

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

## Post-Audit Implementation Plan

Reference (no./year)	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
01/2014	<p><b>Review of Rates Notices with Sewerage Charges</b>  <i>Water Services Code of Conduct (Customer Service Standards) 2013</i>  <i>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 received during the audit period.</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> <li>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.</li> <li>(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</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. The Shire will develop a written procedure for review of bills (rates notices with sewerage charges).</li> <li>2. The procedure will be made publicly available on the Shire's website and in hardcopy.</li> <li>3. The procedure will include: <ol style="list-style-type: none"> <li>d) what happens if the customer has been undercharged or overcharged;</li> <li>e) what the customer can do if dissatisfied with the outcome of the review</li> <li>f) 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</li> </ol> </li> </ol>	CEO & EHO	March 2016

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			<p style="text-align: center;">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>		
02/2014	<b>Next Review of Financial Hardship Policy</b>	The Shire should update the Compliance Schedule for the financial hardship policy next	The Shire will update the Compliance Schedule for the financial hardship policy next	Administration Officer & EHO	February 2019

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	<p><i>Water Services Act 2012 Section 27</i> <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 26(6)</i> <i>Licence condition Clause 5.3</i></p> <p><i>Compliant – opportunity for improvement</i></p> <p>The Shire's Financial Hardship Policy was approved by the Authority on 3 July 2014. The policy 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>	review due date.	<p>review due date.</p> <p>Reminder for bring up in the Shire Diary</p>	EHO	July 2015
03/2014	<p><b>Complaints Procedure</b> <i>Water Services Act 2012 Section 27</i> <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 35(3)&amp;(4).</i> <i>Licence condition Clause 5.3</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</p>	<p>The Shire should update the complaints policy in the Customer Charter for Wastewater Services to:</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 complaint to the State Administrative Tribunal; and</li> </ul>	<p>The Shire will update the Customer Charter for Wastewater Services to include:</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</li> </ul>	EHO & CEO	October 2015

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		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>a review of, the decision to the State Administrative Tribunal;</p> <p>a) 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 complaint to the State Administrative Tribunal; and</p> <p>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>		
04/2014	<p><b>Performance and Compliance Reporting</b>  <i>Water Services Act 2012 Section 27</i>  <i>Licence Conditions – Specific Clauses –</i>  <i>Provision of Information Clauses 16(1)</i>  <i>Licence condition Clause 5.3</i>  <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>	The Shire should ensure that all future Compliance Reports are complete and submitted to the Authority within the timeframes required.	Make sure that the EHO is available at the Shire Office or at his home Office to ensure all reports that have to be in post form, rather than email, is posted to the ERA within the compliance period giving at least 2 weeks lead time in case of delays that the Shire has no control of. Date posted to be recorded in schedule located on the inside cover of the Audit file 7002 for	EHO  EHO	August 2015  On Going

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	<ul style="list-style-type: none"> <li><input type="checkbox"/> Annual performance reports no later than 31 July for the reporting year ending 30 June; and</li> <li><input type="checkbox"/> Annual compliance reports by 31 August for the year ending 30 June.</li> </ul> <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><input type="checkbox"/> The Compliance Report for the year ended 30 June 2012 did not include several non-compliances from 2011.</li> <li><input type="checkbox"/> The Compliance Report for the year ended 30 June 2013 and due by 31 August 2013 was received by the Authority on 2 September 2013 so was technically late.</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>		<p>Computer system under Health, Sewerage and year. Hard copy also placed on the Sewerage file 7002 and recorded as well on the schedule located on the inside cover of the Audit file #7002.</p> <p>Ensure that all non Compliance are reported to the ERA for the year ending 30 June</p>	EHO	Yearly
05/2014	<p><b>Compliance Breach Register</b> <i>Licence condition – Clause 16.2</i></p> <p><i>Non-compliant – minor impact</i></p> <p>Section 9.3.2.3 of the Audit and Review Guidelines: Water Licenses July 2014 states that Authority expects licensees to maintain a</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 Authority in the annual Compliance Report.</p>	<p>Breach register to be compiled and place on the inside cover of the Audit file #7002</p>	EHO	August 2015

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	<p>respect of their licence conditions. The Shire's HBS 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>				
06/2014	<p><b>Internal Policies and Procedures relating to the Licence</b></p> <p><i>Water Services Act 2012 sections</i> 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), 152(3), 153(3), 165(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).</p> <p><i>Water Services Regulations 2013 – Reg. 85.</i></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013</i> Clauses 16(2)-(5), 17(1)-(2).</p> <p>Licence – Clause 15.1(d)</p>	<p>The Shire should develop and/or update internal procedures with the requirements under the licence in respect of notification of building works, 48 hours' notice of intention to commence works, decisions under review, compliance notice and consultation with owner, information on compliance notice, actions on persons named in compliance notice, acquiring interest in land, lodgement of memorial, proposal for major works, minimising damage when undertaking works, issuance of compliance notices, under and over charges, and informing the Authority within 10 days of major and general works.</p>	<p>The Shire will develop and/or update internal procedures with the requirements under the licence in respect of notification of building works, 48 hours' notice of intention to commence works, decisions under review, compliance notice and consultation with owner, information on compliance notice, actions on persons named in compliance notice, acquiring interest in land, lodgement of memorial, proposal for major works, minimising damage when undertaking works, issuance of compliance notices, under and over charges, and informing the Authority within 10 days of major and general works.</p>	EHO	February 2016

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	<p>damage when undertaking works, issuance of compliance notices, under and over charges, and informing the Authority within 10 days of major and general works.</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>				
07/2014	<p><b>Prescribed Information to be Available in Hardcopy and on Website</b></p> <p><i>Water Services Act 2012 Section 27</i></p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013</i></p> <p><i>Clause 37(1)</i></p> <p><i>Licence condition Clause 5.3</i></p> <p><i>Non-compliant – moderate impact</i></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 “prescribed information” is set out in Section 37 of the Code and</p>	<p>The Shire should update the Customer Service Charter – Wastewater Services at the Shire office and on the website with the “prescribed information” for sewerage services as set out in Section 37 of the Code. This includes the fees and charges, bill payment options, discounts/ concessions, enquiry/translator services, powers of access to premises, interruptions to supply, etc.</p>	<p>The Shire will update the Customer Service Charter – Wastewater Services at the Shire office and on the website with the “prescribed information” for sewerage services as set out in Section 37 of the Code. This includes the fees and charges, bill payment options, discounts/ concessions, enquiry/translator services, powers of access to premises, interruptions to supply, etc.</p>	EHO	November 2015

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	<p>The auditor noted that this information is not currently available to customers apart from the annual Rate Notice. The Customer Service Charter includes some of the required information but needs to be updated for the new Water Services Act 2012, regulations and Code of Conduct. This information could be partially provided by obtaining a copy of the Department of Water's <i>Easy Reference Guide to the Water Services Code of Conduct</i> and making this available on the Shire's website and in hardcopy at the Shire's office. However, there also needs to be specific information in respect of the Shire's fees and charges, payment options, etc.</p>				



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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
08/2014 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 2.3 of the AMP outlines the legislative, environmental and safety</p>	<p>The Legislative Requirements Section of the Asset Management Plan should be updated to reflect the recent changes to the legislative requirements including Water Services Act 2012, Water Services Regulation 2013 and Water Services</p>	<p>The Legislative Requirements Section of the Asset Management Plan will be updated to reflect the recent changes to the legislative requirements including Water Services Act 2012, Water</p>	EHO	July 2015

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	<p>requirements. These are monitored by the Health/Building Surveyor (HBS).</p> <p>However, the Legislative Requirements Section of the AMPs 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>	Code of Conduct (Customer Service Standards) 2013 as well as for the new version of the operating licence issued on 18 November 2013.	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.		
09/2014 C3	<p><b>A Contingency Planning</b></p> <p><i>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>The Asset Management Plan includes mitigation measures but there are no detailed contingency plans.</p> <p>Key staff have an understanding of unwritten procedures, such as the calling of a plumber in the case of a pipe blockage, or an electrician in the case of a pump failure.</p> <p>However, as noted in the previous audit and review, a formal Contingency Plan has not been</p>	<p>a) Based on the risk assessment in the AMP, a set of contingency plans or emergency procedures should be developed by the Shire to cover situations identified in the risk assessment as being a major or significant risk. For example bushfire affecting ponds or reticulation equipment; reticulation pump or electrical failure; extreme rainfall events/water overflows from the ponds; pipeline burst or blockages, disinfection failure, etc.</p> <p>The contingency plans should include:</p> <ul style="list-style-type: none"> <li>o Detailed procedures for</li> </ul>	<p>A set of Contingency plans or emergency procedures will be updated in the AMP to cover situations identified in the risk assessment as being a major or significant risk. For example bushfire affecting ponds or reticulation equipment; reticulation pump or electrical failure; extreme rainfall events/water overflows from the ponds; pipeline burst or blockages, disinfection failure, etc.</p>	EHO	July 2015

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	<p>developed.</p> <p>The Asset Management Plan has an action item to develop a contingency plan for sewerage overflows only and also records the key contacts at the Shire and contractors for events relating to the scheme.</p> <p>The contingency plans should consider all relevant components of the scheme including failure of access chambers, failure of mains/pipes, collapse or leakage at settlement pond/s, fencing and gates, failure of pump/s, sports oval tank rupture or leak, failure of disinfection system, etc..</p>	<p>all significant risk events affecting components of the scheme</p> <ul style="list-style-type: none"> <li>o Key local contact details – name, number and location</li> <li>o Communication protocols</li> <li>o Specifications, location and availability of emergency equipment</li> <li>o Authorities that need to be contacted and when.</li> </ul> <p>Once developed, the contingency plans should be reviewed and tested on at least an annual basis or whenever major changes are required to the plans to ensure they are operable and that appropriate persons are aware of their responsibilities in cases of emergency.</p>	<p>The contingency plans should include:</p> <ul style="list-style-type: none"> <li>o Detailed procedures for all significant risk events affecting components of the scheme</li> <li>o Key local contact details – name, number and location</li> <li>o Communication protocols</li> <li>o Specifications, location and availability of emergency equipment</li> <li>o Authorities that need to be contacted and when.</li> </ul> <p>Once developed, the contingency plans should be reviewed and tested on at least an annual basis or whenever major changes are required to the plans to ensure they are operable and that appropriate persons are aware of their responsibilities in cases of emergency.</p>		
10/2014  <b>B3</b>	<p><b>Financial Planning – Source of Funding</b></p> <p><i>The financial plan identifies the source of funds for capital</i></p>	<p>The Shire should determine, as part of its long term financial planning, the source of funds for the increasing funding gap between the rates collected for the sewerage scheme</p>	<p>The Shire will determine, as part of its long term financial planning, the source of funds for the increasing funding gap between the rates collected for</p>	CEO & EHO	March 2016

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	<p><i>expenditure and recurrent costs. The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</i></p> <p>The Shire maintains a Sewerage Reserve. The funds in the reserve can only be used for the purposes of replacing and upgrading of capital facilities for the sewerage scheme.</p> <p>The Shire has a specified area rating which is applied to all properties connected or capable of being connected to the sewerage scheme. The purpose of this rate is to offset the cost of the sewerage treatment, including operation, maintenance, administration, depreciation and loan repayments.</p> <p>The current revenues from sewerage rates are \$45,247 (2014/15 rates) which is insufficient to fully fund the scheme which requires annual income of \$78,437. The current Sewerage Reserve balance is \$93,002. There are no major replacements of assets planned for the next 10 years but longer term, funding options will need to be evaluated.</p>	<p>and the long term operating, maintenance and capital renewal costs.</p>	<p>the sewerage scheme and the long term operating, maintenance and capital renewal costs.</p>		