

Shire of Victoria Plains – 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"> ▪ Section 27 – Requirements for Licences (Obligation 11) <p>Section 29 – Duties of the Licensee (Obligation 12)</p>	<p>Refer to the recommendations A4/2015 to A14/2015 for where the licensee has not complied with the required legislative obligation</p> <p>The remaining recommendation included in this table (A3/2015) relates to an improvement opportunity 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 A4/2015 to A14/2015.	NOTED		
A3/2015	<p>B2 <i>Water Services Act 2012, Sections 82(4) & (5)</i></p> <p>The licensee to provide required notification of and requirements as to building work within 7 days of</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.	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		

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	receiving the fee for dealing with the notification.				
A4/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 7</i></p> <p>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.</p>	We recommend that the licensee reviews its Customer Service Charter against the requirements of the Water Services Code of Conduct (Customer Service Standards) 2013, makes the necessary updates and make the document publically available.	NOTED	EHO	FEBRUARY 2016
A5/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(2)</i></p> <p>Licensee does not have a formal written procedure for the review of a bill on the customer's request.</p>	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	FEBRUARY 2016
A6/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clauses 18(3) & (6)</i></p> <p>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</p>	Make the written procedure for the review of a bill (refer to recommendation A5/2015) publically available.	NOTED	EHO	FEBRUARY 2016

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	specified information and be publically available.				
A7/2015	<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 A5/2015.	NOTED	EHO	FEBRUARY 2016
A8/2015	<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. Make the direct debit consent forms available on the licensee's website.	<p>Noted: But deemed unnecessary to have the forms on our website as no one has ever asked to do direct debiting.</p> <p>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.</p>		
A9/2015	B2	Amend the current complaints	NOTED	EHO	FEBRUARY 2016

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	<p><i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(2)</i></p> <p>Licensee's complaints procedure not developed using provisions of the AS ISO 10002</p>	<p>procedure to reflect the relevant provision of AS ISO 10002. The amendments should include:</p> <ul style="list-style-type: none"> ▪ Include the procedures associated with completing the Sewerage System Defect and Complaint Report, ▪ Defining responsibilities for managing, signing-off and escalation of complaints. ▪ Include the process for reporting the complaints data to the Authority in the Annual Compliance report. 			
A10/2015	<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>	Amend the current complaints procedure to comply with the matters identified in clause 35(3) of the Water Services Code of Conduct.	NOTED	EHO	FEBRUARY 2016
A11/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(4)</i></p>	Amend the current complaints procedure to comply with the matters identified in clause 35(4) of the Water Code.	NOTED	EHO	FEBRUARY 2016

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	Licensee's complaints procedure does not set out the costs and benefits to the customer if the use the complaint resolution procedure or instead of the procedures under the Act.				
A12/2015	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 A9/2015, A10/2015 and A11/2015 on its website.	NOTED	EHO	FEBRUARY 2016
A13/2015	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.	This is a statutory requirement for all Council documents and is dealt with under our Disability Access & Inclusion Plan. This is on the web page.		
A14/2015	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	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,	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		

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	publicly available.	discounts that are available to customers and makes the document publically available on its website.	Services.		
A15/2015	<p><i>B2</i> <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.	NOTED		

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Post-Review Implementation Plan

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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>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>	<p>We recommend that the asset management plan be updated to reflect the new legislative framework.</p>	NOTED	EHO	JUNE 2017
R3/2015	<p>B2 <i>Environmental Analysis – performance standards (availability of service,</i></p>	<p>We recommend that past records on the performance measures be documented in the AMP with any significant</p>	NOTED	EHO	JUNE 2017

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	<p><i>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>	deviation from the standard justified.			
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 asset's physical/structural condition and accounting data</i></p> <p>Although the Condition and Performance module of the AMS includes an inspection program and allows inspection findings to be recorded against each asset, the licensee has developed its own templates for managing the inspection program and recording the appropriate information.</p>	We recommend that this information be transferred into the Condition and Performance module of the AMS as this system is being used as the main tool for the licensee's asset management planning.	NOTED	EHO	JUNE 2017
R5/2015	<p><i>B2</i> <i>Asset Operations – Assets are documented in an Asset Register including asset type, location, material, plans of</i></p>	We recommend that costs in the asset register are updated for inclusion in the AMP and for the licensee's asset planning purposes.	NOTED	EHO/FINANCE MANAGER	MAY 2016

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	<p><i>components, an assessment of asset's physical/structural condition and accounting data</i></p> <p>The AMP states that the asset register will be reviewed annually. This review process provides the opportunity to refine and keep this information up-to-date and relevant. However, we observed that the Asset Register has not been updated since 2011 and the replacement values have not been inflated to 2015 costs.</p>				
R6/2015	<p><i>B2</i></p> <p><i>Asset Operations – Operational policies and procedures are documented and linked to service levels required</i></p> <p>The licensee does not have any specific operational or maintenance procedures for operating or maintaining the sewerage schemes.</p>	<p>Although the sewerage schemes are relatively simple, we would recommend that the licensee develops a simple step-by-step operational procedure and maintenance instruction to cover Sewer Blockages, Overflows and Spills.</p>	NOTED	EHO	AUGUST 2016
R7/2015	<p><i>B2</i></p> <p><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</p>	<p>We recommend that the licensee's risk assessment be updated to include these risks.</p>	NOTED	EHO	AUGUST 2016

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	risk consequences associated with the water licence, financial impact, the environment and OHS.				
R8/2015	<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 licensee completed a desktop emergency exercise test of the Contingency Plan in December 2012 to ensure that the details in the Plan were correct. No further testing has been undertaken. The Contingency Plan was last reviewed in 2013 at the time the actions from the Post-Review Implementation Plan were completed.</p>	We recommend that the licensee complete an annual review of the Plan and Document Status section be added at the end of the Plan to allow version control/document history to be recorded. We also recommend that the annual review of the Contingency Plan be added to the licensee's Compliance Register.	NOTED	EHO	MAY 2016
R9/2015	<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 includes appendices for an Emergency Contacts List, a Spare Parts and Equipment section and a List of</p>	We recommend that the appendices be included in the single document to ensure that all of the necessary information can be accessed from a single document.	NOTED	EHO	MAY 2016

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	Suppliers. However, these sections are not included in the Plan and are additional documents.				
R10/2015	<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>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 2011/12 and 2015/16.</p>	Update the operating expenditure information included in the Asset Management Plan to provide details of forecasted costs. Although the Asset management Plan is reviewed and updated every five years, we recommend that this review period should be for the full document, with an annual update of the financial information.	NOTED	EHO/FINANCE MANAGER	MAY 2016
R11/2015	<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>The capital expenditure component of the Financial Summary included in the 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</p>	Update the operating expenditure information included in the Asset Management Plan to provide details of forecasted capital expenditure costs.	NOTED	EHO/FINANCE MANAGER	MAY 2016

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	document shows the proposed capital expenditure between 2011/12 and 2015/16.				
R12/2015	<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 2011 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 2011.	NOTED	EHO/FINANCE MANAGER	MAY 2016
R13/2015	<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 asset and this is also included in the AMP. This forecast currently runs out to 2062 and needs to be updated as 2012 is the starting year.</p>	Update the capital expenditure forecast in the AMS	NOTED	EHO/FINANCE MANAGER	MAY 2016

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R14/2015	<p><i>B2</i></p> <p><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 the document that have taken place have not been as thorough as they should have been.</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>	NOTED	EHO	JUNE 2016