

Shire of Dowerin – 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 Licensing Act 1995, Clause 20.1</i></p> <p>During 2011/12 and 2012/13, the licensee failed to comply with its licence requirement target of fewer than 40 blockages per 100km of sewer main.</p>	<p>No action required as the obligation is no longer required under the current licence.</p> <p>The performance in 2011/12 was 40.16 blockages per 100km of sewer main. In 2012/13 the licensee experienced 60.24 blockages per 100km of sewer main. The licensee has missed the performance target for sewer blockages largely on account of the scheme only having 4.98km of sewer mains. In order to meet the target that was established under the old licence conditions, the licensee needed to experience one or fewer sewer blockages in any year.</p>	NOTED		
A2/2015	<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) 	Refer to the relevant recommendations included in this table.	NOTED		

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	<ul style="list-style-type: none"> ▪ Section 29 – Duties of the Licensee (Obligation 12) ▪ 				
A3/2015	<p><i>B2</i> Water Services Act 2012, Clause 5.3</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 A7/2015 to A19/2015.	THERE IS NO A18 or A19		
A4/2015	<p><i>B2</i> <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 receiving the fee for dealing with the notification.</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.		
A5/2015	<p><i>B2</i> <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 retains its most recent update of the Customer Service Charter that was completed in 2013 and makes it publically available in order to meet the obligations under Clause 7 of the Water Services Code of Conduct (Customer Service Standards) 2013.</p> <p>Although a document on the licensee's website will not replace the need to provide the occupier a direct notice at least</p>	<p>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.</p> <p>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.</p> <p>Otherwise the Water Corp would have to do the job or get a plumber to clear it which can take some days (in</p>		

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		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).	the country) 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.		
A6/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 7</i> 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.	We recommend that the licensee reviews it 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	DECEMBER 2015
A7/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(2)</i> License 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
A8/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clauses 18(3) & (6)</i> License does not have a	Refer to recommendation A7/2015.	NOTED		

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	formal written procedure for the review of a bill on the customer's request.				
A9/2015	<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 A8/2015.	NOTED		
A10/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 21(1)</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>		
A11/2015	<p>B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 22</i></p> <p>Although the licensee offers</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	This is a repeat of A10		

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	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.	consistent with the Authority's Financial Hardship Policy Guidelines. Make the direct debit consent forms available on the licensee's website.			
A12/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(1)</i> The licensee has in place important parts of a complaints handling procedure. However, the complaints procedure is not fully documented.	Develop a complaints procedure to meet the requirements of Clauses 35(1).	NOTED	EHO	DECEMBER 2015
A13/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(2)</i> Licensee's complaints procedure not developed using provisions of the AS ISO 10002	Develop a complaints procedure to reflect the relevant provision of AS ISO 10002.	NOTED	EHO	DECEMBER 2015
A14/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause</i>	Develop a complaints procedure to better align with the matters identified in clause 35(3) of the Water Services	NOTED	EHO	DECEMBER 2015

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	35(3) 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.	Code of Conduct.			
A15/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(4)</i> 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.	Develop a complaints procedure to align with the matters identified in clause 35(4) of the Water Code.	NOTED	EHO	DECEMBER 2015
A16/2015	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 developed complaints procedure on its website.	NOTED	EHO	DECEMBER 2015
A17/2015	B2 <i>Water Services Code of Conduct (Customer Service Standards) 2013, Clause</i>	Information regarding the exemptions, rebated, discounts that are available to customers is not advertised. We	This is already provided on the Council rate notice to clients in relation to ordinary rates on the land.		

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	37(1) The licensee has not made all of the prescribed information publicly available.	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 document publically available on its website. We recommend that the licensee amends its Financial Hardship Policy to make reference to large-print services being available if required by the customer.	It is unnecessary to have it on the website. Council does not have any Exemptions, discounts or rebates on their Water Services. 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.		
A18/2015	<i>B2 Water Services Act 2012, Section 29 (Clause26)</i> <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>	Refer to recommendation A3/2015 and A6/2015.	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>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 Shire 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.	NOTED	EHO	JUNE 2017
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>Considered unnecessary due to the very small number of connections and size of the Sewerage system.</p> <p>It is unwarranted expense and paperwork and a waste of resources.</p>		
R5/2015	<p>C3 <i>Environmental Analysis – Compliance with statutory and regulatory requirements</i></p> <p>The licensee's recycled</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.	NOTED	EHO	JUNE 2016

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	<p>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>.</p>	<p>We recommend that the licensee continue to communicate with the Department of Health until a resolution on these matters can be reached.</p> <p>The licensee has committed to developing a Recycled Water Quality Management Plan by June 2016.</p>			
R6/2015	<p>B2 Asset Operations – Operational policies and procedures are documented and linked to service levels required</p> <p>The licensee does not have any specific operational or maintenance procedures for operating or maintaining the sewerage and reuse schemes.</p>	<p>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:</p> <ul style="list-style-type: none"> ▪ Switchboard Maintenance ▪ Sewer Blockages, Overflows and Spills ▪ Maintenance of Wet Wells ▪ Submersible Sewage Pump – Routine Maintenance ▪ Imhoff Tank Maintenance ▪ Water Quality Sampling ▪ Operation of the Recycled Water Scheme 	<p>NOTED: This is unwarranted as there is usually only 2 staff who do all of these things and have been for many years.</p> <p>This would be a waste of time and resources.</p>		

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R7/2015	<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.	NOTED	EHO & FINANCE OFFICER	MAY 2016
R8/2015	<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.	NOTED	EHO	APRIL 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 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,</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.	NOTED	EHO	APRIL 2016

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	Unexpected Demand and Pipe/Manhole collapse.				
R10/2015	<p><i>B2</i> Contingency Planning – Contingency plans are documented, understood and tested to confirm their operability and to cover high risks</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
R11/2015	<p><i>B2</i> Contingency Planning – Contingency plans are documented, understood and tested to confirm their operability and to cover high risks</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>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 details of key external businesses that could assist with emergencies (e.g. contract electricians / plumbers / manufacturers etc.).</p>	NOTED	EHO	APRIL 2016
R12/2015	<p><i>B2</i> Financial Planning – The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</p>	<p>Update the operating expenditure information included in the Asset Management Plan to provide details of forecasted costs.</p>	NOTED	CEO & EHO	MAY 2016

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	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				
R13/2015	<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 document shows the proposed capital expenditure between 2009/10 and 2013/14.</p>	Update the operating expenditure information included in the Asset Management Plan to provide details of forecasted capital expenditure costs.	NOTED	CEO & EHO	MAY 2016
R14/2015	<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>	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 2009.	NOTED	CEO & EHO	MAY 2016

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	The Asset Management Plan includes the asset valuations for the sewer and reuse assets. However, the values included were established in March 2009 and will need to be re-valued during 2015.				
R15/2015	<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 version of the Asset Management Plan was reviewed and updated as part of the Post-Audit Implementation Plan actions from the previous audit and is dated 23/10/2012. However, we note that the document is dated April 2009 on the front and in the Document Status table on the last page.</p>	We recommend that that licensee update the date on the front page of the Asset Management Plan and the document status table to reflect the last revision of the document.	NOTED	EHO	DECEMBER 2015
R16/2015	<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>	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.	NOTED	EHO	JUNE 2017

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	The current Improvement Plan is included in Section 7.2 of the AMP. However, we note that this needs to be updated as most of the actions were due for completion in 2009 and the latest action was due to be completed by June 2012.				
R17/2015	<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>	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>NOTED The Plan will not be updated this financial year.</p> <p>The financial sections will be done by May 2016 and the rest will be completed over time up to June 2017</p>		