

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

## Post-Audit Implementation Plan

Reference (no./year)	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
A1/2015	<p>B2 <i>Water Services Act 2012, Clause 5.1</i></p> <p>Licensee has not complied with all applicable legislation. We have identified a number of non-compliances with applicable legislation as follows:</p> <ul style="list-style-type: none"> <li>▪ Section 27 – Requirements for Licences (Obligation 11)</li> <li>▪ Section 29 – Duties of the Licensee (Obligation 12)</li> </ul>	<p>Refer to the recommendations A5/2015 to A16/2015 for where the licensee has not complied with the required legislative obligation</p> <p>The remaining recommendations included in this table (A3/2015 and A4/2015) relate to improvement opportunities to address control issues.</p>	NOTED		
A2/2015	<p>B2 <i>Water Services Act 2012, Clause 5.3</i></p> <p>Licensee has not complied with all of the obligations of the Water Services Code of Conduct (Customer Service Standards) 2013</p>	We recommend that the licensee address the recommendations A5/2015 to A15/2015.	NOTED		
A3/2015	<p>B2 <i>Water Services Act 2012, Sections 82(4) &amp; (5)</i></p> <p>The licensee to provide required notification of and requirements as to building</p>	Licensee to amend its current approval approach to accommodate the response times of both the Building Act 2011 (Regulation 20, Clause 10 of the Building Act 2011) and the Water Service Act 2012.	<b>This is not consistent with the Building Act as that says we have up to 25 (business) days in which to complete the Building permit process.</b>		

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	work within 7 days of receiving the fee for dealing with the notification.				
A4/2015	<p>B2 <i>Water Services Act 2012, Section 173(4)</i></p> <p>The requirement for the licensee to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise is currently not communicated to customers.</p>	<p>We recommend that the licensee publish the information required to meet the obligations under Clause 7 of the Water Services Code of Conduct (Customer Service Standards) 2013.</p> <p>The licensee could achieve this by retaining its most recent update of the Customer Service Charter that was completed in April 2014 and making it publically available or by developing and publishing a new document that contains the required information.</p> <p>Although a document on the licensee's website will not replace the need to provide the occupier a direct notice at least 48 hours before the entry, unless otherwise agreed, it informs the customer that this is a requirement and provides the knowledge that the customer can act on if not met (e.g. a complaint to the licensee)</p>	<p><b>Noted. HOWEVER; Officially the sewer connection from the house or building to Council's main sewer line is under the jurisdiction of the Water Corp.</b></p> <p><b>If a blockage occurs in that line this Council clears it as a service which is not charged to the customer. This is usually cleared within 8hrs.</b></p> <p><b>Otherwise the Water Corp would have to do the job or get a plumber to clear it which can take some days (in the country)</b></p> <p><b>Therefore it is unnecessary for the Council to have this requirement as all main sewer lines are in Council's own property. E.g. laneways or streets.</b></p>		
A5/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 7</i></p>	<p>We recommend that the licensee publish the information required to meet the obligations under Clause 7 of the Water Services Code of Conduct (Customer Service Standards) 2013.</p>	<b>NOTED</b>	<b>EHO</b>	<b>DECEMBER 2015</b>

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	Licensee must have written information for customers about the specified matters under Section 21(2)(c) or (3)(c) and Section 73 of the Act.	The licensee could achieve this by reviewing its Customer Service Charter against the requirements of the Water Services Code of Conduct (Customer Service Standards) 2013, making the necessary updates and making the document publically available or by developing and publishing a new document that contains the required information.			
A6/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(2)</i>  Licensee does not have a formal written procedure for the review of a bill on the customer's request.	Prepare a written procedure for review of a bill consistent with the requirements of the Code, Compliance Manual 2014 Obligations 114 to 116.	NOTED	EHO	DECEMBER 2015
A7/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clauses 18(3) &amp; (6)</i>  Licensee does not have a formal written procedure for the review of a bill on the customer's request. Therefore, it does not meet the obligation to include the specified information and be publically available.	Make the written procedure for the review of a bill (refer to recommendation A6/2015) publically available.	NOTED	EHO	DECEMBER 2015

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A8/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(4)</i></p> <p>License does not have a formal written procedure for the review of a bill on the customer's request.</p>	Refer to recommendation A6/2015.	?????		
A9/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 21(1)</i></p> <p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 22</i></p> <p>Although the licensee offers direct debits in the Hardship Policy, there is currently no process in place related to the consent for direct debits (Clause 22). Therefore, although advertised, we consider that the direct debit payment method is currently not available in practice to customers.</p>	In addition to the other bill payment options, the licensee to make provision of direct debit services available as identified in its Financial Hardship Policy and as consistent with the Authority's Financial Hardship Policy Guidelines.	<p><b>Noted: But deemed unnecessary to have the forms on our website as no one has ever asked to do direct debiting.</b></p> <p><b>Council is always willing to Actually talk to clients and deal directly with their requests ..... and this sort of request can be easily dealt with over the phone or internet.</b></p>		
A10/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service</i></p>	Amend the current complaints procedure to reflect the relevant provision of AS ISO	<b>NOTED</b>	<b>EHO</b>	<b>DECEMBER 2015</b>

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	<p><i>Standards) 2013, Clause 35(2)</i></p> <p>Licensee's complaints procedure not developed using provisions of the AS ISO 10002</p>	<p>10002. The amendments should include:</p> <ul style="list-style-type: none"> <li>▪ Include the procedures associated with completing the Sewerage System Defect and Complaint Report,</li> <li>▪ Defining responsibilities for managing, signing-off and escalation of complaints</li> <li>▪ Include the process for reporting the complaints data to the Authority in the Annual Compliance report.</li> </ul>			
A11/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(3)</i></p> <p>Licensee's complaints procedure does not fully address the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.</p>	<p>Amend the current complaints procedure to comply with the matters identified in clause 35(3) of the Water Services Code of Conduct.</p>	NOTED	EHO	DECEMBER 2015
A12/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(4)</i></p> <p>Licensee's complaints procedure does not set out</p>	<p>Amend the current complaints procedure to comply with the matters identified in clause 35(4) of the Water Code.</p>	NOTED	EHO	DECEMBER 2015

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	the costs and benefits to the customer if the use the complaint resolution procedure or instead of the procedures under the Act.				
A13/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(6)</i>  The licensee's complaints procedure must be publicly available.	Licensee to publish the amended complaints procedure that addresses the recommendations included in A10/2015, A11/2015 and A12/2015 on its website.	NOTED	EHO	DECEMBER 2015
A14/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 36(1)</i>  The licensee does not reference large print services being available if required by its customers	We recommend that the licensee amends its Financial Hardship Policy to make reference to large-print services being available if required by the customer.	<b>This is a statutory requirement for all Council documents and is dealt with under our Disability Access &amp; Inclusion Plan. This is on the web page.</b>		
A15/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 37(1)</i>  The licensee has not made all of the prescribed information publicly available.	Information regarding the exemptions, rebated, discounts that are available to customers is not advertised. We recommend that the licensee amends its most recent Customer Service Charter to provide information on the types of exemptions, rebated, discounts that are available to customers and makes the	<b>This is already provided on the Council rate notice to clients in relation to ordinary rates on the land. It is unnecessary to have it on the website. Council does not have any Exemptions, discounts or rebates on their Water Services.</b>		

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		document publically available on its website.			
A16/2015	<p><i>B2</i></p> <p><i>Water Services Act 2012, Section 29 (Clause26)</i></p> <p><i>The licensee has not complied with all the duties imposed on it by the Act as it was unable to meet all Code requirements.</i></p>	Refer to recommendation A2/2015	<b>NOTED</b>		

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## Post-Review Implementation Plan

Reference (no./year)	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
R1/2015	<p>B2 <i>Asset Creation - Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</i></p> <p>Legal, environmental and safety obligations are documented in Section 2.3 of the Asset Management Plan. However, as the AMP has not been updated since 2012, a number of the references are out of date and will need to be revised in the next update of the document.</p>	<p>We recommend that the legal, environmental and safety obligations included in the Asset Management Plan are reviewed and revised in the next update of the document.</p>	NOTED	EHO	JUNE 2017
R2/2015	<p>B2 <i>Asset Creation - Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</i></p> <p>Although the AMP includes information on the recycled water scheme assets, the legal, environmental and safety obligations related to the reuse scheme are not specified in the AMP (e.g. the Health Act 1911, the Metropolitan Water Supply and Sewerage Act 1909 and Environmental Protection Act 1986).</p>	<p>We recommend that the legislative requirements associated with the licensee's reuse scheme are included in the next update of the AMP.</p>	NOTED	EHO	JUNE 2017



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R3/2015	<p>B2 <i>Environmental Analysis – Compliance with statutory and regulatory requirements</i></p> <p>The licensee has identified statutory and regulatory requirements in its Section 2.3 of the AMP. However, it makes reference to the Water Services Licensing Act 1995 which has been superseded by the Water Services Act 2012.</p>	We recommend that the asset management plan be updated to reflect the new legislative framework.	<b>NOTED</b>	<b>EHO</b>	<b>JUNE 2017</b>
R4/2015	<p>B2 <i>Environmental Analysis – performance standards (availability of service, capacity, continuity, emergency response etc.) are measured and achieved / achievement of customer service levels.</i></p> <p>Outside of the compliance reporting requirements there does not appear to be further historical analysis of the licensee's performance against these measures.</p>	We recommend that past records on the performance measures be documented in the AMP with any significant deviation from the standard justified.	<p><b>Considered unnecessary due to the very small number of connections and size of the Sewerage system.</b></p> <p><b>It is unwarranted expense and paperwork and a waste of resources.</b></p>		
R5/2015	<p>C3 <i>Environmental Analysis – Compliance with statutory and regulatory requirements</i></p>	The licensee has completed some of the actions required by the Department of Health but we note that it is contesting some of the other recommendations.	<b>NOTED</b>	<b>EHO</b>	<b>JUNE 2016</b>

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	The licensee's recycled scheme was assessed by a representative from the Department of Health in November 2013. The resulting assessment report identified a number of areas where the licensee was not compliant with the requirements of the <i>Guidelines for the Non-Potable Uses of Recycled Water in Western Australia, August 2011</i> .	We recommend that the licensee continue to communicate with the Department of Health until a resolution on these matters can be reached.  The licensee has committed to developing a Recycled Water Quality Management Plan by June 2016.			
R6/2015	B2 Asset Operations – Operational policies and procedures are documented and linked to service levels required  The licensee does not have any specific operational or maintenance procedures for operating or maintaining the sewerage and reuse schemes.	Although the sewerage and reuse schemes are relatively simple, we would recommend that the licensee develops some simple step-by-step operational procedures and maintenance instructions for the key activities to be included in the appendices of the Asset Management Plan. We would recommend that the licensee develops operations and maintenance procedures for the following: <ul style="list-style-type: none"> <li>▪ Switchboard Maintenance</li> <li>▪ Sewer Blockages, Overflows and Spills</li> <li>▪ Maintenance of Wet Wells</li> <li>▪ Submersible Sewage Pump – Routine Maintenance</li> <li>▪ Imhoff Tank Maintenance</li> <li>▪ Water Quality Sampling</li> </ul>	<p><b>NOTED: This is unwarranted as there is usually only 2 staff who do all of these things and have been for many years.</b></p> <p><b>This would be a waste of time and resources.</b></p>		

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		<ul style="list-style-type: none"> <li>Operation of the Recycled Water Scheme</li> </ul>			
R7/2015	<p><i>B2</i> <i>Asset Maintenance – maintenance costs are measured and monitored</i></p> <p>The Planned Maintenance Plan is included in Section 4.4 of the AMP but needs to be updated as the timelines for the due dates are out of date.</p>	Update the Planned Maintenance Plan in the AMS	<b>NOTED</b>	<b>EHO</b>	<b>JUNE 2017</b>
R8/2015	<p><i>B2</i> <i>Asset Maintenance – maintenance costs are measured and monitored</i></p> <p>By observation, there are some errors in the formulae in the maintenance budget included in the AMS.</p>	We recommend that maintenance budget spreadsheet in the AMS is reviewed and corrected by the time the next budget is prepared.	<b>NOTED</b>	<b>EHO &amp; FINANCE OFFICER</b>	<b>MAY 2016</b>
R9/2015	<p><i>B2</i> <i>Risk Management – Risks are documented in a risk register and treatment plans are actioned and monitored</i></p> <p>The licensee's risk assessment does not include risk consequences associated with the water licence, financial impact, the environment and OHS.</p>	We recommend that the licensee's risk assessment be updated to include these risks.	<b>NOTED</b>	<b>EHO</b>	<b>MARCH 2016</b>

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R10/2015	<p><i>B2</i> <i>Contingency Planning – Contingency plans are documented, understood and tested to confirm their operability and to cover high risks</i></p> <p>The risk mitigation and management strategies included in the Asset Management Plan are for the key risk events of Earthquake, Imhoff Failure, Major Storm, Illegal Load, Unexpected Demand and Pipe/Manhole collapse.</p>	<p>We recommend that the licensee looks to expand its existing Contingency Plan to include the strategies and activities for managing these incidents in addition to the events it has already documented.</p>	NOTED	EHO	MARCH 2016
R11/2015	<p><i>B2</i> <i>Contingency Planning – Contingency plans are documented, understood and tested to confirm their operability and to cover high risks</i></p> <p>The Contingency Plan does not include any information related to incident management for the non-potable water supply.</p>	<p>The licensee has committed to developing a Recycled Water Quality Management Plan by June 2016. This will include a detailed Incident Management Plan in accordance with the <i>Guidelines for the Non-Potable Uses of Recycled Water in Western Australia, August 2011</i>.</p>	NOTED	EHO	JUNE 2016
R12/2015	<p><i>B2</i> <i>Contingency Planning – Contingency plans are documented, understood and tested to confirm their</i></p>	<p>We recommend that the Contingency Plan be expanded, with appendices added to include a Key Contacts list, a list of available equipment and spares and a list of suppliers and contact</p>	NOTED	EHO	MARCH 2016

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	<p><i>operability and to cover high risks</i></p> <p>The Contingency Plan does not include any contact information or details of equipment and spares that is available to be used in an event.</p>	<p>details of key external businesses that could assist with emergencies (e.g. contract electricians / plumbers / manufacturers etc.).</p>			
R13/2015	<p><i>B2</i></p> <p><i>Financial Planning – The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</i></p> <p>A five year breakdown of the scheme operating expenditure is included in the AMP. However, this information provides the breakdown for the five years between 2007/08 and 2011/12</p>	<p>Update the operating expenditure information included in the Asset Management Plan to provide details of forecasted costs.</p>	<b>NOTED</b>	<b>EHO &amp; FINANCE OFFICER</b>	<b>MAY 2016</b>
R14/2015	<p><i>B2</i></p> <p><i>Financial Planning – The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</i></p> <p>The capital expenditure component of the Financial Summary included in the</p>	<p>Update the capital expenditure information included in the Asset Management Plan to provide details of forecasted capital expenditure costs.</p>	<b>NOTED</b>	<b>EHO &amp; FINANCE OFFICER</b>	<b>MAY 2016</b>

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	Asset Management Plan is based on the five year capital works forecast developed in the AMS. However, the AMP needs to be updated as the latest revision of the document shows the proposed capital expenditure between 2008/09 and 2012/13.				
R15/2015	<p><i>B2</i> <i>Financial Planning – The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</i></p> <p>Section 4.2.4 of the Asset Management Plan includes the asset valuations for the sewer and reuse assets. However, the values included were established as at 30 June 2007 and will need to be re-valued and updated.</p>	We recommend that the licensee's asset valuations be updated as the AMS and Asset Management Plan currently reports them as they were valued at 30 June 2007.	NOTED	CEO & FINANCE OFFICER	COMPLETED MAY 2015
R16/2015	<p><i>B2</i> <i>Capital Expenditure – There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates</i></p> <p>The AMS forecasts a capex program out to 50 years based on the asset lives assigned to each type of</p>	Update the capital expenditure forecast in the AMS	NOTED	CEO & FINANCE OFFICER	COMPLETED MAY 2015 – EXTENDED OUT TO YEAR 2090

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	asset and this is also included in the AMP. This forecast currently runs out to 2058 and needs to be updated as 2008 is the starting year.				
R17/2015	<p><i>B2</i>  <i>Review of AMS – A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current</i></p> <p>The current Improvement Plan is included in Section 7.2 of the AMP. However, we note that this needs to be updated as the latest action was due to be completed by May 2008.</p>	We recommend that the Asset Management Plan is updated with details of the improvement opportunities that have been identified through this review of the AMS.	<b>NOTED</b>	EHO	<b>JUNE 2017</b>
R18/2015	<p><i>B2</i>  <i>Review of AMS – A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current</i></p> <p><i>We observed during the review of the asset management system that a number of items included the Asset Management Plan were out of date which indicates that the reviews of</i></p>	<p>We recommend that the Asset Management Plan is reviewed and updated each year so that as a minimum the financial/expenditure, improvement plan and maintenance schedule dates can be updated.</p> <p>Given the number of put-of-date items included in the latest version of the AMP, we recommend that the document is reviewed and updated by 30 June 2015.</p>	<p><b>NOTED The Plan will not be updated this financial year.</b></p> <p><b>The financial sections will be done by May 2016 and the rest will be completed over time up to June 2017</b></p>		

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	<i>the document that have taken place have not been as thorough as they should have been.</i>				