



Notice

21 June 2023

City of Kalgoorlie-Boulder

2022 Operational audit and asset management system review

The Economic Regulation Authority has published the 2022 [operational audit and asset management system review report](#) and the [post-audit implementation plan](#) for the City of Kalgoorlie-Boulder's (CKB) water services licence WL4.

CKB holds a water licence that authorises it to provide sewerage services to approximately 13,000 properties and non-potable water supply to a small number of large commercial customers and to irrigate its ovals and parks.

The ERA's decision

The ERA considers that CKB has demonstrated an adequate level of compliance with its licence, and has an effective asset management system.

The ERA has decided to maintain the audit and review period at 24 months. The next audit and review will cover the period 1 January 2023 to 31 December 2024, with the report due by 31 March 2025.

Audit and review findings

Audit

The audit of the 179 licence obligations applicable to CKB found 13 non-compliances and 12 controls deficiencies.

Six of the non-compliances and control deficiencies occurred because CKB did not implement a family violence policy, as required by the *Water Services Code of Practice (Family Violence) 2020* (Code of Practice).

CKB also failed to:

- Provide, at no charge, the customer's personal account information, including information about bills previously issued to the customer. This was a repeat non-compliance from the previous audit.
- Ensure its complaints procedure complied with the *Water Services Code of Conduct (Customer Service Standards) 2018* (Code of Conduct). This was a repeat non-compliance from the previous audit.
- State in its bill review procedure that the customer may choose to use CKB's complaints procedure before or instead of complaining to the Water Services Ombudsman.

- Ensure its website contains a link to the Code of Conduct.
- Publish its memorandum of understanding with the Department of Health on the provision of sewerage services.
- Submit its annual performance data and standing charge data to the ERA by the due date in 2022.

The auditor made six recommendations to address the non-compliances and controls deficiencies.

Review

The assessment of the 12 asset management system processes prescribed in the ERA's *2019 Audit and Review Guidelines: Water Licences* found no asset management system deficiencies.

As there were no asset management system deficiencies, the auditor did not make any recommendations and a post-review implementation plan was not required.

The ERA's assessment of the audit and review findings

Audit

CKB's failure to comply with its licence obligations has potentially affected its customers.

Failing to implement a family violence policy to assist vulnerable customers is a serious failure, particularly as CKB provides sewerage services to an estimated 13,000 residential and business properties.

CKB did not have a link to the Code of Conduct or publish its memorandum of understanding with the Department of Health on its website and did not provide historical billing information free of charge. CKB's complaints procedure did not meet the minimum standards, nor did it list in the bill review procedure that the customer may choose to use CKB's complaints procedure before or instead of complaining to the Water Services Ombudsman.

In its previous audit in 2020, the auditor found 11 non-compliances and seven controls deficiencies. CKB's compliance with its licence has therefore deteriorated since its last audit and it has had several repeat non-compliances. Considering the deterioration in performance and the significance of the non-compliances and controls deficiencies, the ERA has decided to maintain CKB's audit period at 24 months, which is the lowest period allowed by the *Water Services Act 2012*.

The ERA does not consider the non-compliances warrant compliance enforcement action under the Act, as CKB recognises the significance of the non-compliances and has started to address them by preparing a family violence policy for council approval by the end of June 2023.

Review

The auditor's review found that CKB had an effective asset management system during the review period and is managing its assets effectively and delivering a reliable service to its customers.

This is an improvement in the effectiveness of CKB's asset management system compared to the previous review when the auditor identified eight asset management system deficiencies.

CKB improved in eight of the 12 asset management system processes, with a significant improvement in asset creation and acquisition.

While the auditor's findings are encouraging, the ERA would like to see a period of continuous improvement before increasing the review period. Accordingly, the ERA has decided to maintain the review period at 24 months.

Further information

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