number 35 above. Compliance: See the compliance observations for obligation number 35 above.	A	NR
42	151(1)	4.1.1	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligations recorded in sections 151(1), 151(2), 152(3) and 153(3) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not propose to provide water service works that were general works; Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with sections 151(1), 151(2), 152(3) and 153(3) of the Act. 	A	NR
43	151(2)	4.1.1	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.	4	Controls: See the controls observations for obligation number 42 above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
43 (cont.)					Compliance: See the compliance observations for obligation number 42 above.		
44	152(3)	4.1.1	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	4	Controls: See the controls observations for obligation number 42 above. Compliance: See the compliance observations for obligation number 42 above.	A	NR
45	153(3)	4.1.1	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.	4	Controls: See the controls observations for obligation number 42 above. Compliance: See the compliance observations for obligation number 42 above.	A	NR
46	166(5)	4.1.1	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.	4	Controls: The "Responsibility Matrix" acknowledges the obligations recorded in sections 166(5) and 166(6) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Project Manager that he is not aware of any ministerial advice received, during 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
46 (cont.)					the Audit Period, regarding acquisition of an interest in land; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with sections 166(5) and 166(6) of the Act.		
47	166(6)	4.1.1	Any costs incurred in taking an interest in land are to be paid by the licensee.	4	Controls: See the controls observations for obligation number 46 above. Compliance: See the compliance observations for obligation number 46 above.	A	NR
48	170	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	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 170 of the Act. Compliance: • Paxon confirmed by interview of the CKB’s Water Services Project Manager that he is not aware of any sale of an interest in land, during the Audit Period, which resulted in the purchaser holding 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> ; and	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
48 (cont.)					<ul style="list-style-type: none"> Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 170 of the Act. 		
49	173(4)	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.	4	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 173(4) of the Act.</p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> Only once entered a place for the purpose of doing works; Did consult verbally with the occupier prior to entry to agree on a suitable time so as not to cause disruption to the occupants of the place; and Did not adversely affect the place . Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 173(4) of the Act. 	A	NR
50	174(1)	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.	4	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in section 174(1) of the Act.</p>	A	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
50 (cont.)					Compliance: Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> • Only once entered a place for the purpose of doing works; and • But only consulted verbally with the occupier prior to entry to agree on a suitable time. Recommendation 1/2021: The CKB must comply with the stipulations of section 174(1) of the Act by providing written notice of a proposed entry which set out the purpose of the entry, including (if applicable) any work proposed to be carried out.		
51	174(3)	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.	4	Controls: The <i>"Responsibility Matrix"</i> acknowledges the obligation recorded in section 174(3) of the Act. Compliance: Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, in emergency instances, the CKB always requested verbal permission to enter a place.	A	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
51 (cont.)					Recommendation 2/2021: The CKB must comply with the stipulations of section 174(3) of the Act in instances when it may enter a place without having to give notice by: <ul style="list-style-type: none"> • Providing written notice of entry to the occupier; • When practicable, and when it will not compromise the reason for entry. 		
52	175(2)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligations recorded in sections 175(2) and 175(5) of the Act. Compliance: <ul style="list-style-type: none"> • Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not enter a dwelling; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with sections 175(2) and 175(5) of the Act. 	A	NR
53	175(5)	4.1.1	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.	4	Controls: See the controls observations for obligation number 52 above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
53 (cont.)					Compliance: See the compliance observations for obligation number 52 above.		
54	176(1)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 176(1) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, no owner or occupier refused or withdrawn their consent for a CKB representative to be present within a place; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 176(1) of the Act. 	A	NR
55	176(3)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 176(3) of the Act. Compliance: Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, CKB representatives were only issued with business cards.	A	3

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
55 (cont.)					Recommendation 3/2021: The CKB must issue its representatives with certificates of authority. These certificates should: <ul style="list-style-type: none"> Record the full name of the representative; and Refer to sections 115 and 116 of the Act. 		
56	176(4)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 176(4) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, no owner or occupier requested a CKB representative to produce evidence of authority for entry to a place; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 176(4) of the Act. 	A	NR
57	181	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.	5	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 181 of the Act. Compliance: Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB and its representatives as far as is	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
57 (cont.)					practicable complied with any reasonable request from the owner or occupier.		
58	186	4.1.1	If the licensee applies for a warrant, the application must contain the prescribed information.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligations recorded in sections 186, 187(1)-(3), 190(4) and 190(5) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not apply for any warrants; Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with sections 186, 187(1)-(3), 190(4) and 190(5) of the Act. 	A	NR
59	187(1) – (3)	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.	4	Controls: See the controls observations for obligation number 58 above. Compliance: See the compliance observations for obligation number 58 above.	A	NR
60	190(4)	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	4	Controls: See the controls observations for obligation number 58 above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
60 (cont.)			concerned on entry (if practicable), and if requested to do so.		Compliance: See the compliance observations for obligation number 58 above.		
61	190(5)	4.1.1	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	4	Controls: See the controls observations for obligation number 58 above. Compliance: See the compliance observations for obligation number 58 above.	A	NR
62	210(5)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 210(5) of the Act. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not designate a person as an inspector or compliance officer; to perform sewerage works; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with section 210(5) of the Act. 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Act 2012	Water Services Licence – Version 7				Controls	Compliance
63	218(2)	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.	5	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 218(2) of the Act. Compliance: Paxon was informed by the CKB’s Water Services Engineer that, during the Audit Period, the CKB completed all works in conjunction with the CKB’s Roads/Works crew to ensure the area was remediated to the best as far as practicable.	A	1
64	218(3)	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.	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in section 218(3) of the Act. Compliance: Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> • Made good any physical damage caused in the exercise of a works power or a power of entry; and • No instances occurred where compensation payments were required 	A	1

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA’s: “*Water Compliance Reporting Manual – Water Services Act 2012 - May 2020*” (numbers 2 to 64)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 7				Controls	Compliance
	Regulation Number	Clause Number					
65	23(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” focuses primarily on obligations in terms of the Act, with limited references to obligations in terms of WL4. No references could be found for obligations in terms of: <ul style="list-style-type: none"> Water Services Regulations 2013 (2013 Regulations); and Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Code of Conduct). Thus, the “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 23(2) of the Water Services Regulations 2013 (2013 Regulations). Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not provide non-potable water to residential customers. Consequently, no meters were used to measure water supply quantities; and Thus, as no activity took place during the Audit Period, Paxon was unable to test 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 7				Controls	Compliance
65 (cont.)					<p>compliance with regulation 23(2) of the 2013 Regulations.</p> <p>Recommendation 4/2021:</p> <ul style="list-style-type: none"> • The CKB should expand its “<i>Responsibility Matrix</i>” to include its obligations in terms of the: <ul style="list-style-type: none"> ◦ 2013 Regulations; ◦ 2018 Code of Conduct; and ◦ WL4. • The “<i>Responsibility Matrix</i>” should also identify, per individual compliance obligation, appropriate policy and procedure document; and • The ERA’s document entitled: “<i>Water Compliance Reporting Manual - Water Services Act 2012 – May 2020</i>” may help the CKB to expand its “<i>Responsibility Matrix</i>”. 		
66	24(4)	4.1.1	If the licensee gives a compliance notice to a person in respect of access to meters, the notice must specify the specified information.	4	<p>Controls:</p> <ul style="list-style-type: none"> • The “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 24(4) of the 2013 Regulations; and • See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 7				Controls	Compliance
66 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not give a compliance notice to a person in respect of access to meters; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with regulation 24(4) of the 2013 Regulations. 		
67	26(3)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligations included in regulations 26(3) and 26(5) of the 2013 Regulations; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB was not requested to test a meter; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with regulation 26(3) of the 2013 Regulations. 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations – 2013	Water Services Licence – Version 7				Controls	Compliance
	Regulation Number	Clause Number					
68	26(5)	4.1.1	If a meter test finds that the meter is outside the prescribed tolerance applicable, the licensee must take the specified actions, bear the costs of testing and refund or credit any charges paid under regulation 26(3).	4	Controls: See the controls observations for obligation number 67 above. Compliance: See the compliance observations for obligation number 67 above.	D	NR
69	29(1)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 29(1) of the 2013 Regulations; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: Paxon was informed by the CKB’s Water Services Engineer that, during the Audit Period, the CKB did not receive a written request from a developer who was required to pay the CKB an infrastructure contribution in respect of a subdivided lot.	D	NR
70	42(2)	4.1.1	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	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligations included in regulations 42(2), 43(3) and 43(6) of the 2013 Regulations; and 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations – 2013	Water Services Licence – Version 7				Controls	Compliance
70 (cont.)			least 7 days after the day on which the order is given to the owner or occupier).		<ul style="list-style-type: none"> See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not provide potable water and thus did not use backflow prevention devices; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with regulations 42(2), 43(3) and 43(6) of the 2013 Regulations. 		
71	43(3)	4.1.1	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).	4	Controls: See the controls observations for obligation number 70 above. Compliance: See the compliance observations for obligation number 70 above.	D	NR
72	43(6)	4.1.1	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	4	Controls: See the controls observations for obligation number 70 above.	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 7				Controls	Compliance
Regulation Number	Clause Number						
72 (cont.)			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).		Compliance: See the compliance observations for obligation number 70 above.		
74	60(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 60(2) of the 2013 Regulations; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> Only exercised works powers within roads under its control and/or management; and Internal discussions were held regarding the planned exercise of works powers in roads. 	D	1
75	63	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 63 of the 2013 Regulations; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations 2013	Water Services Licence – Version 7				Controls	Compliance
75 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that she is not aware of any road surface been opened up or broken up during the Audit Period; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with regulation 63 of the 2013 Regulations. 		
89	85	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in regulation 85 of the 2013 Regulations; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB issued a compliance notice in relation to failure to maintain fittings, fixtures and pipes; and Paxon examined the compliance notice issued and found it included: 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Regulations – 2013	Water Services Licence – Version 7				Controls	Compliance
89 (cont.)					<ul style="list-style-type: none"> o The possible consequences under the Act of not complying with the notice; and o The rights of review under the Act in relation to the notice and who may apply for review. 		

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 - May 2020" (numbers 65 to 89)]

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
92	8(1) – (3)	4.1.1	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).	2	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligations included in clauses 8(1) to (3) of the Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Code of Conduct); and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> The CKB’s Sewerage Services Charter addresses the provision of sewerage services; The Sewerage Services Charter is available on the CKB’s website (dedicated webpage entitled: “<i>Services/Wastewater Services /Further Information</i>”); The CKB’s Sewerage Services Charter addresses: <ul style="list-style-type: none"> CKB’s function under section 21 of the Act concerning the provision of sewerage services (section 2.1 entitled: “<i>Your Rights to Wastewater Services</i>”); 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
92 (cont.)					<ul style="list-style-type: none"> Regulations that prescribe requirements for the purpose of sections 21(2)(c) or (3)(c) of the Act (section 3 entitled: “Our Powers”); How to apply for a sewerage connection (section 2.7 entitled: “Connecting to our Services”); Things a customer must do, and the things that must be complied with before a sewerage connection is made (section 2.7 entitled: “Connecting to our Services”); and Fees that apply in relation to connections and when the fees are payable (section 2.7 entitled: “Connecting to our Services”). 		
94	10(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “Responsibility Matrix” does not record the obligation included in clause 10(2) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
94 (cont.)					Compliance: Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. The sampled tax invoices confirm the CKB issued bills for sewerage charges to customers on an annual basis.		
95	11(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “Responsibility Matrix” does not record the obligations included in clauses 11(2) to (6) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. Consequently, CKB did not levy quantity charges for sewerage services during the Audit Period; and Thus, as no activity took place during the Audit Period, Paxon was unable to test 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
95 (cont.)					compliance with clause 11(2) of the 2018 Code of Conduct.		
96	11(3)	4.1.1	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	4	Controls: See the controls observations for obligation number 95 above. Compliance: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. Consequently, CKB did not levy quantity charges for sewerage services which required meter readings during the Audit Period; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 11(2) of the 2018 Code of Conduct. 	D	NR
97	11(4)	4.1.1	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.	4	Controls: See the controls observations for obligation number 95 above.	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
97 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. Consequently, CKB did not levy quantity charges for sewerage services which required meter readings and estimates during the Audit Period; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 11(2) of the 2018 Code of Conduct. 		
98	11(5)	4.1.1	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.	4	Controls: See the controls observations for obligation number 95 above. Compliance: See the compliance observations for obligation number 97 above.	D	NR
98A	11(6)	4.1.1	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.	4	Controls: See the controls observations for obligation number 95 above.	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
98A (cont.)					Compliance: See the compliance observations for obligation number 97 above.		
99	12	4.1.1	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.	4	Controls: The Sewerage Services Charter addresses the stipulations of clause 12 of the 2018 Code of Conduct in section 2.6 entitled: “Charges and Accounts”. Compliance: Paxon examined samples of rate notices/tax invoices issued during the Audit Period which record address information. The sampled tax invoices confirm the CKB sent bills to: <ul style="list-style-type: none"> • Address of the place where the water services were provided; and • Nominated other address. 	A	1
100	13(1)	4.1.1	Each bill must contain the prescribed information.	2	Controls and Compliance: <ul style="list-style-type: none"> • Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. The sampled tax invoices confirm the disclosure of 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
100 (cont.)					<p>the prescribed information included in clause 13(1) of the 2018 Code of Conduct except for clause 13(1)(j). However, the sampled tax invoices do state on the front page:</p> <p><i>“Arrear Balances: penalty interest will continue to accrue on arrear balances at a rate of 10% per annum”.</i></p>		
100A	13(3)	4.1.1	A bill issued for 2 or more water services must specify the charge payable for each water service.	4	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> • Sewerage charges (“Sewered Area Rates”) were levied on annual rate notices/tax invoices issued during the Audit Period; • Charges for non-potable water supply services (“Effluent Water Consumption”) were levied on separate monthly tax invoices issued during the Audit Period; and • Consequently, based on the issue of separate tax invoices for the different water services the CKB provided during the Audit Period, Paxon: <ul style="list-style-type: none"> ◦ Did not assess controls for this obligation; and ◦ Was unable to test compliance with clause 13(3) of the 2018 Code of Conduct. 	NP	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
101	13(4)	4.1.1	Each bill for usage for a metered water service must contain the specified information.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligations included in clause 13(4) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: See the compliance observations for obligation number 96 above.	D	NR
101A	13(5)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 13(5) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: See the compliance observations for obligation number 97 above.	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
102A	13(6)	4.1.1	Each bill must contain the prescribed information.	1	<p>Controls and Compliance:</p> <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. The sampled tax invoices confirm the disclosure of the prescribed information included in clause 13(6) of the 2018 Code of Conduct except for clauses: <ul style="list-style-type: none"> 13(6)(e) – telephone number for 24-hour information line; and 13(6)(g) – disclosure of National Interpreter Symbol and the words “Interpreter Services”. <p>Recommendation 5/2021:</p> <p>The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the of rate notices/tax invoices issued for sewerage charges. The following additional information should be disclosed on these tax invoices:</p> <ul style="list-style-type: none"> Clause 13(6)(e) - the telephone number of the 24- hour information line provided in 	B	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
102A (cont.)					<p>accordance with clause 45 of the 2018 Code of Conduct; and</p> <ul style="list-style-type: none"> • Clause 13(6)(g) - for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words “Interpreter Services”. 		
103	14(1)	4.1.1	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.	4	<p>Controls:</p> <ul style="list-style-type: none"> • The “<i>Responsibility Matrix</i>” does not record the obligations included in clauses 14(1) and 14(2) of the 2018 Code of Conduct; and • See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <p>See the compliance observations for obligation number 97 above.</p>	D	NR
104	14(2)	4.1.1	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.	4	<p>Controls:</p> <p>See the controls observations for obligation number 103 above.</p>	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
104 (cont.)					Compliance: See the compliance observations for obligation number 97 above.		
104A	15(3)	4.1.1	Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13, contain the prescribed information.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 15(3) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: See the compliance observations for obligation number 95 above.	D	NR
105	16(1)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 16(1) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
105 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, the CKB was not requested by a customer to provide a meter reading and a bill in the specified circumstances; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 16(1) of the 2018 Code of Conduct. 		
106	17(2) & (3)	4.1.1	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.	3	Controls: See the controls observations for obligation number 96 above. Compliance: See the compliance observations for obligation number 96 above.	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
107	18(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The CKB's Sewerage Services Charter includes appropriate references to the stipulations of clauses 18(2), 18(4) and 18(5) in section 2.6 entitled "Charges and Accounts" (but not the stipulations of clause 18(3)). Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, no customers were undercharged for water services; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 18(2) to 18(5) of the 2018 Code of Conduct. 	B	NR
108	18(3)	4.1.1	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	4	Controls: <p>See the controls observations for obligation number 107 above.</p> Compliance: <p>See the compliance observations for obligation number 107 above.</p>	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
109	18(4)	4.1.1	The licensee must not charge interest or late payment fees on an undercharged amount.	4	Controls: See the controls observations for obligation number 107 above. Compliance: See the compliance observations for obligation number 107 above.	B	NR
110	18(5)	4.1.1	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.	4	Controls: See the controls observations for obligation number 107 above. Compliance: See the compliance observations for obligation number 107 above.	B	NR
111A	19(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The CKB's Sewerage Services Charter includes appropriate references to the stipulations of clauses 19(3) and 19(4) in section 2.6 entitled "Charges and Accounts" (but not the stipulations of clauses 19(2) and 19(5)); See Recommendation 4/2021 as recorded at obligation number 65 above. 	C	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
111A (cont.)					Compliance: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual “Sewered Area Rates”. Consequently, no overcharging of customers took place during the Audit Period; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 18(2) to 18(5) of the 2018 Code of Conduct. 		
112A	19(3)	4.1.1	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.	4	Controls: See the controls observations for obligation number 111A above. Compliance: See the compliance observations for obligation number 111A above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
112B	19(4)	4.1.1	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.	4	Controls: See the controls observations for obligation number 111A above. Compliance: See the compliance observations for obligation number 111A above.	A	NR
112C	19(5)	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	Controls: See the controls observations for obligation number 111A above. Compliance: See the compliance observations for obligation number 111A above.	C	NR
113	20(1)	4.1.1	The licensee must review a bill on the customer's request.	4	Controls: <ul style="list-style-type: none"> The CKB's website does make reference to the review of sewerage bills in accordance with clause 20 of the 2018 Code of Conduct (dedicated webpage entitled: "My Property/Rates/About Rates - Sewerage and Utility Services"). 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
113 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, during the Audit Period, no customer requested a review of charges for water services provided; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 20(1) of the 2018 Code of Conduct. 		
114	20(2)	4.1.1	The license must have a written procedure for the review of a bill on the customer's request.	3	Controls and Compliance: <ul style="list-style-type: none"> The CKB's website states: <i>"We (the City) will review your rates account at your request in accordance with clause 20 of the "Water Services Code of Conduct (Customer Service Standards) 2018";</i> The CKB's website also mentions the customer may, if unsatisfied with the outcome of the review, refer the matter to the Energy and Water Services Ombudsman (both the above-mentioned matters were found on the dedicated webpage entitled: <i>"My Property/</i> 	B	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
114 (cont.)					<p><i>Rates/About Rates - Sewerage and Utility Services”);</i></p> <ul style="list-style-type: none"> • The CKB’s Sewerage Services Charter addresses both undercharging and overcharging for sewerage services in section 2.6 entitled: “<i>Charges and Accounts</i>”. Thus, the written procedure for the review of sewerage bills is fragmented as it is recorded in different documents; and • However, no reference could be found regarding referring a sewerage bill complaint to the State Administrative Tribunal. <p>Recommendation 6/2021:</p> <p>The CKB should:</p> <ul style="list-style-type: none"> • Include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter; and • Ensure the Sewerage Services Charter is publicly available. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
115	20(3) & (6)	4.1.1	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.	3	Controls and Compliance: See the controls and compliance observations for obligation number 114 above.	B	2
116	20(4)	4.1.1	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.	3	Controls and Compliance: See the controls and compliance observations for obligation number 114 above.	B	2
117	20(5)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 20(5) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
117 (cont.)					Compliance: See the compliance observations for obligation number 113 above.		
117A	21	4.1.1	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).	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 21 of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: The CKB’s website records the annual sewerage and utility charges applicable for 2020-2021 (dedicated webpage entitled: “ <i>My Property /Rates/About Rates</i> ”).	D	1
118	23	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 23 of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
118 (cont.)					Compliance: Paxon examined a sample of rate notices/tax invoices issued during the Audit Period which included sewerage charges. The sampled tax invoices provided for payment of charges 46 days after the recorded issue date.		
119	24(1)	4.1.1	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	2	Controls and Compliance: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period which included sewerage charges. The sampled tax invoices provided for payment of charges by means of several methods including: <ul style="list-style-type: none"> o Centrepay; o Internet; o Telephone; and o Mail. 	A	1
120	24(2)	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	Controls and Compliance: Paxon examined a sample of “Rate Notice Tax Invoice(s)” issued during the Audit Period. The sampled tax invoices record a specific “Cost of Option” for each of the different payment options	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
120 (cont.)					offered.		
121	25(1)	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	Controls: The CKB's website contains a link to a "Direct Debit Service Agreement Request" template which provides for the "owner/ratepayer and authorised person" to give consent for bill payment by direct debit. Compliance: Paxon examined a sample of "Direct Debit Service Agreement Request(s)", completed by customers during the Audit Period. In these completed request forms, "owner/ratepayer and authorised person(s)" gave consent for bill payment by direct debit.	A	1
122	26(1)	4.1.1	The licensee must accept payment in advance from a customer on a customer's request.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 26(1) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
122 (cont.)					Compliance: Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, during the Audit Period, the CKB accepted payment in advance from customers at their request.		
123	27	4.1.1	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 27 of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, she is not aware of any customer requests, received during the Audit Period, to redirect a customer's bills because of the customer's absence or illness; and Thus, as no activity took place during the Audit Period, Paxon was unable to test 	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
123 (cont.)					compliance with clause 27 of the 2018 Code of Conduct.		
124A	28(2)	4.1.1	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.	4	Controls: The CKB's Sewerage Services Charter provides for compliance with clause 28(2) of the 2018 Code of Conduct in section 2.6 entitled: <i>"Charges and Accounts"</i> . Compliance: Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, during the Audit Period, the CKB entered into three payment plans with customers experiencing payment difficulties.	A	1
124B	28(3)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The CKB's Finance and Compliance Coordinator stated that, during the Audit Period, the CKB followed the <i>"Financial Hardship Policy for Water Services"</i> (Hardship Policy) guidelines – when formulating payment plans for customers assessed as experiencing payment difficulties; and 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
124B (cont.)					<ul style="list-style-type: none"> The CKB's Hardship Policy provides for compliance with clauses 28(3) and 28(4) of the 2018 Code of Conduct in section 7 entitled: "Payment Plans". <p>Compliance:</p> <p>Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, during the Audit Period, the CKB when formulating payment plans for customers assessed as experiencing payment difficulties:</p> <ul style="list-style-type: none"> Considered the customer's capacity to pay the bill as well as the consumption history (if applicable); and No interest and fees were levied on such payment plans. 		
124C	28(4)	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.	4	<p>Controls:</p> <p>See the controls observations for obligation number 124B above.</p> <p>Compliance:</p> <p>See the compliance observations for obligation number 124B above.</p>	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
125	29(1) & (2)	4.1.1 & Sch. 3, Cl. 1.1.1	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	4	Controls and Compliance: <ul style="list-style-type: none"> The CKB has both a: <ul style="list-style-type: none"> “Financial Hardship Policy for Water Services” (Hardship Policy); and “Financial Hardship Policy for Debtors” (Debtors Policy)”. The Hardship Policy was issued in compliance with the 2018 Code of Conduct; and The ERA approved the CKB’s amended Hardship Policy as per their letter dated 25/01/2019. 	A	1
126A	29(3)	4.1.1	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.	4	Controls: The CKB’s Hardship Policy in section 14 entitled: “Supporting and relevant documents” acknowledges the ERA’s “Financial Hardship Policy Guidelines for Water Services”, as issued in June 2018. Compliance: The ERA approved the CKB’s amended Hardship Policy as per their letter dated 25/01/2019. Thus, it is reasonable to conclude the	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
126A (cont.)					CKB's Hardship Policy complies with the ERA's amended "Financial Hardship Policy Guidelines for Water Services – June 2018".		
126B	29(4)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 29(4) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: See the compliance observations for obligation number 126A above.	D	1
127	29(5)	4.1.1	The licensee's financial hardship policy must be in effect within 6 months of the day of the grant of the license.	4	Controls and Compliance: The CKB's water services licence commenced on 29/04/1996. The 2013 Code of Conduct which created the obligation for the CKB to have a financial hardship policy, was gazetted on 26/07/2013 and took effect on 18/11/2013. As such, the CKB's financial hardship policy must have been finalised by 17/05/2014. This date precedes the current Audit Period which is from 1/01/2019	NA	NA

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
127 (cont.)					to 31/12/2020. Thus, the CKB did not need to comply with obligation number 127 during the Audit Period.		
128	29(6)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 29(6) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: The CKB's Hardship policy is available on the CKB's website (dedicated webpage entitled: "Services/Wastewater Services/Further Information" includes a link).	D	1
129A	29(7)	4.1.1	The licensee must review its financial hardship policy at least once in every 5-year period.	4	Controls: The CKB's Hardship Policy provides for compliance with clause 29(7) of the 2018 Code of Conduct in section 12 entitled: "Approval and Review".	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
129A					Compliance: The CKB's amended Hardship Policy is dated January 2019. Thus, it was reviewed during the Audit Period.		
129B	29(8)	4.1.1	The licensee must review its financial hardship policy if directed to do so by the ERA.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 29(8) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: The ERA approved the CKB's amended Hardship Policy as per their letter dated 25/01/2019. This ERA letter specifically refers to an ERA request dated 2/08/2018 for the CKB to review its Hardship Policy against the ERA's amended "Financial Hardship Policy Guidelines for Water Services – June 2018".	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
129C	29(9)	4.1.1	The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 29(8) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <p>Paxon sighted an e-mail in which the CKB’s Waste Management and Compliance Coordinator informed the ERA the CKB consulted with the Financial Counsellors Association of Western Australia regarding its draft Hardship Policy.</p>	D	1
130A	30(2)	4.1.1	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.	4	Controls: <p>The CKB’s Hardship Policy provides for compliance with clauses 30(2) and 30(3) of the 2018 Code of Conduct in section 7 entitled: “<i>Payment Plans</i>”.</p> Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
130A (cont.)					<p>Period, the CKB did not enter into any payment plans or other arrangements with customers assessed as experiencing financial hardship; and</p> <ul style="list-style-type: none"> • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 30(2) and 30(3) of the 2018 Code of Conduct. 		
130B	30(3)	4.1.1	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.	4	<p>Controls:</p> <p>See the controls observations for obligation number 130A above.</p> <p>Compliance:</p> <p>See the compliance observations for obligation number 130A above.</p>	A	NR
131A	30(4)(a)	4.1.1	The licensee must consider reducing the amount owing by the customer.	4	<p>Controls:</p> <p>The CKB's Hardship Policy includes appropriate references to the stipulations of clauses 30(4)(a), (b) and (c) of the 2018 Code of Conduct in section 7 entitled: "Payment Plans".</p>	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
131A (cont.)					Compliance: <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not enter into any payment plans or other arrangements with customers assessed as experiencing financial hardship; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 30(4)(a), (b) and (c) of the 2018 Code of Conduct. 		
131B	30(4)(b)	4.1.1	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.	4	Controls: See the controls observations for obligation number 131A above. Compliance: See the compliance observations for obligation number 131A above.	A	NR
131C	30(4)(c)	4.1.1	The licensee must provide the specified written information to a customer.	3	Controls: See the controls observations for obligation number 131A above.	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
131C (cont.)					Compliance: See the compliance observations for obligation number 131A above.		
133	31(4) & (5)	4.1.1	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.	4	Controls: The CKB's Hardship Policy provides written information regarding the payment plans and other assistance which is available to customers in sections 7 entitled: " <i>Payment Plans</i> " and section 10 entitled: " <i>Additional Information – Financial Counselling</i> ". Compliance: The CKB's Hardship policy is available on the CKB's website (dedicated webpage entitled: " <i>Services/Wastewater Services/Further Information</i> " includes a link).	A	1
133A	32	4.1.1	The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	4	Controls: • The CKB's Hardship Policy provides for compliance with clause 32(1)(a) of the 2018 Code of Conduct in section 7 entitled: " <i>Payment Plans</i> "; and	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
133A (cont.)					<ul style="list-style-type: none"> Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB did not enter into any payment plans or other arrangements with customers assessed as experiencing financial hardship; Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, no complaints that directly relates to the non-payment of the bill were lodged with the CKB; Paxon was informed by the CKB's Water Services Engineer that she is not aware of any complaints that directly related to the non-payment of the bill which were made by the customer to the water services ombudsman during the Audit Period; and 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
133A (cont.)					<ul style="list-style-type: none"> Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 32 of the 2018 Code of Conduct. <p>Recommendation 7/2021:</p> <p>The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer:</p> <ul style="list-style-type: none"> If a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved; or If a complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
134	33(1)(a)-(c)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> The CKB's Hardship Policy provides for compliance with clauses 33(1)(a) and (c) of the 2018 Code of Conduct in section 9.1 entitled: "Payment Plans"; and However, the CKB's Debtor's Policy provides for compliance with clauses 33(1)(b) of the 2018 Code of Conduct in section 3 entitled: "Debt Collection – Payment Plans". Compliance: <p>Paxon confirmed by interview of the CKB's Finance and Compliance Coordinator that, during the Audit Period, the CKB did not commence or continue debt recovery procedures if the customer was:</p> <ul style="list-style-type: none"> Complying with a payment plan or other arrangement; Being assessed for payment difficulties; or Being assessed for financial hardship. 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
134A	33(1)(d)-(e)	4.1.1	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).	4	<p>Controls:</p> <p>Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 33(1)(d) and (e) of the 2018 Code of Conduct.</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, no debt recovery proceedings were commenced or continued; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 33(1)(d)-(e) of the 2018 Code of Conduct. <p>Recommendation 8/2021:</p> <p>The CKB's Sewerage Services Charter should provide for compliance with clauses 33(1)(d) and (e) of the 2018 Code of Conduct by stating the CKB must not commence or continue proceedings to recover a debt from a customer if:</p>	D	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
134A (cont.)					<ul style="list-style-type: none"> A complaint made by the customer to the CKB that directly relates to the water service charge to which the debt relates is not resolved; or A complaint made by the customer to the water services ombudsman (known to the CKB) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman. 		
144A	43(1)	4.1.1	The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligations included in clauses 43(1) and 43(2) of the 2018 Code of Conduct; However, the CKB’s Sewerage Services Charter in section 3.3 entitled: “<i>Service Interruptions</i>” does record notice will be given to customers regarding planned service interruptions as follows: <ul style="list-style-type: none"> Domestic customers – 48 hours prior to; and Commercial and industrial customers – 5 days prior or by agreement. 	B	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
144A (cont.)					Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, no planned service interruptions took place; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 43(1) and 43(2) of the 2018 Code of Conduct. 		
144B	43(2)	4.1.1	The notice of any planned service interruption must be given within the prescribed timeframes.	4	Controls: See the controls observations for obligation number 144A above. Compliance: See the compliance observations for obligation number 144A above.	B	NR
144C	44(1)	4.1.1	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.	4	Controls and Compliance: <ul style="list-style-type: none"> The CKB document entitled: "Water Services – WS-001 Standard Operating Procedures (SOP) Manual" address "Sewer Main Overflow and Blockages" (SOP Manual); and 	B	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
144C (cont.)					<ul style="list-style-type: none"> The SOP Manual in section 5.3 entitled: “State and Federal Government Acts & Regulations” still refers to the “Water Services Code of Conduct 2013 (WA)”. 		
144D	44(2)	4.1.1	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	2	Controls and Compliance: The SOP Manual in “Part D – Sewer Operating Procedures” in section 2 entitled: “Contingency Plans – Sewer Main Overflow & Blockages” addresses the matters prescribed in clause 44(2) of the 2018 Code of Conduct.	A	1
144E	45	4.1.1	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.	4	Controls and Compliance: The CKB’s Sewerage Services Charter, as available on its website in section 1.5 entitled: “Emergency Assistance”, provides a 24-hour emergency contact telephone number to be used for sewerage emergencies.	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
145	46(1)	4.1.1	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the provision of water services by the licensee or a failure by the licensee to provide a water service.	4	Controls and Compliance: The CKB's "Complaints Handling" policy is available on its website. This policy provides a detailed complaints procedure (dedicated webpage entitled: "My Property/Rates/About Rates").	A	1
146	46(2)	4.1.1	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).	2	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 46(2) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> The CKB's "Complaints Handling" policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of: AS/NZS 10002-2014; and ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints" 	D	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
146 (cont.)					Recommendation 09/2021: The CKB should review its “Complaints Handling” policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA’s “Customer Complaints Guidelines: distinguishing customer queries from complaints”.		
147	46(3)	4.1.1	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.	4	Controls and Compliance: The matters specified in clause 46(3) of the 2018 Code of Conduct are provided for when reading the following two information sources together: <ul style="list-style-type: none"> • CKB’s “Complaints Handling” policy, as available on its website; and • CKB’s website, in the dedicated section for “Sewerage and Utility Services” under the heading “Resolving Complaints”. 	A	1
148A	46(4)	4.1.1	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	4	Controls and Compliance: <ul style="list-style-type: none"> • The CKB’s website, in the dedicated section for “Sewerage and Utility Services” under the heading “Resolving Complaints” lists the procedures available to the customer under the Act as to applying to the: 	A	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
148A (cont.)			available under regulations mentioned in section 222(2)(k).		<ul style="list-style-type: none"> ○ Energy and Water Ombudsman; and ○ State Administrative Tribunal. • The Sewerage Services Charter refers to referring complaints to the “Energy and Water Ombudsman Western Australia”. 		
149	46(5)	4.1.1	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.	4	Controls and Compliance: <ul style="list-style-type: none"> • The CKB's “Complaints Handling” policy is available on its website. This policy provides a detailed complaints procedure (dedicated webpage entitled: “My Property/Rates/About Rates”); and • Paxon confirmed by interview of the CKB's Water Services Project Manager that he is not aware of any customer who, during the Audit Period, requested a copy of the CKB's complaints procedure. 	A	1
149A	47	4.1.1	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	3	Controls: <ul style="list-style-type: none"> • The CKB's “Complaints Handling” policy in section 3.3. entitled: “Processing complaints” specifically states: 	A	NR

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
149A (cont.)			the complaint, and provide a Freecall telephone number for the water services ombudsman.		<p><i>“The Customer Service Coordinator will contact the customer with a (complaint) response which has been agreed with the manager/s”;</i></p> <ul style="list-style-type: none"> • The CKB’s website, in the dedicated section for <i>“Sewerage and Utility Services”</i> under the heading <i>“Resolving Complaints”</i>: <ul style="list-style-type: none"> ◦ Refers to the customer’s right to apply to the Energy and Water Ombudsman for a review of the complaint; and ◦ Provides a Freecall telephone number for the water services ombudsman. <p>(dedicated webpage entitled: <i>“My Property /Rates/About Rates”</i>)</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon confirmed by interview of the CKB’s Water Services Engineer that, during the Audit Period, no complaints were lodged; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 47 of the 2018 Code of Conduct. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
150	48(1)	4.1.1	The licensee must provide a customer with the specified services on request and at no charge.	4	Controls and Compliance: The CKB's website specifically records under the heading " <i>Sewerage and Utility Services</i> " the following services will be provided: <ul style="list-style-type: none"> • Services for account, payment and general enquiries for use by customers with hearing or speech impairment; • Interpreter services for account, payment and general enquiries; and • A large-print version of any of the licensee's publicly available documents. (dedicated webpage entitled: " <i>My Property /Rates/About Rates</i> ")	A	1
152	48(2)	4.1.1	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.	4	Controls: <ul style="list-style-type: none"> • The "<i>Responsibility Matrix</i>" does not record the obligation included in clause 48(2) of the 2018 Code of Conduct; and • See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	2

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
152 (cont.)					Compliance: <ul style="list-style-type: none"> Paxon examined a sample of “Rate Notice Tax Invoice(s)” issued across the Audit Period for sewerage charges. These invoices record customers’ personal account information; The CKB’s website records charges are applicable for “rates notice reprints.” This means customers will have to pay to obtain historical financial information regarding sewerage services; and Recommendation 10/2021: The CKB must make historical financial information regarding sewerage services provided available at no charge.		
153	49(1)	4.1.1	The licensee must make the prescribed information publicly available.	1	Controls: <ul style="list-style-type: none"> The “Responsibility Matrix” does not record the obligation included in clause 49(1) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. 	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
153 (cont.)					Compliance: <ul style="list-style-type: none"> The CKB's website provides details of rates which includes the sewerage services provided by the CKB. The website details include: <ul style="list-style-type: none"> Fees and charges that will be imposed and collected by the CKB (dedicated webpage entitled: <i>"My Property/Rates/About Rates"</i>); Bill payment method options (dedicated webpage entitled: <i>"My Property/Rates/Pay your rates"</i>); Concessions available to customers (dedicated webpages entitled: <i>"My Property/Rates/Pensioners and Seniors"</i>, <i>"My Property/Rates/Rates Exemptions"</i> and <i>"My Property/Rates/Rates Concession"</i>); and The CKB's Sewerage Services Charter, as available on the CKB website does, in section 3.3 entitled: <i>"Service Interruptions"</i> address planned and unplanned interruptions of sewerage service supply or other incidents that may significantly affect the provision of sewerage services to customers. 		

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
153 (cont.)					<ul style="list-style-type: none"> The CKB's Sewerage Services Charter, as available on the CKB website does, in section 3.3 entitled: "Service Interruptions" address planned and unplanned interruptions of sewerage service supply or other incidents that may significantly affect the provision of sewerage services to customers. 		
154	49(2)	4.1.1	The licensee must ensure that the specified information about bills may be obtained from its website.	4	<p>Controls:</p> <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 49(3) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <p>Clauses 49(2)(e) to (f) of the 2018 Code of Conduct address the sewerage services the CKB provides. The CKB's Sewerage Services Charter, as available on its website, provides for the lodgement of complaints regarding sewerage services. The CKB's website provides for the review of rates accounts on which sewerage</p>	D	1

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
154 (cont.)					charges are disclosed (dedicated webpage entitled: “My Property/Rates/About Rates”).		
154A	49(3)	4.1.1	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.	2	Controls: <ul style="list-style-type: none"> The “Responsibility Matrix” does not record the obligation included in clause 49(3) of the 2018 Code of Conduct; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <p>Paxon examined the CKB’s website which provides a direct link to the 2018 Code of Conduct (dedicated webpage entitled: “Services - Wastewater Services – Further Information”).</p>	D	1

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA’s: “Water Compliance Reporting Manual – Water Services Act 2012 - May 2020” (numbers 92 to 154A)]

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
155	4.2.1	The licensee must pay the applicable fees and charges in accordance with the <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i> .	4	Controls: The “ <i>Responsibility Matrix</i> ” acknowledges the obligation recorded in clause 4.2.1 of WL4, version 7. Compliance: <ul style="list-style-type: none"> • Paxon examined a sample of tax invoices in which the ERA levied both annual licence charges and quarterly standing charges on the CKB; and • Paxon traced this sample of tax invoices to a payment record, therefore. 	A	1
159	4.1.2	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	4	Controls: <ul style="list-style-type: none"> • The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 4.1.2 of WL4, version 7; and • See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> • Paxon was informed by the CKB’s Water Services Project Manager that, during the Audit Period, the CKB did not receive any 	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
159 (cont.)				direction from the ERA in relation to a breach of applicable legislation; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 4.1.2 of WL4, version 7.		
160	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 International Accounting Standards.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 4.6.1 of WL4, version 7; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: Paxon examined the “ <i>Independent Auditor’s Report</i> ” for the 2018-2019 and 2019-2020 financial years. The “ <i>Independent Auditor’s Report</i> ” across both these financial years stated the financial report complied with Australian Accounting Standards.	D	1

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
161	5.2.1	The licensee must comply with any individual performance standards prescribed by the ERA.	4	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in clause 5.2.1 of WL4, version 7.</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined WL4, version 7 which in “<i>Schedule 2 - Performance standards</i>” records no performance standards for either non-potable water nor sewerage services; • Paxon examined WL4, version 6 which in “<i>Schedule 2 - Performance standards</i>” records no performance standards for either non-potable water nor sewerage services; and • Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 5.2.1 of WL4, versions 6 and 7. 	A	NR
162	5.3.4	The licensee must cooperate with the independent expert and comply with the ERA’s audit and review guidelines dealing with the operational audit.	4	<p>Controls:</p> <ul style="list-style-type: none"> • The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 5.3.4 of WL4, version 7; and 	D	1

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
162 (cont.)				<ul style="list-style-type: none"> See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <p>The CKB cooperated with Paxon during the performance of the operational audit.</p>		
163	4.7.1(a), (b), (c)	The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	<p>Controls:</p> <p>The "Responsibility Matrix" acknowledges the obligations recorded in clauses 4.7.1(a), (b), (c) of WL4, version 7.</p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the Audit Period, the CKB : <ul style="list-style-type: none"> Was not under external administration; and No change took place in the circumstances upon which the licence was granted which affected the CKB's ability to meet its obligations. Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 4.7.1(a) to 4.7.1(c) of WL4, version 7. 	A	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
165	4.8.1	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.	2	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 4.8.1 of WL4, version 7; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Engineer that, during the Audit Period, the CKB was instructed to provide the ERA with: <ul style="list-style-type: none"> Compliance reports - see the observations for obligation number 166 below; Performance data - see the observations for obligation number 167 below; and Standing charge data by 30 September on an annual basis. Paxon examined an ERA e-mail the CKB received on 24/10/2019 regarding the late submission of standing charge data for 2019. The e-mail stated this late submission needed 	D	2

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
165 (cont.)				<p>to be recorded as a non-compliance of clause 3.8 of WL4 in the 2020 compliance report; and</p> <ul style="list-style-type: none"> The CKB provided standing charge date for 2020 to the ERA by e-mail on 16/09/2020. <p>Recommendation 11/2021:</p> <p>The CKB must on a timely basis provide the ERA with specified information relevant to the operation of WL4 version 7 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>		
166*	3.8.2	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.	1	<p>Applicable Period:</p> <ul style="list-style-type: none"> The ERA's: "<i>Water Compliance Reporting Manual – Water Services Act 2012 – May 2020</i>" (2020 Manual) states obligation number 166 is "<i>Not used</i>". Thus, it appears this obligation was only applicable to the provision of water services from 1/01/2019 to 30/04/2020; and However, section 5 of the manual specifically addresses compliance reporting as being a continuing obligation. 	A	1

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
166* (cont.)				<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in clause 3.8.2 of WL4, version 7.</p> <p>Compliance:</p> <ul style="list-style-type: none"> • Paxon examined the CKB’s compliance report for 2018 - 2019 which records several instances of non-compliance, all of which could be linked to the previous Audit and Review conducted by Cardno in 2019 except for: Obligation 106 – not having a publicly available policy or guideline for granting customers a discount where usage is higher than normal for its non-potable water service; • The CKB submitted its compliance report for 2018 - 2019 to the ERA by e-mail on 29/08/2019; • Paxon examined the CKB’s compliance report for 2019 – 2020 which records several instances of non-compliance, all of which could be linked to the previous Audit and Review conducted by Cardno in 2019 except for: <ul style="list-style-type: none"> ◦ Obligation 106 – not having a publicly available policy or guideline for granting 		

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
166* (cont.)				<p>customers a discount where usage is higher than normal for its non-potable water service; and</p> <ul style="list-style-type: none"> ○ Obligation 165 - late submission of standing charges data for 2019. • The CKB submitted its compliance report for 2019 – 2020 to the ERA by e-mail on 28/08/2020. 		
167	4.8.2	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.	2	<p>Controls:</p> <p>The “<i>Responsibility Matrix</i>” acknowledges the obligation recorded in clause 4.8.2 of WL4, version 7.</p> <p>Compliance:</p> <ul style="list-style-type: none"> • The CKB submitted its performance report for 2018-2019 to the ERA by e-mail on 14/10/2019. Thus, the report was submitted late; • The CKB submitted its performance report for 2019-2020 to the ERA by e-mail on 28/08/2020; and . • Paxon does not make a recommendation for the late submission of the performance report 	A	2

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
167 (cont.)				for 2018-2019 as the CKB submitted its performance report for 2019-2020 in time.		
168	3.8.1 and 3.8.2	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.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligations included in clauses 3.8.1 and 3.8.2 of WL4, version 7; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB’s Water Services Engineer that she is not aware of any ERA direction, during the Audit Period, to publish any information under clause 3.8.1 of WL4; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 3.8.1 and 3.8.2 of WL4, version 7. 	D	NR
169	3.7.1	Unless otherwise specified, all notices must be in writing.	4	Controls: <ul style="list-style-type: none"> The “<i>Responsibility Matrix</i>” does not record the obligation included in clause 3.7.1 of WL4, version 7; and 	D	1

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
169 (cont.)				<ul style="list-style-type: none"> See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: Paxon found notices were given in writing during the Audit Period. Numerous examples, as referred to throughout this Audit Report, were sighted to support this statement.		
170A	5.1.2 (a) & (b)	The licensee must notify the ERA of the details of the asset management system within five business days from the later of: a) the commencement date; or b) the completion of construction of the licensee's water service works.	4	Applicable Period: The ERA's " <i>Water Compliance Reporting Manual – Water Services Act 2012 – May 2020</i> ", in generic terms makes clause 5.1.2 in water services licenses applicable to all licensees. However, WL4, version 7, as issued on 1/5/2020 specifically records clause 5.1.2 is " <i>Not used</i> ".	NA	NA
171	5.1.3	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	3	Controls: See the controls observations for obligation number 7 above. Compliance: See the compliance observations for obligation number 7 above.	A	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
172	5.1.7	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.	4	Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligation included in clause 5.1.7 of WL4, version 7; and See Recommendation 4/2021 as recorded at obligation number 65 above. Compliance: <p>The CKB cooperated with Paxon during the performance of the asset management system review.</p>	D	1
172A	6.1.1	<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> <ul style="list-style-type: none"> i) the standard term or condition of service; or ii) 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>	4	Applicable Period: <p>These obligations were introduced by WL4, version 7 dated 1/05/2020. Thus, the CKB's compliance with clauses 6.1.1 and 6.1.2 of WL4, version 7 was only applicable during the period 1/05/2020 to 31/12/2020.</p> Controls: <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligations included in clauses 6.1.1 and 6.1.2 of WL4, version 7; and 	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
172A (cont.)				<ul style="list-style-type: none"> See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the Audit Period, the ERA did not direct the CKB to amend a standard term or condition of service; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 6.1.1 and 6.1.2 of WL4, version 7. 		
172B	6.1.2	The licensee must comply with a direction given to the licensee under clause 6.1.1.	4	<p>Controls:</p> <p>See the controls observations for obligation number 172A above.</p> <p>Compliance:</p> <p>See the compliance observations for obligation number 172A above.</p>	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
173*	5.5.1	The licensee must not supply water services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.	4	<p>Applicable Period:</p> <p>The ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2020" states obligation number 173 is "Not used". Thus, this obligation was only applicable to the provision of water services from 1/01/2019 to 30/04/2020.</p> <p>Controls:</p> <p>See the controls observations for obligation number 15 above.</p> <p>Compliance:</p> <p>See the compliance observations for obligation number 15 above.</p>	A	1
175*	5.1.1	If directed by the ERA, the licensee must submit a draft customer contract for approval.	4	<p>Applicable Period:</p> <p>The ERA's: "Water Compliance Reporting Manual – Water Services Act 2012 – May 2020" states obligation numbers 175 to 180 are "Not used". Thus, these obligations were only applicable to the provision of water services from 1/01/2019 to 30/04/2020.</p> <p>Controls:</p> <ul style="list-style-type: none"> The "Responsibility Matrix" does not record the obligations included in clauses 5.1.1, 5.1.2, 	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
175* (cont.)				<p>5.1.3, 5.1.5, 5.3.1, 5.3.2 and 5.3.4 of WL4, version 6; and</p> <ul style="list-style-type: none"> See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the Audit Period, the CKB was not directed by the ERA to submit a draft customer contract for approval; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 5.1.1 of WL4, version 6. 		
176*	5.1.2	The licensee must comply with any <i>Customer Contract Guidelines</i> that apply to the licensee.	4	<p>Controls:</p> <p>See the controls observations for obligation number 175 above.</p> <p>Compliance:</p> <p>The ERA website does not disclose any Customer Contract Guidelines; and</p>	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
176* (cont.)				Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 5.1.2 of WL4, version 6.		
177*	5.1.3	The licensee may only amend the customer contract with the ERA's approval.	4	Controls: See the controls observations for obligation number 175 above. Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the Audit Period, the CKB did not amend a customer contract; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 5.1.3 of WL4, version 6. 	D	NR
178*	5.1.5	The licensee must comply with any direction by the ERA to amend the customer contract.	4	Controls: See the controls observations for obligation number 175 above. Compliance: <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the 	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
178* (cont.)				<p>Audit Period, the CKB was not directed by the ERA to amend a customer contract; and</p> <ul style="list-style-type: none"> Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clause 5.1.5 of WL4, version 6. 		
179*	5.3.1 & 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	<p>Controls:</p> <p>See the controls observations for obligation number 175 above.</p> <p>Compliance:</p> <ul style="list-style-type: none"> Paxon was informed by the CKB's Water Services Project Manager that, during the Audit Period, the CKB entered into a single customer contract which was modelled on existing customer contracts; and Thus, as no activity took place during the Audit Period, Paxon was unable to test compliance with clauses 5.3.1 and 5.3.2 of WL4, version 6. 	D	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
180*	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	Controls: See the controls observations for obligation number 175 above. Compliance: See the compliance observations for obligation number 180 above.	D	NR
181	6.3.1	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.	4	Controls See the controls observations for obligation number 14 above. Compliance: See the compliance observations for obligation number 14 above.	A	NR
182	4.4.1(b)	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.	4	Controls See the controls observations for obligation number 4 above. Compliance: See the compliance observations for obligation number 4 above.	A	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
183*	5.4.3	The licensee must comply with the ERA's Financial Hardship Policy Guidelines as they apply to the licensee.	4	<p>Applicable Period:</p> <p>The ERA's: <i>"Water Compliance Reporting Manual – Water Services Act 2012 – May 2020"</i> states obligation number 183 is <i>"Not used"</i>. Thus, this obligation was only applicable to the provision of water services from 1/01/2019 to 30/04/2020.</p> <p>Controls:</p> <ul style="list-style-type: none"> The <i>"Responsibility Matrix"</i> does not record the obligation included in clause 5.4.3 of WL4, version 6; and See Recommendation 4/2021 as recorded at obligation number 65 above. <p>Compliance:</p> <p>See the compliance observations for obligation numbers 130 to 134 above.</p>	D	NR
184A	7.1.2	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.	4	<p>Applicable Period:</p> <p>The ERA's <i>"Water Compliance Reporting Manual – Water Services Act 2012 – May 2020"</i>, adds obligations as included in clauses 7.1.2, 7.1.4, 7.1.5, 7.1.6 and 7.1.7 in water services licenses applicable to providers of sewerage services.</p>	NA	NA

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
184A (cont.)				Controls and Compliance: <ul style="list-style-type: none"> The CKB entered into a <i>“Memorandum of Understanding Between the Department of Health and the City of Kalgoorlie Boulder for Sewerage and Non-potable Water Services”</i> (MOU); and The MOU is dated 23/02/2021. Paxon is satisfied the MOU was entered <i>“as soon as practicable”</i> after 1/05/2020. However, the MOU was only effective as from 23/02/2021 which follows the Audit Period. Thus, compliance with clauses 7.1.2, 7.1.4, 7.1.5, 7.1.6 and 7.1.7 of WL4, version 7 was not required during the Audit Period. 		
184B	7.1.3	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.	4	Controls and compliance: WL4 only licences the CKB to provide non-potable water supply services and sewerage services. Thus, this obligation was not applicable to the CKB during the Audit Period.	NA	NA

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
185	7.1.4	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.	4	Controls and compliance: See the observations for obligation number 184A above.	NA	NA
186	7.1.5	The licensee must comply with the terms of a Memorandum of Understanding.	4	Controls and compliance: See the observations for obligation number 184A above.	NA	NA
187	7.1.6	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.	4	Controls and compliance: See the observations for obligation number 184A above.	NA	NA
188	7.1.7	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.	4	Controls and compliance: See the observations for obligation number 184A above.	NA	NA
190	Schedule 2	The licensee must comply with the standards set out in Schedule 2 of the licence.	4	Controls: See the controls observations for obligation number 161 above.	A	NR

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
190 (cont.)				Compliance: See the compliance observations for obligation number 161 above.		

Table 10: Audit Observations and Recommendations

[Obligations as per the ERA's: *"Water Compliance Reporting Manual – Water Services Act 2012 - May 2020"* (numbers 155 to 190, except as indicated below)]

[*Obligations as per the ERA's: *"Water Compliance Reporting Manual – Water Services Act 2012 – May 2018"* (numbers 166, 173, 175-180 and 183)]

4.4 Current Audit: Inadequate Controls, Non-Compliances and Recommendations

Current Audit: Inadequate Controls, Non-Compliances and Recommendations			
A. Resolved During Current Audit Period			
Obligation Number and Recommendation Reference	Licence Obligation Reference Number	Date Resolved and Action Taken by the CKB	Paxon's Comments
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
167 Not applicable	<ul style="list-style-type: none"> Number: 167; Rating: A 2; Obligation: Act, section 12 and WL4, version 7, clause 4.8.2; and Details: The CKB submitted its performance report for 2018-2019 to the ERA by e-mail on 14/10/2019. Thus, the report was submitted late. 	The CKB submitted its performance report for 2019-2020 to the ERA by e-mail on 28/08/2020.	Paxon does not make a recommendation for the late submission of the performance report for 2018-2019 as the CKB submitted its performance report for 2019-2020 in time.

Table 11: Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part A)

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
1/2021	<ul style="list-style-type: none"> • Number: 50; • Rating: A 2; • Obligation: Act, section 174(1) and WL4, version 7, clause 4.1.1; and • Details: <ul style="list-style-type: none"> ○ Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit Period, the CKB: <ul style="list-style-type: none"> ○ Only once entered a place for the purpose of doing works; and ○ But only consulted verbally with the occupier prior to entry to agree on a suitable time. 	The CKB must comply with the stipulations of section 174(1) of the Act by providing written notice of a proposed entry which set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	Zero.
2/2021	<ul style="list-style-type: none"> • Number: 51; • Rating: A 2; • Obligation: Act, section 174(3) and WL4, version 7, clause 4.1.1; and • Details: <ul style="list-style-type: none"> ○ Paxon confirmed by interview of the CKB's Water Services Engineer that, during the Audit 	<p>The CKB must comply with the stipulations of section 174(3) of the Act in instances when it may enter a place without having to give notice by:</p> <ul style="list-style-type: none"> • Providing written notice of entry to the occupier; • When practicable, and when it will not compromise the reason for entry. 	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor’s Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
2/2021 (continued)	Period, in emergency instances, the CKB always requested verbal permission to enter a place.		
3/2021	<ul style="list-style-type: none">• Number: 55;• Rating: A 3;• Obligation: Act, section 176(3) and WL4, version 7, clause 4.1.1; and• Details: Paxon confirmed by interview of the CKB’s Water Services Project Manager that, during the Audit Period, CKB representatives were only issued with business cards.	<p>The CKB must issue its representatives with certificates of authority. These certificates should:</p> <ul style="list-style-type: none">• Record the full name of the representative; and• Refer to sections 115 and 116 of the Act.	Zero.
4/2021	<ul style="list-style-type: none">• Numbers: 65 to 72, 74, 75, 89 92, 94, 95 to 98A, 101, 101A, 103 to 104, 104A, 105, 106, 111A, 112C, 117, 117A, 118, 122, 123, 126B, 128, 129B, 129C, 146, 152, 153, 154, 154A 159, 160, 162, 165, 168, 169, 172, 172A to B, 175 to 180 and 183;	<ul style="list-style-type: none">• The CKB should expand its “<i>Responsibility Matrix</i>” to include its obligations in terms of the:<ul style="list-style-type: none">○ 2013 Regulations;○ 2018 Code of Conduct; and○ WL4.• The <i>Responsibility Matrix</i>” should also identify, per individual compliance obligation, appropriate policy and procedure document;	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
4/2021 (continued)	<ul style="list-style-type: none"> • Ratings: as recorded at the individual obligations in Table 10 of this Report; • Obligation: as recorded at the individual obligations in Table 10 of this Report; and • Details: <ul style="list-style-type: none"> ◦ The "Responsibility Matrix" focuses primarily on obligations in terms of the Act, with limited references to obligations in terms of WL4. No references could be found for obligations in terms of: ◦ Water Services Regulations 2013 (2013 Regulations); and ◦ Water Services Code of Conduct (Customer Service Standards) 2018 (2018 Code of Conduct). 	<p>and</p> <ul style="list-style-type: none"> • The ERA's document entitled: "Water Compliance Reporting Manual - Water Services Act 2012 – May 2020" may help the CKB to expand its "Responsibility Matrix". 	
5/2021	<ul style="list-style-type: none"> • Number: 102A; • Rating: B 2; • Obligations: 2018 Code of Conduct, clause 13(6) and WL4, version 7, clause 4.1.1; and 	The CKB should comply with all the stipulations of clause 13(6) of the 2018 Code of Conduct, in respect of the of rate notices/tax invoices issued for sewerage charges. The following additional information should be disclosed on these tax invoices:	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
5/2021 (continued)	<ul style="list-style-type: none"> Details: <ul style="list-style-type: none"> Paxon examined a sample of rate notices/tax invoices issued during the Audit Period, which record annual "Sewered Area Rates". The sampled tax invoices confirm the disclosure of the prescribed information included in clause 13(6) of the 2018 Code of Conduct except for clauses: <ul style="list-style-type: none"> 13(6)(e) – telephone number for 24-hour information line; and 13(6)(g) – disclosure of National Interpreter Symbol and the words "Interpreter Services". 	<ul style="list-style-type: none"> Clause 13(6)(e) - the telephone number of the 24-hour information line provided in accordance with clause 45 of the 2018 Code of Conduct; and Clause 13(6)(g) - for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services". 	
6/2021	<ul style="list-style-type: none"> Numbers: 114, 115 and 116; Rating: B 2; Obligations: 2018 Code of Conduct, clauses 20(2), (3) (4) and (6) and WL4, version 7, clause 4.1.1; and Details: <ul style="list-style-type: none"> The CKB's website states: 	<p>The CKB should:</p> <ul style="list-style-type: none"> Include the stipulations of clauses 20(2), (3) and (4) of the 2018 Code of Conduct in explicit detail in its Sewerage Services Charter; and Ensure the Sewerage Services Charter is publicly available. 	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
6/2021 (continued)		<p><i>"We (the City) will review your rates account at your request in accordance with clause 20 of the "Water Services Code of Conduct (Customer Service Standards) 2018";</i></p> <ul style="list-style-type: none">○ The CKB's website also mentions the customer may, if unsatisfied with the outcome of the review, refer the matter to the Energy and Water Services Ombudsman (both the above-mentioned matters were found on the dedicated webpage entitled: <i>"My Property/ Rates/About Rates - Sewerage and Utility Services"</i>);○ The CKB's Sewerage Services Charter addresses both undercharging and overcharging for sewerage services in section 2.6 entitled: <i>"Charges and Accounts"</i>. Thus, written procedure for the review of sewerage bills is fragmented as it is recorded in different documents; and	

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
6/2021 (continued)	○ However, no reference could be found regarding referring a sewerage bill complaint to the State Administrative Tribunal.		
7/2021	<ul style="list-style-type: none">• Number: 133A;• Rating: D NR;• Obligation: 2018 Code of Conduct, clauses 32 and WL4, version 7, clause 4.1.1; and• Detail: Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter provides for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct.	<p>The CKB's Sewerage Services Charter should provide for compliance with clauses 32(1)(b) and (c) of the 2018 Code of Conduct by stating the CKB must not charge interest or fees for late payment of a bill by a customer:</p> <ul style="list-style-type: none">• If a complaint made by the customer to the CKB that directly relates to the non-payment of the bill is not resolved; or• If a complaint made by the customer to the water services ombudsman (known to the CKB) that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman.	Zero.
8/2021	<ul style="list-style-type: none">• Number: 134A;• Rating: D NR;• Obligation: 2018 Code of Conduct, clauses 33(1)(d) and (e) and WL4, version 7, clause 4.1.1;	<p>The CKB's Sewerage Services Charter should provide for compliance with clauses 33(1)(d) and (e) of the 2018 Code of Conduct by stating the CKB must not commence or continue proceedings to recover a debt from a customer if :</p>	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
8/2021 (continued)	<p>and</p> <ul style="list-style-type: none"> Details: <p>Neither the CKB's Hardship Policy nor the CKB's Sewerage Services Charter address the stipulations of clauses 33(1)(d) and (e) of the 2018 Code of Conduct.</p>	<ul style="list-style-type: none"> A complaint made by the customer to the CKB that directly relates to the water service charge to which the debt relates is not resolved; or A complaint made by the customer to the water services ombudsman (known to the City) that directly relates to the water service charge to which the debt relates is not determined or is upheld by the water services ombudsman. 	
09/2021	<ul style="list-style-type: none"> Number: 146; Rating: D 2; Obligation: 2018 Code of Conduct, clause 46(2), and WL4, version 7, clause 4.1.1; and Details: <p>The CKB's "Complaints Handling" policy does not give any indication as to whether it was developed using as minimum standards the relevant provisions of:</p> <ul style="list-style-type: none"> AS/NZS 10002-2014; and 	<p>The CKB should review its "Complaints Handling" policy using as minimum standards the relevant provisions of AS/NZS 10002-2014 and the ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints".</p>	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations

B. Unresolved at End of Current Audit Period

Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
09/2021 (continued)	○ ERA's "Customer Complaints Guidelines: distinguishing customer queries from complaints"		
10/2021	<ul style="list-style-type: none">• Number: 152;• Rating: D 2;• Obligation: 2018 Code of Conduct, clause 48(2) and WL4, version 7, clause 4.1.1; and• Details: The CKB's website records charges are applicable for "rates notice reprints." This means customers will have to pay to obtain historical financial information regarding sewerage services.	The CKB must make historical financial information regarding sewerage services provided available at no charge.	Zero.
11/2021	<ul style="list-style-type: none">• Number: 165;• Rating: D 2;• Obligation: Act, section 12 and WL4, version 7, clause 4.8.1; and• Details:<ul style="list-style-type: none">○ Paxon was informed by the CKB's Water Services Engineer that, during the Audit	The CKB must on a timely basis provide the ERA with specified information relevant to the operation of WL4 version 7 or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.	Zero.

Current Audit: Inadequate Controls, Non-Compliances and Recommendations			
B. Unresolved at End of Current Audit Period			
Recommendation Reference (no./year)	Licence Obligation Reference Number	Auditor's Recommendation	CKB Action Taken by End of Audit Period
	Controls and Compliance Rating		
	Legislative Obligation		
	Details of Inadequate Controls and/or Non-Compliance		
11/2021 (continued)	<p>Period, the CKB was instructed to provide the ERA with, amongst others, standing charge data by 30 September on an annual basis;</p> <ul style="list-style-type: none"> o Paxon examined an ERA e-mail the CKB received on 24/10/2019 regarding the late submission of standing charge data for 2019. The e-mail stated this late submission needed to be recorded as a non-compliance of clause 3.8 of WL4 in the 2020 compliance report; and o The CKB provided standing charge date for 2020 to the ERA by e-mail on 16/09/2020. 		

Table 11: Current Audit: Inadequate Controls, Non-Compliances and Recommendations (Part B)

4.5 Current Audit: Compliance Obligations Found to be “Not Applicable”

Paxon identified some compliance obligations, after the approval of the audit plan by the ERA, as being ‘not applicable’:

No.	Obligation Under:		Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
	Water Services Code of Conduct (Customer Service Standards) 2018	Water Services Licence – Version 7				Controls	Compliance
127	29(5)	4.1.1	The licensee’s financial hardship policy must be in effect within 6 months of the day of the grant of the license.	4	Controls and Compliance: The CKB’s water services licence commenced on 29/04/1996. The 2013 Code of Conduct which created the obligation for the CKB to have a financial hardship policy, was gazetted on 26/07/2013 and took effect on 18/11/2013. As such, the CKB’s financial hardship policy must have been finalised by 17/05/2014. This date precedes the current Audit Period which is from 1/01/2019 to 31/12/2020. Thus, the CKB did not need to comply with obligation number 127 during the Audit Period.	NA	NA

Table 12: Current Audit: Compliance Obligations Found to be “Not Applicable” (Part A)

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12) Clause Number	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
170A	5.1.2 (a) & (b)	The licensee must notify the ERA of the details of the asset management system within five business days from the later of: a) the commencement date; or b) the completion of construction of the licensee's water service works.	4	Applicable Period: The ERA's "Water Compliance Reporting Manual – Water Services Act 2012 – May 2020", in generic terms makes clause 5.1.2 in water services licenses applicable to all licensees. However, WL4, version 7, as issued on 1/5/2020 specifically records clause 5.1.2 is "Not used".	NA	NA
184A, 185 to 188	7.1.2	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.	4	Applicable Period: The ERA's "Water Compliance Reporting Manual – Water Services Act 2012 – May 2020", adds obligations as included in clauses 7.1.2, 7.1.4, 7.1.5, 7.1.6 and 7.1.7 in water services licenses applicable to providers of sewerage services. Controls and Compliance: • The CKB entered into a "Memorandum of Understanding Between the Department of Health and the City of Kalgoorlie Boulder for Sewerage and Non-potable Water Services" (MOU); and • The MOU is dated 23/02/2021. Paxon is satisfied the MOU was entered "as soon as practicable" after 1/05/2020. However, the MOU was only effective as from 23/02/2021	NA	NA

No.	Obligation Under: Water Services Licence - Version 7 and the Water Services Act 2012 (Section 12)	Summary Description of Obligation	Audit Priority Rating: (1 = High to 5 = Low)	Observations and Recommendations	Ratings (as per Table 8)	
					Controls	Compliance
184A, 185 to 188 (cont.)	184B 7.1.3	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.	4	which follows the Audit Period. Thus, compliance with clauses 7.1.2, 7.1.4, 7.1.5, 7.1.6 and 7.1.7 of WL4, version 7 was not required during the Audit Period.		
				Controls and compliance: WL4 only licences the CKB to provide non-potable water supply services and sewerage services. Thus, this obligation was not applicable to the CKB during the Audit Period.	NA	NA

Table 12: Current Audit: Compliance Obligations Found to be “Not Applicable” (Part B)

5 Asset Management System Review: Comprehensive Report

5.1 Asset Management System Rating Scales

The asset management process and policy rating allocated to each asset management system component are set out in Table 13 below. These ratings were taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019" and are as follows:

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> Processes and policies are documented; Processes and policies adequately document the required performance of the assets; Processes and policies are subject to regular reviews and updated where necessary; and The asset management information system(s) is adequate in relation to the assets being managed.
B	Requires some improvement	<ul style="list-style-type: none"> Processes and policies require improvement; Processes and policies do not adequately document the required performance of the assets; Reviews of processes and policies are not conducted regularly enough; and The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).
C	Requires substantial improvement	<ul style="list-style-type: none"> Processes and policies are incomplete or require substantial improvement; Processes and policies do not document the required performance of the assets; Processes and policies are considerably out of date; and The asset management information system(s) requires substantial improvements (taking into consideration the assets being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented; and The asset management information system(s) is not fit for purpose (taking into consideration the assets being managed).

Table 13: Asset Management Process and Policy Rating Scales

The asset management performance ratings allocated to each asset management system component are set out in Table 14 below. These ratings were taken from the ERA's document entitled: "2019 Audit and Review Guidelines - Water Licences – March 2019" and are as follows:

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> • The performance of the process meets or exceeds the required levels of performance; and • Process effectiveness is regularly assessed, and corrective action taken where necessary.
2	Improvement required	<ul style="list-style-type: none"> • The performance of the process requires some improvement to meet the required level; • Process effectiveness reviews are not performed regularly enough; and • Recommended process improvements are not implemented.
3	Corrective action required	<ul style="list-style-type: none"> • The performance of the process requires substantial improvement to meet the required level; • Process effectiveness reviews are performed irregularly, or not at all; and • Recommended process improvements are not implemented.
4	Serious action required	<ul style="list-style-type: none"> • Process is not performed, or the performance is so poor the process is considered to be ineffective.

Table 14: Asset Management Performance Rating Scales

5.2 Asset Management System: Ratings Summary

The ratings for the asset management processes, including their effectiveness criteria, are indicated in Table 15 below:

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)								
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
Asset Planning				✓		✓			
• Asset Management Plan covers key requirements;	4			✓		✓			
• Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning;	4	✓				✓			
• Service levels are defined;	4	✓				✓			
• Non-asset options are considered;	5		✓			✓			
• Life cycle costs of owning and operating the assets are assessed;	4		✓			✓			
• Funding options are evaluated;	4	✓				✓			
• Costs are justified, and cost drivers identified;	4		✓			✓			
• Likelihood and consequences of asset failure are predicted; and	2		✓			✓			
• Plans are regularly reviewed and updated.	2		✓				✓		
Asset Creation and Acquisition				✓		✓			
• Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions;	4			✓		✓			

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)								
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
• Evaluations include all lifecycle costs;	5		✓			✓			
• Projects reflect sound engineering and business decisions;	5		✓			✓			
• Commissioning tests are documented and completed; and	5		✓			✓			
• On-going legal/environmental/safety obligations of the asset owner are assigned and understood.	4		✓			✓			
Asset Disposal			✓				✓		
• Under performing and underutilised assets are identified as part of a regular systematic review process;	4		✓				✓		
• The reasons for underutilisation or poor performance are critically examined and corrective action or disposal undertaken;	4		✓			✓			
• Disposal alternatives are evaluated; and	5	✓				✓			
• There is a replacement strategy for assets.	5			✓		✓			
Environmental Analysis		✓				✓			
• Opportunities and threats in the system are assessed;	4	✓				✓			

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
<ul style="list-style-type: none"> Performance standards (availability of service, capacity, continuity, emergency response etc.) are measured and achieved; 	2	✓				✓			
<ul style="list-style-type: none"> Compliance with statutory and regulatory requirements; and 	2	✓				✓			
<ul style="list-style-type: none"> Service standards (customer service levels etc.) are measured and achieved. 	4	✓				✓			
Asset Operations			✓				✓		
<ul style="list-style-type: none"> Operational procedures and policies are documented and linked to service levels required; 	2		✓			✓			
<ul style="list-style-type: none"> Risk management is applied to prioritise operations tasks; 	2		✓			✓			
<ul style="list-style-type: none"> Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical/structural condition and accounting data; 	4	✓				✓			
<ul style="list-style-type: none"> Operational costs are measured and monitored; and 	2		✓			✓			
<ul style="list-style-type: none"> Staff resources are adequate, and staff receive training commensurate with their responsibilities. 	4			✓			✓		

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)								
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
Asset Maintenance			✓			✓			
• Maintenance policies and procedures are documented and linked to service levels required;	2			✓		✓			
• Regular inspections are undertaken of asset performance and condition;	2			✓		✓			
• Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule;	2		✓			✓			
• Failures are analysed, and operation/maintenance plans are adjusted where necessary;	4		✓			✓			
• Risk management is applied to prioritise maintenance tasks; and	2		✓				✓		
• Maintenance costs are measured and monitored.	4		✓			✓			
Asset Management Information System			✓			✓			
• Adequate system documentation for users and IT operators;	2		✓				✓		
• Input controls include appropriate verification and validation of data entered into the system;	2		✓				✓		
• Security access controls appear adequate, such as passwords;	4		✓			✓			
• Physical security access controls appear adequate;	4		✓			✓			

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)								
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
• Data back-up procedures appear adequate and back-ups are tested;	2		✓			✓			
• Key computations related to Licensee performance reporting are materially accurate;	4		✓			✓			
• Management reports appear adequate for the Licensee to monitor licence obligations; and	4		✓			✓			
• Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	4		✓			✓			
Risk Management			✓			✓			
• Risk management policies and procedures exist and are being applied to minimise internal and external risk associated with the asset management system;	2		✓			✓			
• Risks are documented in a risk register and treatment plans are actioned and monitored; and	2	✓				✓			
• The probability and consequences of asset failure are regularly assessed.	4		✓				✓		
Contingency Planning				✓				✓	
• Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	2			✓				✓	

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)	Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
Financial Planning		✓				✓			
• The financial plan states the financial objectives and identifies strategies and actions to achieve those;	2	✓				✓			
• The financial plan identifies the source of funds for capital expenditure and recurrent costs;	2	✓				✓			
• The financial plan provides projections of operating statements (profit and loss) and statements of financial position (balance sheets);	2	✓				✓			
• The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period;	2	✓				✓			
• The financial plan provides for the operation, maintenance, administration, and capital expenditure requirements of the services; and	2	✓				✓			
• Significant variances in actual/ budget income and expenses are identified and corrective action taken where necessary.	2	✓				✓			
Capital Expenditure Planning			✓				✓		
• There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates;	2		✓				✓		

Asset Management System	Review Priority Rating	Process and Policy Rating				Performance Rating			
Processes and Effectiveness Criteria	(1 = High to 5 = Low)								
		Adequately Defined	Requires some Improvement	Requires Substantial Improvement	Inadequate	Performing Effectively	Improvement Required	Corrective Action Required	Serious Action Required
		A	B	C	D	1	2	3	4
• The plan provides reasons for capital expenditure and timing of expenditure;	2		✓				✓		
• The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan; and	4		✓				✓		
• There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	2		✓			✓			
Review of Asset Management System				✓				✓	
• A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current; and	3		✓				✓		
• Independent reviews (e.g., internal audit) are performed of the asset management system.	3			✓				✓	

Table 15: Asset Management System: Ratings Summary

5.3 Review Observations and Recommendations

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning		<p><u>Background Observations:</u></p> <ul style="list-style-type: none"> • Despite both being covered by WL4, until recently, the Kalgoorlie sewerage system (sewers, pumping stations and wastewater treatment plant (WWTP)) was operated by the CKB's Water Services group. However, the re-cycled water system was operated by CKB's Parks and Gardens department; • CKB has recently decided to amalgamate both systems under the management of the Water Services group - necessitating the transfer of Parks and Gardens staff associated with the re-cycled water system to the Water Services group; • Although CKB committed to create an updated AMP by March 2020, the document is not completed in a readily accessible format. A significant amount of documentation exists but is difficult to access - as it is located across three separate documents, each of which contain some information relevant to both systems. i.e., the Water Services Asset Management Plan (AMP), the Standard Operating Procedures (SOP) and the Water Quality Management Plan; and • Reviewer considers that for clarity, a single AMP should be prepared for the water services - in the form of four separate sections i.e.: <ul style="list-style-type: none"> ○ Section 1 - General Information common to all water systems i.e., Background, Asset Creation and Acquisition, Asset Disposal, Environmental Analysis, Overall Risk Assessment, Asset Management Information System (MIS), overall Financial and Capital Expenditure Planning. and Review of the Asset Management System (AMIS); ○ Section 2 - sewers and pumping stations planning, operations, maintenance and capital expenditure planning; ○ Section 3 - WWTP - as recorded for section 2 above; and ○ Section 4 - re-cycled water system - as recorded for section 2 above. <p>(See Recommendation R1/2021 below.)</p>	C	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning (continued)		<p>Recommendation R1/2021:</p> <ul style="list-style-type: none"> All information relevant to the licensed water services should be consolidated in a single AMP, prepared in the form of four separate sections: i.e., section 1 - general information, section 2 - sewers and pumping stations, section 3 – WWTP and section 4 - re-cycled water system. <p>Recommendation R2/2021:</p> <ul style="list-style-type: none"> The AMP was programmed for completion during March 2020. but significant input is required to consolidate the AMP as indicated above. In view of the workload of the small Water Services group tasked with operation and maintenance of the system, supervision of capital works and integration of Parks and Gardens staff, the Reviewer considers CBK should assign or appoint an experienced person to complete the AMP as a matter of urgency; and The AMP contains some one hundred and twenty pages of Appendices containing specialist consultant's reports. These address demand forecast for sewerage, water balance of the WWTP, meter calibration, bore logs, recycled water issues and SCADA upgrades. The clarity of the AMP could be improved by removing and relocating these documents elsewhere. Their conclusions could be included in the AMP - with a cross reference to the reports and their location on the CKB's server. <p>Recommendation R3/2021:</p> <ul style="list-style-type: none"> Clarity of the AMP should be improved by removing and relocating consultant's and other reports elsewhere. Relevant summaries of their conclusions could be included in the AMP - with a cross reference to the reports and their location on CKB's server; and The AMP basically addresses the sewerage system - but mainly, fails to address the recycled water system as a functioning facility of CKB's water licence. <p>Recommendation R4/2021:</p> <p>Planning, operation, maintenance, contingency and capital expenditure planning etc. for the re-cycled water system should be included in the AMP. An assessment of the criticality of the recycled water system (similar to the existing colour coded assessment for the sewerage reticulation system) should be included in the AMP in accordance with unresolved Recommendation R3/2019 of the 2019 review.</p>		

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning (continued)	4	<p><u>Effectiveness Criterion:</u></p> <p>Asset Management Plan covers key requirements.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> The current Water Services Asset Management Plan (version 4 - revision 1 June 2020) was prepared in response to recommendations of independent reviews undertaken in 2015, 2017 and 2019. (See Recommendations R1/2021 to R4/2021 as included above.); The document supports the CKB's overall Asset Management Policy and Strategic Community Plan. The current document has been prepared under the supervision of the Water Services Project Manager - who advised his team's initial priority has been to review and upgrade current operations and maintenance practises of the sewerage scheme. Consequently, upgrading of the AMP has been restricted by shortage of staff to fully address the recommendations of previous reviews; The AMP is supported by the Standard Operating Procedures (SOP) document; and The AMP and supporting documents cover the key requirements including operations, maintenance, financial and capital expenditure planning, risk analysis and contingency planning. 	C	1
		4	<p><u>Effectiveness Criterion:</u></p> <p>Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning.</p> <p><u>Observations:</u></p> <p>Stakeholders are identified. Section 4 of the AMP addresses future development scenarios for the city, together with the location and consequent demand for both sewerage and non-potable water services. Areas where existing facilities can accommodate further land development and increasing demand are identified, together with an assessment of additional facilities (e.g., pumping stations or major collection works) required to service other developments. The capacity of the exiting Wastewater Treatment Plant (WWTP) and its associated processes is also assessed.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning (continued)	4	<p><u>Effectiveness Criterion:</u> Service levels are defined.</p> <p><u>Observations:</u> Section 3 of the AMP contains an extensive listing of the levels of service targets for the sewerage system. These include the levels of customer service required of CKB's water licence, together with operational and maintenance performance, water quality, continuation of supply etc. associated with the requirements of ERA, DOH and DOWR.</p>	A	1
		5	<p><u>Effectiveness Criterion:</u> Non-asset options are considered.</p> <p><u>Observations:</u> Non asset options are considered in the planning of new works and in considering replacement of existing assets.</p>	B	1
		4	<p><u>Effectiveness Criterion:</u> Life cycle costs of owning and operating the assets are assessed.</p> <p><u>Observations:</u> Rather than prepare a net present worth and annual contribution to a reserve fund to finance future works, CBK has prepared a detailed Long Term Financial Management Plan (LTFMP) for the period 2019 to 2040. The plan covers financing of proposed capital works, operations and maintenance costs over the period.</p>	B	1
		4	<p><u>Effectiveness Criterion:</u> Funding options are evaluated.</p> <p><u>Observations:</u> The LTFMP addresses funding sources. Reviewer notes - with few exceptions, proposed operations, maintenance and capital works can be funded from a combination of reserve funds and revenue.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
1	Asset Planning (continued)	4	<p><u>Effectiveness Criterion:</u></p> <p>Costs are justified, and cost drivers identified.</p> <p><u>Observations:</u></p> <p>Estimated costs are justified on the basis of achieving a satisfactory combination of performance and overall economy.</p>	B	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Likelihood and consequences of asset failure are predicted.</p> <p><u>Observations:</u></p> <p>The risk assessment adequately addresses the likelihood and consequences of asset failure.</p>	B	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Plans are regularly reviewed and updated.</p> <p><u>Observations:</u></p> <p>The AMP states CKB's intention is to review the asset management plans at six monthly intervals. Whilst the document is dated June 2020, there is no evidence of review at the proposed intervals. Reviewer considers that twelve monthly intervals are adequate.</p>	B	2
2	Asset Creation and Acquisition	4	<p><u>Effectiveness Criterion:</u></p> <p>Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> Section 5.5 of the AMP sets out the principles of evaluation and procedures to be followed in the acquisition of assets. Approval for acquisition is required from Council or Council approved budget proposals. Reference is made to CKB's standard procedures for purchasing, tender criteria and application of regional price preference; and There appears to be no documented procedure for the evaluation of asset considered for acquisition, e.g., competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items etc. 	C	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
2	Asset Creation and Acquisition (continued)		Recommendation R5/2021: Procedures should be prepared for assessing options for acquisition, replacement, or disposal including competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items etc.		
		5	<u>Effectiveness Criterion:</u> Evaluations include all lifecycle costs. <u>Observations:</u> Lifecycle costs (i.e. purchase and installation, operations, maintenance and projected replacement costs) are evaluated for major acquisitions.	B	1
		5	<u>Effectiveness Criterion:</u> Projects reflect sound engineering and business decisions. <u>Observations:</u> Proposed capital acquisitions in the twenty-year Long Term Financial Management Plan (LTFMP) are based on sound development/ improvement proposals contained in various reports by specialist consultants and CKB specialist staff.	B	1
		5	<u>Effectiveness Criterion:</u> Commissioning tests are documented and completed. <u>Observations:</u> Standard and special conditions of contract adopted by CBK set out - where appropriate, validation testing/assessment required prior to payments.	B	1
		4	<u>Effectiveness Criterion:</u> On-going legal/environmental/safety obligations of the asset owner are assigned and understood. <u>Observations:</u> As the owner, CKB has the overall legal/environmental/health responsibility for any asset. However operational or management responsibility will usually be assigned to individual council officers or departments.	B	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
3	Asset Disposal	4	<p><u>Effectiveness Criterion:</u></p> <p>Under performing and underutilised assets are identified as part of a regular systematic review process.</p> <p><u>Observations:</u></p> <p>Sub-Section 5.5 of the AMP states an asset is disposed of when it becomes uneconomical to maintain and/or replace. The prime indicators are performance of the asset, risk and consequence of failure, maintenance and repair history and condition.</p>	B	2
		4	<p><u>Effectiveness Criterion:</u></p> <p>The reasons for underutilisation or poor performance are critically examined and corrective action or disposal undertaken.</p> <p><u>Observations:</u></p> <p>Options for corrective action are examined to establish whether or not it is practical in operational, risk or economic terms . If not, disposal options are considered. Service levels are the prime indicator leading to disposal. Such issues are raised based on asset inspections, condition, power consumption etc.</p>	B	1
		5	<p><u>Effectiveness Criterion:</u></p> <p>Disposal alternatives are evaluated.</p> <p><u>Observations:</u></p> <p>The AMP outlines available disposal options. Depending on the asset, it can be disposed of - if a pipeline, by abandonment if buried, or re-lining. Mechanical or electrical assets or their components can be retained as spares, sold or buried in landfill. Replacement or refurbishment is always considered prior to disposal.</p>	A	1
		5	<p><u>Effectiveness Criterion:</u></p> <p>There is a replacement strategy for assets.</p> <p><u>Observations:</u></p> <p>The AMP does not contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets.</p>	C	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
3	Asset Disposal (continued)		Recommendation R6/2021: That the AMP should contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets.		
4	Environmental Analysis	4	<u>Effectiveness Criterion:</u> Opportunities and threats in the system are assessed. <u>Observations:</u> Opportunities and threats in the system are adequately addressed in the comprehensive risk and mitigation analysis in the AMP.	A	1
		2	<u>Effectiveness Criterion:</u> Performance standards (availability of service, capacity, continuity, emergency response etc.) are measured and achieved. <u>Observations:</u> Section 3 of the AMP contains an extensive listing of the levels of service targets for the water services. These include wastewater and water re-cycling, operations and maintenance performance measures.	A	1
		2	<u>Effectiveness Criterion:</u> Compliance with statutory and regulatory requirements. <u>Observations:</u> CKB undertakes continuous monthly assessment of performance levels based on measured results, testing and inspections.	A	1
		4	<u>Effectiveness Criterion:</u> Service standards (customer service levels etc.) are measured and achieved. <u>Observations:</u> The AMP lists customer service levels associated with CKB's water services licence. Reports to ERA confirm a high level of service achievement. Non-compliances are also reported, together with the associated reasons for non-compliance and proposed mitigation methods.	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5	Asset Operations	2	<p><u>Effectiveness Criterion:</u></p> <p>Operational procedures and policies are documented and linked to service levels required.</p> <p><u>Observations:</u></p> <p>Sewer System</p> <p>As sewers are operated by gravity and pumping stations operate automatically, there are no specific operational tasks required. Part D of the Standard Operating Procedures (SOP) describes the duties of contractors engaged for planned and unplanned maintenance and repairs. Contract documents for mechanical and electrical maintenance, set out the planned maintenance tasks and the basis of pricing for unplanned works. However, new procedures for regular (monthly?) condition inspection of representative access chambers and pumping stations, together with recording results of inspections and any consequent un-planned maintenance work requests to contractors, have not been documented.</p> <p>WWTP</p> <p>The document "<i>Kalgoorlie WWTP - Process description</i>" - revision 6 dated June 2003 provides a detailed description of the operation of each process, plant settings and operations - including areas where the operator may make process adjustments resulting from basic tests undertaken at the plant. The two operators alternate their duties. The WWTP operates automatically and is un-supervised outside normal working hours.</p> <p>Recycled Water System</p> <p>The document "<i>Re-cycled Water Operational and Maintenance Manual</i>" - version 2 dated 12 February 2021 sets out the operational and maintenance duties of various management staff associated with the re-cycled water system. Such duties include compliance with DOH guidelines for wastewater management, allocation of water to external customers, inspection and maintenance of the system, staff induction and adherence to health and safety plans.</p>	B	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Risk management is applied to prioritise operations tasks.</p> <p><u>Observations:</u></p> <p>Documented operations procedures are based on risks associated with other operations or maintenance occurring concurrently.</p>	B	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
5	Asset Operations (continued)	4	<p><u>Effectiveness Criterion:</u></p> <p>Assets are documented in an asset register including asset type, location, material, plans of components and assessment of assets physical/structural condition and accounting data.</p> <p><u>Observations:</u></p> <p>A register of all assets is being developed in RAMM. The register includes asset material, type, location, condition, inspection date and a record of previous faults and un-planned maintenance.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Operational costs are measured and monitored.</p> <p><u>Observations:</u></p> <p>Operating costs are measured and summarised in monthly reports to management</p>	B	1
		4	<p><u>Effectiveness Criterion:</u></p> <p>Staff resources are adequate, and staff receive training commensurate with their responsibilities.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> • Reviewer notes the management team is always extremely busy - possibly explaining the delay in completing the AMP in favour of implementing other operational procedures, including the complete data entry and implementation of RAMM; and • Reviewer was unable to access a training schedule for the water services team. <p>Recommendation R7/2021:</p> <ul style="list-style-type: none"> • CKB should consider the implications of the current workload of existing Water Services staff together with the future overall workload and staff numbers following the transfer of Parks and Gardens staff associated with the water re-cycling system; and • A training program should be prepared for the present/future staff. 	C	2

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
6	Asset Maintenance	2	<p><u>Effectiveness Criterion:</u></p> <p>Maintenance policies and procedures are documented and linked to service levels required.</p> <p><u>Observations:</u></p> <p>Planned and un-planned maintenance are carried out by contractors for the sewer, pumping stations WWTP and the re-cycled water systems. Contract documents for mechanical, electrical, jetting works inspected by Reviewer included the maintenance schedules for each contract. Copies of the respective maintenance schedules should also be included in the AMP.</p> <p>Recommendation R8/2021:</p> <ul style="list-style-type: none"> • An inspection and maintenance schedule for the sewer, WWTP and re-cycling systems should be included in the AMP for each system; and • Procedures for each of these inspections and their recording, follow up work etc. should be documented in the AMP for each system. 	C	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Regular inspections are undertaken of asset performance and condition.</p> <p><u>Observations:</u></p> <p>Regular (monthly ?) inspections of representative access chambers are undertaken in the sewer reticulation system and considered in conjunction with overflows/blockages in related pipework. If appropriate, detailed inspection of adjacent access chambers and sewers in the zone including CCTV inspection of related sewers is undertaken. If necessary, un-planned maintenance works are instigated by the relevant maintenance contractors. Procedures for these inspections are not documented.</p> <p>Recommendation R9/2021</p> <p>A procedure for each of these inspections and their recording, follow up work etc should be documented in the AMP, together with similar documentation for inspections, recording and un-planned maintenance for pumping stations, the WWTP and re-cycled water system.</p>	C	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
6	Asset Maintenance (continued)	2	<p><u>Effectiveness Criterion:</u></p> <p>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> Planned maintenance is specified in maintenance contracts. Rates are included in the contract for un-planned maintenance works; and Maintenance works are signed off daily by CKB water services staff and are verified prior to making payments under the contract. 	B	1
		4	<p><u>Effectiveness Criterion:</u></p> <p>Failures are analysed, and operation/maintenance plans are adjusted where necessary.</p> <p><u>Observations:</u></p> <p>Asset failures are assessed and recorded in RAMM. Maintenance procedures and/or intervals are adjusted as necessary.</p>	B	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Risk management is applied to prioritise maintenance tasks.</p> <p><u>Observations:</u></p> <p>CKB has established a coloured consequence-based map of the sewer system. The location of a fault on the map readily allows the areas and assets affected by failures or interruption to be determined. The risk associated with the works can then be quantified and the work staged, re-programmed, etc to reduce risks or planning for the expected consequences.</p>	B	2
		4	<p><u>Effectiveness Criterion:</u></p> <p>Maintenance costs are measured and monitored.</p> <p><u>Observations:</u></p> <p>As for operating costs, maintenance costs are measured and summarised in monthly reports to management.</p>	B	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7	Asset Management Information System	2	<p><u>Effectiveness Criterion:</u></p> <p>Adequate system documentation for users and IT operators.</p> <p><u>Observations:</u></p> <p>The water service asset management system is based on:</p> <ul style="list-style-type: none"> • RAMM - the Asset Management and Works Management modules of the RAMMS package. These modules are currently populated (or in the process of data entry) to contain the asset register, maintenance schedules, historical performance/repair/inspection information of assets, together with programmed and ad hoc work request documents for asset maintenance and repair. Staff access RAMM web-based instruction manuals: <ul style="list-style-type: none"> ○ Mike - urban modelling software. This software is operated by the consultant designer using input provided by CKB; and ○ Trevor - a data base software which receives and records water sampling and test results directly from a laboratory. This software is replacing the previously used Excel software which required manual entry of results data. The consultant designer is developing the software in conjunction with CKB. • Intra-maps - a software package which contains maps and relevant data related to the services and administrative factors on individual lots; • The local authority-based Synergy software and Microsoft Office; • There are no documented instructions for RAMM, Mike or Trevor - although instructions for RAMM are provided on the RAMM website. Documentation should be provided on use of Mike and Trevor and directions for accessing the RAMM instructions; and • Reviewer was given a demonstration of both the RAMM and Trevor packages. 	B	2
		2	<p><u>Effectiveness Criterion:</u></p> <p>Input controls include appropriate verification and validation of data entered into the system.</p> <p><u>Observations:</u></p> <p>The completeness of back-ups and data are checked on the following morning by the IT Manager. A faulty back up on say, the office server, can be restored from the cloud copy - and vice versa,</p>	B	2

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7	Asset Management Information System (continued)	4	<u>Effectiveness Criterion:</u> Security access controls appear adequate, such as passwords. <u>Observations:</u> Access to areas of the AMS are restricted to staff in specific operational areas and individual responsibility.	B	1
		4	<u>Effectiveness Criterion:</u> Physical security access controls appear adequate. <u>Observations:</u> The server in the Council office is kept in a locked room accessible only by three IT staff. The office building is locked outside business hours.	B	1
		2	<u>Effectiveness Criterion:</u> Data back-up procedures appear adequate and back-ups are tested. <u>Observations:</u> Dual daily backups are undertaken to both the office server and externally to the cloud via Veam consultants.	B	1
		4	<u>Effectiveness Criterion:</u> Key computations related to Licensee performance reporting are materially accurate. <u>Observations:</u> Key calculations of licence performance data are consolidated within the AMS - particularly RAMMS.	B	1
		4	<u>Effectiveness Criterion:</u> Management reports appear adequate for the Licensee to monitor licence obligations. <u>Observations:</u> Data from various suites of the AMS (monthly financial, operations, maintenance testing and performance reports) form the basis of monthly reports to management, six-monthly reports to Council and annual reports to ERA, DOH and DWER.	B	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
7	Asset Management Information System (continued)	4	<p><u>Effectiveness Criterion:</u></p> <p>Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.</p> <p><u>Observations:</u></p> <p>Access to the system is by password only. Access to various areas of the AMIS is limited only to nominated members of staff with responsibility in these areas.</p>	B	1
8	Risk Management	2	<p><u>Effectiveness Criterion:</u></p> <p>Risk management policies and procedures exist and are being applied to minimise internal and external risk associated with the asset management system.</p> <p><u>Observations:</u></p> <p>Section 5 of the AMP outlines the basis of the assessment of risks associated with the water services. Areas of assessment are related to general, financial, safety, environmental and staff. Risks are assessed in terms of likelihood of occurrence and severity. Severity is assessed at five levels - from minor to catastrophic.</p>	B	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Risks are documented in a risk register and treatment plans are actioned and monitored.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> • A comprehensive risk assessment matrix is presented in Appendix 5 of the AMP. A range of fifty risks are assessed. The matrix provides an assessment of the initial risk together with mitigation procedures (intended or in place) followed by an adjusted risk based on the mitigation implemented; and • The assessment is considered adequate despite some risks being identified in general event rather than by a specific cause (e.g., pump failure is stated as an overall event rather than a situation resulting from say, electrical supply failure, control equipment, motor failure or blockage). 	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
8	Risk Management (continued)	4	<p><u>Effectiveness Criterion:</u></p> <p>The probability and consequences of asset failure are regularly assessed.</p> <p><u>Observations:</u></p> <p>The AMP states risks will be re-assessed on a three-monthly basis. Staffing pressure has precluded the implementation of this intention. Reviewer considers an interval of one year is more reasonable.</p>	B	2
9	Contingency Planning	2	<p><u>Effectiveness Criterion:</u></p> <p>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> • Section 3 of the SOP contains detailed descriptions of the initial procedures to be followed in assessing the extent and consequence of emergencies in the sewer collection system, together with the level of CBK staff input including decision on mitigation and clean-up procedures. A broad variety of response options are provided for various scenarios including contact details of trade and equipment services contractors whose assistance may be required; • There are no contingency plans in the AMP for the WWTP or re-cycled water system. Reviewer briefly inspected related plans in the Water Quality Management Plan, which was initially prepared as part of the Memorandum of Understanding between DOH and CKB for the re-cycled water scheme; • Reviewer considers that contingency plans for sewers and pumping stations, together with copies from the WQMP of contingency plans for the WWTP and the re-cycled water system should all reside in the AMP - see Recommendation 1/2021; and • The AMP has no procedure for testing the contingency plans. Reviewer recognises that staff have a sound knowledge of the systems due to daily involvement in their operation and maintenance. 	C	3

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
9	Contingency Planning (continued)		<p>Recommendation R10/2021:</p> <ul style="list-style-type: none"> CKB should include contingency plans for sewers, pumping stations, WWTP and re-cycled water systems in their respective volumes of the AMP. The contingency procedure for sewers in the SOP should be transferred to the AMP for sewers; and CKB should conduct in-house workshops at which staff and selected maintenance contractors discuss and define the implications, reporting and actions required to manage and minimize the effects of selected asset malfunction or failure scenarios. The scenarios should be prepared by the Water Services Project Manager (or external facilitator) who should facilitate, rather than lead the discussions. Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed to participants. Existing procedures should be amended if considered necessary. It is suggested that workshops be conducted twice yearly, each considering one major and one minor scenario. 		
10	Financial Planning	2	<p><u>Effectiveness Criterion:</u></p> <p>The financial plan states the financial objectives and identifies strategies and actions to achieve those.</p> <p><u>Observations:</u></p> <ul style="list-style-type: none"> CKB has adopted a Long-term Financial Management Plan (LTFMP) for the period 2019 to 2040. The plan - which was prepared by a specialist consultant, is wide ranging and detailed - and covers both the re-cycled water and sewerage systems; and A rolling five-year financial plan included as an Appendix4 to the AMP was prepared in 2018 for the years 2019/20 to 2023/24 and should be updated for the five years 2020/21 to 2025/26. This plan should be updated annually by adding the forthcoming fifth year and dropping off the previous first year. The rolling five-year financial plan should reflect the current budget and anticipated expenditure as set out in the LTFMP. Any changes which affect the LTFMP should be incorporated in the LTFMP to maintain its accuracy. 	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>The financial plan identifies the source of funds for capital expenditure and recurrent costs.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
10	Financial Planning (continued)		<p><u>Observations:</u></p> <p>The LTFMP clearly sets out the source of funds for each year. Reviewer noted with the exception of the 2035/36 year, the operation and capital programs are intended to be financed from income and the reserve fund.</p>		
		2	<p><u>Effectiveness Criterion:</u></p> <p>The financial plan provides projections of operating statements (profit and loss) and statements of financial position (balance sheets).</p> <p><u>Observations:</u></p> <p>The LTFMP addresses income and expenditure in considerable detail and indicates an excess or income over expenditure in all but the 2035/2036 financial year.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>The financial plan provides firm predictions of income for the next five years and reasonable indicative predictions beyond this period.</p> <p><u>Observations:</u></p> <p>The financial plan provides reasonable projections for income and expenditure for the twenty-years period to 2041. It is noted the plan can be reviewed and amended if assumed financial and other factors change in the future.</p>	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>The financial plan provides for the operation, maintenance, administration, and capital expenditure requirements of the services.</p> <p><u>Observations:</u></p> <p>The plan provides for all expected annual operations, maintenance, administration and capital expenditure</p>	A	1
		2	<p><u>Effectiveness Criterion:</u></p> <p>Significant variances in actual/ budget income and expenses are identified and corrective action taken where necessary.</p>	A	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
	Financial Planning (continued)		<u>Observations:</u> Income and expenditure are reported monthly to management and the reason for variations are investigated and proposed corrective action proposed.		
11	Capital Expenditure Planning	2	<u>Effectiveness Criterion:</u> There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates. <u>Observations:</u> As for the five-years financial plan, the five-years Capital Expenditure Plan, (CAPEX) is also incorporated in Appendix 4 of the AMP - and should also be extended annually to reflect rolling capital expenditure over the forthcoming five-years.	B	2
		2	<u>Effectiveness Criterion:</u> The plan provides reasons for capital expenditure and timing of expenditure. <u>Observations:</u> Although out of date, the CAPEX plan states the reasons for the various items of expenditure -quoting the result of staff investigations and specialist reports related to the items. The current year CAPEX should match items in the current budget and those expected in the forthcoming five years. If necessary, Capex items included in the LTFMP should be corrected to match changes in future CAPEX expectations.	B	2
		4	<u>Effectiveness Criterion:</u> The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan. <u>Observations:</u> Although out of date, the CAPEX items include expected end of life replacement of particular assets, in addition to those required for other operational or failure reasons.	B	2
		2	<u>Effectiveness Criterion:</u> There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	B	1

No.	Asset Management Process	Review Priority	Observations and Recommendations	Process and Policy Rating	Performance Rating
11	Capital Expenditure Planning (continued)		<u>Observations:</u> <ul style="list-style-type: none"> The capital expenditure plan is updated as part of the budget process - and more frequently if required by operational or management circumstances; and Also, monthly reports to management on project expenditure compared with budget allows regular checks to be made and adjustments to programs if required. 		
12	Review of the Asset Management System	3	<u>Effectiveness Criterion:</u> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current. <u>Observations:</u> The AMP dated 6/7/2020 states in Section 1.7 that six monthly reviews of the AMP functions will be undertaken over the next two years. Due to priority being given to upgrading operational and maintenance practises and construction at the WWTP, development of the AMP, including documenting of procedures, has not been addressed.	B	2
		3	<u>Effectiveness Criterion:</u> Independent reviews (e.g., internal audit) are performed of the asset management system. <u>Observations:</u> An internal review of the overall Asset Management System (AMS) has not been undertaken. Recommendation R11/2021: That CKB prepares procedures for and implements an annual review of the AMP and an audit of the performance of the AMS. Evidence of the reviews and any corresponding revisions should be noted on the front face sheet of the relevant section - and be signed off and dated by the reviewer.	C	3

Table 16: Review Observations and Recommendations

5.4 Current Review: Asset Management System Deficiencies and Recommendations

Current Review: Asset Management System Deficiencies and Recommendations			
A. Resolved During Current Review Period			
Reference	Rating	Date Resolved	Reviewer's Comments
	Asset Management Process and Effectiveness Criterion	CKB Action Taken	
	Details of Deficiency		

There is no content in Part A.

Table 17: Current Review: Asset Management System Deficiencies and Recommendations (Part A)

Current Review: Asset Management System Deficiencies and Recommendations

B. Unresolved at End of Current Review Period

Recommendation Reference (no./year)	Rating	Asset Management Process and Effectiveness Criterion	Reviewer's Recommendation	CKB Action Taken by End of Review Period
		Details of Deficiency		
R1/2021 R4/2021	to	<ul style="list-style-type: none"> • Rating: C 1; • Process: Asset Planning; • Effectiveness criterion: Asset Management Plan covers key requirements; and • Details: <ul style="list-style-type: none"> ○ Despite both being covered by WL4, until recently, the Kalgoorlie sewerage system (sewers, pumping stations and wastewater treatment plant (WWTP)) was operated by the CKB's Water Services group. However, the re-cycled water system was operated by CKB's Parks and Gardens department; ○ CKB has recently decided to amalgamate both systems under the management of the Water Services group - necessitating the transfer of Parks and Gardens staff associated with the re-cycled water system to the Water Services group; ○ Although CKB committed to create an updated AMP by March 2020, the document is not completed in a readily accessible format. A significant amount of documentation exists but is difficult to access - as it is located across three separate documents, each of which contain some information relevant to both systems. i.e., the Water Services Asset Management Plan (AMP), the Standard Operating Procedures (SOP) and the Water Quality Management Plan; and 	<p>Recommendation R1/2021:</p> <p>All information relevant to the licensed water services should be consolidated in a single AMP, prepared in the form of four separate sections: i.e., section 1 - general information, section 2 - sewers and pumping stations, section 3 – WWTP and section 4 - re-cycled water system.</p> <p>Recommendation R2/2021:</p> <ul style="list-style-type: none"> • The AMP was programmed for completion during March 2020. but significant input is required to consolidate the AMP as indicated above. In view of the workload of the small Water Services group tasked with operation and maintenance of the system, supervision of capital works and integration of Parks and Gardens staff, the Reviewer considers CKB should assign or appoint an experienced person to complete the AMP as a matter of urgency; and • The AMP contains some one hundred and twenty pages of Appendices containing specialist consultant's reports. These address demand forecast for sewerage, water balance of the WWTP, meter calibration, bore logs, recycled water issues and SCADA upgrades. The clarity of the AMP could be improved by removing and relocating these documents elsewhere. Their conclusions could be included in the AMP - with a cross reference to the reports and their location on the CKB's server. 	Zero.

Current Review: Asset Management System Deficiencies and Recommendations

B. Unresolved at End of Current Review Period

Recommendation Reference (no./year)	Rating		Reviewer's Recommendation	CKB Action Taken by End of Review Period
	Asset Management Process and Effectiveness Criterion			
	Details of Deficiency			
R1/2021 to R4/2021 (continued)	<ul style="list-style-type: none">○ Reviewer considers that for clarity, a single AMP should be prepared for the water services - in the form of four separate sections i.e.:● Section 1 - General Information common to all water systems i.e., Background, Asset Creation and Acquisition, Asset Disposal, Environmental Analysis, Overall Risk Assessment, Asset Management Information System (MIS), overall Financial and Capital Expenditure Planning, and Review of the Asset Management System (AMIS);● Section 2 - sewers and pumping stations planning, operations, maintenance and capital expenditure planning;● Section 3 - WWTP - as recorded for section 2 above; and● Section 4 - re-cycled water system - as recorded for section 2 above.	<p>Recommendation R3/2021:</p> <ul style="list-style-type: none">● Clarity of the AMP should be improved by removing and relocating consultant's and other reports elsewhere. Relevant summaries of their conclusions could be included in the AMP - with a cross reference to the reports and their location on CKB's server; and● The AMP basically addresses the sewerage system - but mainly, fails to address the recycled water system as a functioning facility of CKB's water licence. <p>Recommendation R4/2021:</p> <p>Planning, operation, maintenance, contingency and capital expenditure planning etc. for the re-cycled water system should be included in the AMP.</p>		
R5/2021	<ul style="list-style-type: none">● Rating: C 1;● Process: Asset Creation and Acquisition;● Effectiveness criterion: Full project evaluations are undertaken for new assets including comparative estimates of non-asset solutions; and● Details:<ul style="list-style-type: none">○ Section 5.5 of the AMP sets out the principles of evaluation and procedures to be followed in the acquisition of assets.	<p>Procedures should be prepared for assessing options for acquisition, replacement, or disposal including competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items.</p>	Zero.	

Current Review: Asset Management System Deficiencies and Recommendations

B. Unresolved at End of Current Review Period

Recommendation Reference (no./year)	Rating			Reviewer's Recommendation	CKB Action Taken by End of Review Period
	Asset Management Criterion	Process	and Effectiveness		
	Details of Deficiency				
R5/2021 (continued)	<p>Approval for acquisition is required from Council or Council approved budget proposals. Reference is made to CKB's standard procedures for purchasing, tender criteria and application of regional price preference; and</p> <ul style="list-style-type: none"> There appears to be no documented procedure for the evaluation of asset considered for acquisition, e.g., competing options available, initial and ongoing costs, reliability, local suppliers, availability of spares or replacement items etc. 				
R6/2021	<ul style="list-style-type: none"> Rating: C 1; Process: Asset Disposal; Effectiveness criterion: There is a replacement strategy for assets; and Details: <p>The AMP does not contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets.</p> 			That the AMP should contain a procedure for evaluating the various age, economic or performance related criteria leading to a decision to replace, refurbish, or dispose of assets.	Zero.
R7/2021	<ul style="list-style-type: none"> Rating: C 2; Process: Asset Operations; Effectiveness Criterion: Staff resources are adequate, and staff receive training commensurate with their responsibilities; and Details: 			<ul style="list-style-type: none"> CKB should consider the implications of the current workload of existing Water Services staff together with the future overall workload and staff numbers following the transfer of Parks and Gardens staff associated with the water re-cycling system; and 	Zero.

Current Review: Asset Management System Deficiencies and Recommendations

B. Unresolved at End of Current Review Period

Recommendation Reference (no./year)	Rating			Reviewer's Recommendation	CKB Action Taken by End of Review Period
	Asset Management Criterion	Process	Effectiveness		
	Details of Deficiency				
R7/2021 (continued)	<ul style="list-style-type: none"> ○ Reviewer notes the management team is always extremely busy - possibly explaining the delay in completing the AMP in favour of implementing other operational procedures, including the complete data entry and implementation of RAMM; and ○ Reviewer was unable to access a training schedule for the water services team. 			<ul style="list-style-type: none"> • A training program should be prepared for the present/future staff. 	
R8/2021	<ul style="list-style-type: none"> • Rating: C 1; • Process: Asset Maintenance; • Effectiveness Criterion: Maintenance policies and procedures are documented and linked to service levels required; and • Details: Planned and un-planned maintenance are carried out by contractors for the sewer, pumping stations WWTP and the re-cycled water systems. Contract documents for mechanical, electrical, jetting works inspected by Reviewer included the maintenance schedules for each contract. Copies of the respective maintenance schedules should also be included in the AMP. 			<ul style="list-style-type: none"> • An inspection and maintenance schedule for the sewer, WWTP and re-cycling systems should be included in the AMP for each system; and • Procedures for each of these inspections and their recording, follow up work etc. should be documented in the AMP for each system. 	Zero.
R9/2021	<ul style="list-style-type: none"> • Rating: C 1; • Process: Asset Maintenance; • Effectiveness Criterion: Regular inspections are undertaken of asset performance and condition; and 			A procedure for each of these inspections and their recording, follow up work etc should be documented in the AMP, together with similar documentation for inspections, recording and un-planned maintenance for pumping stations, the WWTP and re-cycled water system.	Zero.

Current Review: Asset Management System Deficiencies and Recommendations

B. Unresolved at End of Current Review Period

Recommendation Reference (no./year)	Rating			Reviewer's Recommendation	CKB Action Taken by End of Review Period
	Asset Management Criterion	Process	Effectiveness		
	Details of Deficiency				
R9/2021 (continued)	<ul style="list-style-type: none"> Details <p>Regular (monthly?) inspections of representative access chambers are undertaken in the sewer reticulation system and considered in conjunction with overflows/blockages in related pipework. If appropriate, detailed inspection of adjacent access chambers and sewers in the zone including CCTV inspection of related sewers is undertaken. If necessary, un-planned maintenance works are instigated by the relevant maintenance contractors. Procedures for these inspections are not documented.</p>				
R10/2021	<ul style="list-style-type: none"> Rating: C 3; Process: Contingency Planning; Effectiveness Criterion: Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks; and Details: <ul style="list-style-type: none"> Section 3 of the SOP contains detailed descriptions of the initial procedures to be followed in assessing the extent and consequence of emergencies in the sewer collection system, together with the level of CBK staff input including decision on mitigation and clean-up procedures. A broad variety of response options are provided for various scenarios including contact details of trade and equipment services contractors whose assistance may be required; 			<ul style="list-style-type: none"> CKB should include contingency plans for sewers, pumping stations, WWTP and re-cycled water systems in their respective volumes of the AMP. The contingency procedure for sewers in the SOP should be transferred to the AMP for sewers; and CKB should conduct in-house workshops at which staff and selected maintenance contractors discuss and define the implications, reporting and actions required to manage and minimize the effects of selected asset malfunction or failure scenarios. The scenarios should be prepared by the Water Services Project Manager (or external facilitator) who should facilitate, rather than lead the discussions. Participants should be encouraged to consider implications such as cost, damage, time intervals, access, delays etc. Minutes of proceedings should be prepared and distributed to participants. Existing procedures should be amended if considered necessary. It is 	Zero.

Current Review: Asset Management System Deficiencies and Recommendations				
B. Unresolved at End of Current Review Period				
Recommendation Reference (no./year)	Rating			CKB Action Taken by End of Review Period
	Asset Management Criterion	Process	and Effectiveness	
	Details of Deficiency			Reviewer's Recommendation
R10/2021 (continued)	<ul style="list-style-type: none"> There are no contingency plans in the AMP for the WWTP or re-cycled water system. Reviewer briefly inspected related plans in the Water Quality Management Plan, which was initially prepared as part of the Memorandum of Understanding between DOH and CKB for the re-cycled water scheme; Reviewer considers that contingency plans for sewers and pumping stations, together with copies from the WQMP of contingency plans for the WWTP and the re-cycled water system should all reside in the AMP - see Recommendation 1/2021; and The AMP has no procedure for testing the contingency plans. Reviewer recognises that staff have a sound knowledge of the systems due to daily involvement in their operation and maintenance. 			suggested that workshops be conducted twice yearly, each considering one major and one minor scenario.
R11/2021	<ul style="list-style-type: none"> Rating: C 3; Process: Review of the Asset management system; Effectiveness Criterion: Independent reviews (e.g., internal audit) are performed of the asset management system; and Details: An internal review of the overall Asset Management System (AMS) has not been undertaken. 			That CKB prepares procedures for and implements an annual review of the AMP and an audit of the performance of the AMS. Evidence of the reviews and any corresponding revisions should be noted on the front face sheet of the relevant section - and be signed off and dated by the reviewer.

Table 17: Current Review: Asset Management System Deficiencies and Recommendations (Part B)

6 Audit Opinion

To the best of my knowledge, this audit and review report is an accurate presentation of my findings and opinions.



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