

# Shire of Yilgarn – 2014 Operational Audit and Asset Management System Review

## Post-Audit Implementation Plan

Reference (no./year)	Details of Non Compliance or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
01/2014	<p><b>Changes to Asset Management System</b>  <i>Water Services Act 2012 Section 24(1)(b)</i>  <i>Compliant – opportunity for improvement</i></p> <p>The requirement to notify the Authority of any material change to the asset management system within 10 business days of the change is not specifically included in the Asset Management Plans for Southern Cross and Marvel Loch.</p>	<p>In the next update of the Asset Management Plans, the Shire should include in section 7.2 Action Plan the requirement to notify the Authority within 10 business days of any significant changes to the Asset Management System.</p>	<p>The Shire has included in section 7.2 of the Southern Cross Asset Management Plan and the Marvel Loch Asset Management Plan the requirement to notify the Authority within 10 business days of any significant changes to the Asset Management System</p>	MEH&BS	27 <sup>th</sup> May 2015
02/2014	<p><b>Review of Rates Notices with Sewerage Charges</b>  <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(2) – 18(6)</i>  <i>Non-compliant – minor impact</i></p> <p>The licensee must have a written procedure for the review of a bill on the customer's request.  The Shire does not have a written procedure for review of a bill on the customer's request.  The CEO advised that no request for review of the rates notices relating to sewerage charges had been</p>	<ol style="list-style-type: none"> <li>1. The Shire should develop a written procedure for review of bills (rates notices with sewerage charges).</li> <li>2. The procedure should be made publicly available on the Shire's website and in hardcopy.</li> <li>3. The procedure should include: <ol style="list-style-type: none"> <li>a) what happens if the customer has been undercharged or overcharged;</li> <li>b) what the customer can do if dissatisfied with the outcome of the review</li> </ol> </li> </ol>	<p>The Shire has an un-written procedure at present for the review of sewer rates, but will write a formal procedure for such a review which will also refer to the Water Services Ombudsman complaints appeal service.</p> <p>Hopefully the new procedure can be advertised in the July/August issue of "Council News" and if possible can be included with the new Rates Notices being sent to land owners. It will also be placed on the Shire's website as well as being available in hardcopy form.</p>	MEH&BS along with the DCEO and Finance Officer	By 30 <sup>th</sup> June 2015

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	received during the audit period.	<p>c) that the customer may, but does not have to, use the licensee's complaints procedure before or instead of applying to the Water Services Ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, to the State Administrative Tribunal.</p> <p>d) That the licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 15 business days from the day the customer's request for review was received.</p>			
03/2014	<p><b>Next Review of Financial Hardship Policy</b></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(6)</i></p> <p><i>Not rated.</i></p> <p>The Shire's Financial Hardship Policy was</p>	The Shire should update the Compliance Schedule for the financial hardship policy next review due date.	A review of the Shire's Financial Hardship Policy will be carried out by 28 <sup>th</sup> February 2019 and this will be added to the Compliance Schedule in the Asset Management Plan to remind officers in the future.	MEH&BS	<p>This review requirement has now been added to the Shire's Asset Management Plan Compliance Schedule.</p> <p>By 28<sup>th</sup> February 2019 for review of Shire's Financial Hardship Policy.</p>

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	<p>approved by the Authority on 16 May 2014 and is not due for review until 2019.</p> <p>The requirement to review the policy every 5 years is stated in the policy, however to ensure compliance with this requirement, the Shire's Compliance Schedule should be updated for the required policy review due date.</p>				
04/2014	<p><b>Complaints Procedure</b>  <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 35(2), (3)&amp;(4)</i></p> <p><i>Non-compliant – minor impact</i></p> <p>The audit reviewed the Shire's complaints policy as set out in the Customer Service Charter for Wastewater Services (August 2012). The policy covers the requirements of the Code of Conduct except it needs to be updated for the right to take complaints to the Water Ombudsman rather than the Department of Water under the previous legislation.</p>	<p>The Shire should update the complaints policy in the Customer Charter for Wastewater Services:</p> <ul style="list-style-type: none"> <li>a) state that a customer may, but does not have to, use the complaints procedure before or instead of the procedures under the Act i.e. applying to the Water Services Ombudsman or making an appeal from, or applying for a review of, the decision to the State Administrative Tribunal;</li> <li>b) in addition to an option of applying to the Water Services Ombudsman, list the option of making an appeal from, or applying for a review of, the decision that gave rise to the</li> </ul>	<p>The Shire's complaints policy will be updated to include the right to take complaints to the Water Ombudsman rather than the Department of Water to reflect the current legislation requirements.</p>	MEH&BS	By 31 <sup>st</sup> July 2015

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		<p>complaint to the State Administrative Tribunal; and</p> <p>c) set out the benefits to the customer, in relation to time and costs, if the customer chooses to use the complaints procedure before or instead of the procedures under the Act i.e. Water Services Ombudsman or State Administrative Tribunal.</p>			
05/2014	<p><b>Performance and Compliance Reporting</b></p> <p><i>Licence Conditions – Specific Clauses – Provision of Information Clauses 16(1) &amp; 16(3)</i></p> <p><i>Non-compliant – minor impact</i></p> <p>In accordance with the Water Compliance Reporting Manual April 2014, the Shire is required to submit to the Authority:</p> <ul style="list-style-type: none"> <li>• Annual performance reports no later than 31 July for the reporting year ending 30 June; and</li> <li>• Annual compliance reports by 31 August for the year ending 30</li> </ul>	<p>The Shire should ensure that all future Compliance and Performance Reports are submitted to the Authority within the timeframes required.</p>	<p>To accurately complete and submit to the ERA the Shire's Annual Performance Reports and the Annual Compliance Report for the due dates of 31<sup>st</sup> July and 31<sup>st</sup> August, respectively.</p>	MEH&BS	<p>Annual Performance Reports by 31<sup>st</sup> July each year and the Annual Compliance Report by 31<sup>st</sup> August each year.</p>

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	<p>June.</p> <p>The auditor reviewed the Shire's correspondence with the Authority and the Compliance and Performance Reports for 2011/12, 2012/13, 2013/14 and noted the following exceptions:</p> <ul style="list-style-type: none"> <li>The Compliance Report for the year ended 30 June 2012 did not include several non-compliances from 2011.</li> <li>The Performance Report and Compliance Report for the year ended 30 June 2013 were submitted after the due dates.</li> </ul> <p>The auditor reviewed the Shire's Compliance Schedule and confirmed that the required submission due dates for annual compliance and performance reports are correctly stated.</p>				
06/2014	<p><b>Compliance Register</b>  <i>Licence Conditions – Specific Clauses – Provision of Information Clause 16(2)</i>  <i>Non-compliant – minor impact</i>                      Section 9.3.2.3 of the Audit</p>	<p>The Shire should maintain a Compliance Breach register in respect of their licence conditions to ensure that all contraventions of the licence conditions for each financial year are reported to the</p>	<p>A Compliance Breach Register will be drafted and maintained to keep track of breaches so they can be included the Annual Compliance Report.</p>	MEH&BS	By 30 <sup>th</sup> June 2015

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	<p>and Review Guidelines: Water Licenses July 2014 states that Authority expects licensees to maintain a compliance (or breach) register in respect of their licence conditions. The Shire's MEHBS advised that they don't keep a compliance breach register.</p> <p>It was also noted that the Compliance Report for the year ended 30 June 2012 did not include the late reporting and other non-compliances in 2011/12.</p>	<p>Authority in the annual Compliance Report.</p>			
07/2014	<p><b>Internal Policies and Procedures relating to the Licence</b></p> <p><i>Water Services Act 2012 sections 82(4)&amp;(5), 84(2), 87(2), 90(7), 119(2), 122(2), 128(4), 129(5), 139(3), 142, 143(2)&amp;(3), 144(3), 145(2), 147(3)&amp;(4), 151(1)-(3), 153(3), 166 (5) &amp; (6), 170, 173(4), 174(1) &amp; (3), 175(2) &amp; (5), 176 (1), (3) &amp; (4), 181, 186, 187(1)-(3), 190(4)-(5), 218(2).</i></p> <p><i>Water Services Regulations 2013 – Reg. 85.</i></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 16(2)-(5), 17(1)-(2).</i></p> <p style="color: red;"><i>Not rated.</i></p> <p>The licence includes</p>	<p>The Shire should develop and/or update internal procedures with the requirements under the licence re water service works, notification to the Authority of general or major water service works within 10 business days, 48 hours' notice of entry to premises, acquiring interest in land, issue of work order notices or compliance notices, warrants, under and over charges, memorials and objections.</p> <p>The detailed compliance obligations listed in this report could be used as a reference.</p>	<p>The Shire will develop an internal procedures requirements under the licence in regards to building works, road works, issue of work order notices, under and over charges, etc which will also be added to the Shire's Asset Management Plan.</p>	MEH&BS	By 31 <sup>st</sup> July 2015

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	<p>compliance obligations in respect of water service works, notification to the Authority of general or major water service works within 10 business days, 48 hours' notice of entry to premises, acquiring interest in land, issue of work order notices or compliance notices, warrants, under and over charges, memorials and objections.</p> <p>Although the audit confirmed these activities had not occurred in the audit period, there are no documented internal procedures that would ensure compliance with these conditions of the licence in future.</p>				
08/2014	<p><b>Prescribed Information to be Available</b>  <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 37(1)</i>  <b>Non-compliant – minor impact</b></p> <p>The licensee must make the prescribed information publicly available. The definition of “publicly available” per Clause 3 of the Water Services Code of Conduct is website and hardcopy.</p>	<p>The Shire should provide a copy of the Department of Water's Easy Reference Guide to the Water Services Code of Conduct on the Shire's website and in hardcopy at the Shire's office.</p>	<p>A copy of the Department of Water's Easy Reference Guide to the Water Services Code of Conduct will be referenced in the proposed new policy and will be made available on the Shire's website and in hardcopy in the Shire Office.</p>	MEH&BS	By 31 <sup>st</sup> July 2015

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	<p>The Shire's website as well as annual Rate Notice contain information about fees and charges, bill payment methods and the fees and charges associated with each options and the exemptions, discounts, rebates and concessions that are available to customers.</p> <p>However, this does not include all of the "prescribed information" set out in Section 37 of the Code. The "prescribed information" includes the water services fees and charges, bill payment options, concessions, enquiry/translator services, powers of access to premises, interruptions to supply, etc.</p> <p>The missing information could be provided by obtaining a copy of the Department of Water's Easy Reference Guide to the Water Services Code of Conduct and making this available on the Shire's website and in hardcopy at the Shire's office.</p>				



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## Post-Review Implementation Plan

Reference (no./year)	Asset System Deficiency	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
09/2014 B2	<p><b>Asset Creation/Acquisition – Legislative Requirements</b></p> <p><i>Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.</i></p> <p>Section 2.4 of the AMPs outlines the legislative, environmental and safety requirements. These are monitored by the Manager Environmental Health and Building Services (MEHBS).</p> <p>However, the Legislative Requirements Section of the AMP still refers to the Water Services Act 1995 and the operating licence issued in 2009 and do not reflect the most recent changes to the legislation including Water Services Act 2012, Water Services Regulation 2013 and Water Services Code of Conduct (Customer Service Standards) 2013 as well as changes to the operating licence (new version of the operating licence was issued on 18 November 2013).</p>	<p>The Legislative Requirements Section of the Asset Management Plans should be updated to reflect the recent changes to the legislative requirements including Water Services Act 2012, Water Services Regulation 2013 and Water Services Code of Conduct (Customer Service Standards) 2013 as well as for the new version of the operating licence issued on 18 November 2013.</p>	<p>The Shire's Asset Management Plans will be amended to reflect the changes in legislation as noted in the Audit Review.</p>	MEH&BS	By 31 <sup>st</sup> July 2015