



# Notice

25 February 2014

## Consultation

### CALL FOR SUBMISSIONS - DRAFT AUDIT AND REVIEW GUIDELINES: ELECTRICITY AND GAS LICENCES

The Economic Regulation Authority, as the regulator responsible for administering the Western Australian electricity and gas licensing schemes, seeks public comment on its draft *Audit and Review Guidelines: Electricity and Gas Licences* (**Guidelines**).

[Draft Audit and Review Guidelines: Electricity and Gas Licences \(clean version\)](#)

[Draft Audit and Review Guidelines: Electricity and Gas Licences \(marked up version\)](#)

The Guidelines inform licensees and external auditors about the Authority's requirements for the conduct of licence performance audits (**Audits**) and asset management system reviews (**Reviews**). The Guidelines will replace the *Audit Guidelines: Electricity, Gas and Water Licences*, published in August 2010.

The Guidelines only apply to electricity and gas licences. Due to the different legislative framework applying to Audits and Reviews of water licences following the commencement of the *Water Services Act 2012* in November 2013, the Authority will publish separate guidelines for water licences. The main legislative difference is that for electricity and gas licences, the appointment of auditors for Audits and Reviews is undertaken by the licensee whereas the Authority appoints auditors for the Audits and Reviews of water licences.

With the exception of Section 8 (Auditor Selection) of the Guidelines, it is expected that the proposed amendments to the Guidelines will also be considered in the development of the Audit and Review Guidelines for Water Licences.

Accordingly, electricity, gas and water licensees and other stakeholders are invited to make submissions on the Guidelines.

The Guidelines are designed to promote consistency of licence Audits and Reviews by:

- informing licensees and auditors about the legislative framework applicable to auditing licensee's compliance with licence conditions;
- informing licensees and auditors about the approach to examining effectiveness in the Reviews;
- describing a framework for the conduct of Audits and Reviews based on Australian Auditing and Assurance Standards;
- adopting a risk based approach to planning Audits and Reviews using the risk assessment process in standard AS/NZS 31000:2009;
- promoting consistency of reporting on Audits by mandating a 4-point compliance rating scale and 4-point adequacy of controls rating scale;



# Notice

- promoting consistency of reporting on Reviews by mandating separate adequacy and performance rating scales; and
- providing a framework for:
  - the criteria the Authority will consider when approving auditors;
  - the format and content of Audit and Review plans;
  - the conduct of Audits and Reviews with reference to the Australian Auditing and Assurance Standards; and
  - the format and content of the Audit and Review reports.

Interested parties are invited to make submissions on the draft Guidelines by **4:00 pm (WST) on Wednesday, 19 March 2014**.

Submissions should be marked to the attention of the Assistant Director, Monitoring.

Postal address: PO Box 8469, PERTH BC WA 6849

Office address: Level 4, Albert Facey House, 469 Wellington Street, PERTH WA 6000

Email address: [publicsubmissions@erawa.com.au](mailto:publicsubmissions@erawa.com.au)

In general, all submissions from interested parties will be treated as being in the public domain and placed on the Authority's website. Where an interested party wishes to make a submission in confidence, it should clearly indicate the parts of the submission for which confidentiality is claimed, and specify in reasonable detail the basis for the claim. Any claim of confidentiality will be considered in accordance with the provisions of Economic Regulation Authority Act 2003.

The publication of a submission on the Authority's website shall not be taken as indicating that the Authority has knowledge either actual or constructive of the contents of a particular submission and, in particular, whether the submission in whole or part contains information of a confidential nature and no duty of confidence will arise for the Authority.

For further information contact:

#### General Enquiries

Paul Reid  
Assistant Director, Monitoring  
Economic Regulation Authority  
Phone: 08 6557 7900  
Email: [records@erawa.com.au](mailto:records@erawa.com.au)

#### Media Enquiries

Richard Taylor  
Senior Consultant  
Riley Mathewson Public Relations  
Phone: 08 9381 2144  
Email: [admin@rmpr.com.au](mailto:admin@rmpr.com.au)