

## Post-Audit Implementation Plan

Table of Current Audit Non-Compliances and Recommendations					
A. Resolved during current audit period					
Manual Reference	Non-Compliance/Controls Improvement (Legislative Obligation/Compliance Rating/Details)	Date Resolved (& management action taken)	Licensee's Response to Auditor's Findings		
B. Unresolved at end of current audit period			POST-AUDIT IMPLEMENTATION PLAN		
Reference (no./year)	Non-Compliance/Controls Improvement (Legislative Obligation/Compliance Rating//Details)	Auditor's Recommendation	Expected date and person responsible	Corrective Action	Status
A3-2015	<p><i>Non-compliant – 2</i>  <i>Water Services Act 2012, Section 12, Clause 16 – Provision of information (Obligation 165)</i></p> <p>From review of available correspondence, the Auditor noted that the licensee has responded to correspondence from the ERA although not always within specified timeframes.</p>	We recommend that the licensee prepare a compliance register and reporting procedure based on the Authority's Compliance Report Manual to assist in keeping track of its statutory and regulatory obligations. The observations detailed in table 5-1 in this audit report may be used as the basis for this. Note: the reporting procedure should detail aspects such as how the data is collected, validated, reviewed/analysed and reported to the ERA.	Helen Taulapiu/Mel Rowe July 2015	Prepare Manual	
A4-2015	<p><i>Non-compliant – 2</i>  <i>Water Services Act 2012, Section 12, Clause 16 – Provision of information (Obligation 166)</i></p>	Refer to recommendation A3-2015	Mel Rowe as required by ERA Time Frames	Reporting	

B. Unresolved at end of current audit period			POST-AUDIT IMPLEMENTATION PLAN		
Reference (no./year)	Non-Compliance/Controls Improvement (Legislative Obligation/Compliance Rating//Details)	Auditor's Recommendation	Expected date and person responsible	Corrective Action	Status
	The licensee did not submit compliance reports within specified timeframes to the Authority for 2011/12 and the 2013/14 reporting.				
A5-2015	<p><i>Non-compliant – 2</i> <i>Water Services Act 2012, Section 12, Clause 26 - Duties of the Licensee</i></p> <p>The Shire has not met all the requirements of the duties imposed on it by the Act as it provides non-potable water supply services outside of the current operating area, does not have a works holding arrangement for non-potable water supply works it does own, and does not fully comply with all the requirements of the Code.</p>	Refer to recommendations A6-2015 to A8-2015	Mel Rowe 30 <sup>th</sup> June 2015	Shire to Make Application to ERA	
A6-2015	<p><i>Non-compliant – 2</i> <i>Water Services Act 2012, Section 12, Clause 28 - Provision of Water Services Outside Operating Area</i></p> <p>Non-potable water supply services are provided outside of current operating area.</p>	Seek approval from ERA to have operating area amended to include the area that non-potable water services are provided. Noting that any changes to the operating area plan should clearly articulate area associated with non-potable water services only as Water Corporation is responsible for the sewerage collection services under Water Licence No. 32 Version 13.	See A5-2015		

## Post-Review Implementation Plan

Table of Current Asset Management System Deficiencies and Recommendations					
A. Resolved during current review period					
Ref.	Asset System Deficiency (Rating/AMS Component/Effectiveness Criteria/Details)	Date Resolved (& management action taken)	Licensee's Response to Auditor's Findings		
B. Unresolved at end of current review period			POST-REVIEW IMPLEMENTATION PLAN		
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Expected date and person responsible	Corrective Action	Status
R1-2015	<p><i>B2</i></p> <p><i>Asset planning - Asset management plan covers key requirements</i></p> <p><i>The AMP does not provide sufficiently detail information regarding the non-potable water supply works.</i></p>	<p>We recommend that either additional section(s) be added to the AMP document to relate to the non-potable water assets and associated operations and maintenance requirements for the recycled water scheme. This would also include a detailed description of the non-potable asset system including aspects such as pipe length by condition, age, diameter etc. to provide a fuller picture of the licensee's asset base. We would also suggest that schematics of the network be included.</p>	<p>Mel Rowe/Bhavesh Modi December 2015</p>	<p>Compile Register to encompass assets</p>	
R2-2015	<p><i>B2</i></p> <p><i>Asset planning - Asset management plan covers key requirements</i></p> <p><i>AMP does not detail training requirements</i></p>	<p>We recommend that a section in the AMP be included to address training requirements for the licensee's provision of water services.</p>	<p>Mel Rowe/Bhavesh Modi /Helen Taulapiu</p>	<p>Add Training Details to AMP 31<sup>st</sup> October 2015</p>	

B. Unresolved at end of current review period			POST-REVIEW IMPLEMENTATION PLAN		
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Expected date and person responsible	Corrective Action	Status
R3-2015	<p><i>B2</i> <i>Asset planning - Asset management plan covers key requirements</i></p> <p><i>AMP does not address non-asset strategies for managing demand associated with the non-potable water supply.</i></p>	We recommend that a section in the AMP be included that identifies non-asset strategies for managing changing demand such as imposed non-potable water service restrictions, changes to operation processes to optimise available network storage capacity etc.	Mel Rowe 31 <sup>st</sup> October 2015	Add Strategies	
R4-2015	<p><i>B2</i> <i>Asset operations - Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data</i></p> <p><i>Asset register would benefit from being restructured and expanded to include non-potable water supply assets.</i></p>	We recommend that the existing asset register be refined into a format and content consistent with industry standard such as set out in the International Infrastructure Management Manual. Asset numbering to be aligned with the financial asset register. This new asset register should also include assets from the non-potable water supply system. This recommendation should be undertaken along with improvement actions 2.1-2.3, Section 12 of the Shire's 2013 AMP.	Mel Rowe 31 <sup>st</sup> October 2015	Revise AMP	
R5-2015	<p><i>B2</i> <i>Asset maintenance - Regular inspections are undertaken of asset performance and condition</i></p> <p><i>A program for assessing asset performance and condition of the non-potable water supply works is not in place.</i></p>	We recommend that a condition assessment program for the licensee's sewerage and non-potable water service assets be developed and implemented with details included in the AMP. Details from the condition assessments to be integrated into the asset register and performance against the program to be monitored as part of existing monthly meetings.	Mel Rowe/Bhavesh Modi/Karen Huxley 31 <sup>st</sup> December 2015	Set up programme	

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R6-2015	<p><i>B2</i></p> <p><i>Risk management - Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system</i></p> <p><i>Risk management within the AMS does not reflect the Shire's corporate risk management policy and strategy.</i></p>	<p>We recommend that the risk analysis be updated to be consistent with the Shire's risk management policy and strategy. The risk assessment to be expanded to include risks associated with the non-potable water supply service and infrastructure. Changes to be amended in the AMP and Operations Manual.</p>	<p>Mel Rowe/Helen Taulapiu</p>	<p>Add to AMP by 31<sup>st</sup> October 2015</p>	
R7-2015	<p><i>B2</i></p> <p><i>Contingency planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</i></p> <p><i>Contingency plans are not currently tested regularly to confirm their operability, coverage and suitability.</i></p>	<p>We recommend that the licensee undertake 'Activation' exercises as a desktop scenario basis semi-annually as part of monthly meetings. Records of the exercise to be appended to the monthly meeting minutes.</p>	<p>Mel Rowe/Technical Service Meeting Group</p>	<p>Start in July 2015</p>	
R8-2015	<p><i>B2</i></p> <p><i>Contingency planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</i></p> <p><i>Contingency plans do not adequately reflect the potential events identified in the risk assessment nor the non-potable water supply service.</i></p>	<p>We recommend that contingency plans be developed and included in the Operations Manual to address events such as pipe burst and leaks (including afterhours events), bushfire, extreme rainfall events/ water overflows from ponds and other potential faults and emergencies. Plans to align with events identified in the revised risk assessment (Refer to recommendation R6-2015)</p>	<p>Mel Rowe/Bhavesh Modi</p>	<p>Develop by 31<sup>st</sup> December 2015</p>	

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R9-2015	<p><i>B2</i></p> <p><i>Capital expenditure planning - The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</i></p> <p><i>Capital expenditure planning currently does not sufficiently address non-potable water supply works.</i></p>	<p>We recommend that appropriate asset register and renewal model be developed for the non-potable water supply works and included in the AMS financial planning process and reported in the next revision of the AMP.</p>	<p>Mel Rowe/Bhavesh Modi/Rick Miller 31<sup>st</sup> May 2016</p>	<p>Revise Budget Planning</p>	
R10-2015	<p><i>B2</i></p> <p><i>Asset planning - Asset management plan covers key requirements</i></p> <p>The AMP does not include an appropriately detailed sign off and document control sheet at front of document.</p>	<p>AMP 2014 (Asset Manual Document) to include an appropriately detailed sign off and document control sheet at front of document.</p>	<p>Mel Rowe 30<sup>th</sup> June 2015</p>		