

Our Ref: DMS#:3181878
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Mr Harry Hilton
A/Assistant Director, Monitoring
Economic Regulation Authority
PO Box 8469
Perth BC WA 6849

Dear Harry,

**CALL FOR SUBMISSIONS ON DRAFT AUDIT GUIDELINES FOR
ELECTRICITY, GAS AND WATER LICENCES**

Horizon Power having considered the Draft Audit Guidelines for Electricity, Gas and Water licences would like to put forward the following two concerns:

(1) The fourth bullet point in section 11.11 allows the Authority to require a repeat audit if “the report is deemed to be of unacceptable quality by the Authority.” Horizon Power contends that:

- The term “unacceptable quality” should be better defined.
- Given the ERA’s involvement through the audit process, this provision appears unreasonable.

(2) In Appendix 2 under the heading “3 Identifying risks”, the second paragraph refers to the auditor being left to apply “the principles to the audit/review based on their knowledge of the licensee’s business and the relevant regulatory framework.” Horizon Power is of the view that provision needs to be made to ensure the licensee should be involved in this phase.

Horizon Power thanks you for the opportunity to comment on this document.

Yours faithfully,

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**DAVID TOVEY
MANAGER GOVERNANCE AND COMPLIANCE**