



Notice

28 August 2015

Ord Irrigation Cooperative Ltd

2015 OPERATIONAL AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority (**ERA**) has published the 2015 performance audit (**audit**) and asset management system review (**review**) report, and the post-audit and post-review implementation plan, for Ord Irrigation Cooperative Ltd's (**OIC**) water services licence WL37.

- [2015 Audit and Review report](#)
- [2015 Post-Audit and Post-Review Implementation Plan](#)

Action by the ERA

The ERA is satisfied that OIC has demonstrated a high level of compliance with its licence conditions, and has an effective asset management system.

The ERA has decided to increase the period of time until the next audit and review from 36 months to 48 months. The next audit and review will cover the period from 1 June 2015 to 31 May 2019, with the Audit and Review report to be provided to the Authority by 31 August 2019.

BACKGROUND

Audit

The auditor assessed 165 licence obligations in total: 21 obligations made under the *Water Services Licensing Act 1995* (**1995 Act**); and 144 obligations in the licence made under the *Water Services Act 2012* (**2012 Act**), which replaced the 1995 Act on 18 November 2013.

The auditor rated all of the licence obligations under the 1995 Act compliant, and 11 obligations under the 2012 Act as non-compliant. The ERA does not agree with the auditor's non-compliant rating with regard to two obligations.¹

The auditor made 10 recommendations to address the non-compliances, and a single process improvement opportunity with respect to the *Water Services Code of Conduct* (*Customer Service*

¹ Obligation 150 requires licensees to provide prescribed services to customers at request and free of charge. There was no evidence that customers had requested but not received these services. Obligation 167 requires licensees to provide data to the Authority for performance reporting purposes. OIC has provided the data throughout the Audit period, but it did not meet the reporting deadlines in 2012 and 2013. The timeliness of reporting is covered by obligation 166, which the auditor correctly rated non-compliant.



Notice

Standards) 2013. OIC's post-audit implementation plan states the recommendations are due to be addressed by 31 December 2015.

Review

The auditor rated 11 of the 12 asset management components as A1 (highest rating). The remaining component, Asset Operations, was rated as A2 (opportunity for process improvement).

The auditor made one recommendation: for OIC to complete populating the asset register in its new asset management system, Loc8. OIC's post-review implementation plan shows that the actions to address the auditor's recommendation are due to be completed by 1 July 2016.

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