

EGL19 2024 Performance Audit – Post Audit Implementation Plan

Reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of noncompliance or inadequacy of controls)	Auditor's recommendation	Management Action Plan
1/2024	<p><u>Obligation 105 - Electricity Industry Act Section 17(1) B2</u></p> <p>We observed that in accordance with its obligation to pay standing charges by the due date, Western Energy did not pay the Oct-Dec 2021 standing charge by the due date. The payment was made one day late.</p> <p>We did not sight evidence of the 2019 and 2020 annual licence charges being paid by the due date as the relevant records are not readily accessible due to a change in the financial system used by Western energy (via Perth Energy) in late 2020.</p> <p><u>Obligation 124 – Licence condition 4.5.1 B2</u></p> <p>We observed that in accordance with its obligation to submit annual compliance reports to the ERA each year, Western Energy did not include the breach of obligation 105 as described above in its 2021/22 Annual Compliance Report.</p> <p>Western Energy had not effectively used its licence compliance program to:</p> <ul style="list-style-type: none"> (i) Prevent or detect the breach that occurred in March 2022 (ii) Ensure the breach was captured in its annual compliance reporting process (iii) Ensure it retained readily accessible evidence of compliance with its obligations. 	<p>Western Energy:</p> <ul style="list-style-type: none"> (a) Review its licence compliance program to ensure it addresses all EGL licence compliance obligations, including the need to retain readily accessible evidence of compliance with its obligations (b) Capture the results of its licence compliance program into its annual compliance reporting process. 	<p>Action</p> <p>Western Energy will:</p> <ul style="list-style-type: none"> (a) Review its licence compliance program to ensure it addresses all EGL licence compliance obligations and implement the following actions. <ul style="list-style-type: none"> i. Create compliance actions in the maintenance management system for ERA annual and standing charges. All actions will require evidence to be attached confirming compliance date. ii. Review invoicing contact details with ERA. iii. Review payment terms for ERA invoices iv. Create EGL annual audit compliance checklist for site and management to ensure full visible compliance. (b) Capture the results of its licence compliance program into its annual compliance reporting process. <ul style="list-style-type: none"> i. Update the annual compliance reporting guidelines and responsibilities to ensure EGL Obligation 124 is captured.

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			<p>ii. Review the onsite EGL Annual audit compliance checklist and cross reference with maintenance management system compliance actions and completion dates.</p> <p>Responsible person Asset Manager Kwinana and Somerton</p> <p>Due date 30 June 2025</p>