

Shire of Lake Grace – 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>Notification of Changes to Asset Management System <i>Water Services Act 2012 sections 24(1)(b).</i> <i>Licence condition – Specific Clauses – Clauses 15(1)(d) and 20(2).</i></p> <p>Non-compliant – major impact</p> <p>The asset management system comprises of the Asset Management Plan, the related schedules, the IT system supporting the AMS and the people that manage the AMS.</p> <p>The requirement to notify the Authority of any significant changes to the asset management system, within 10 business days, is not documented in the Shire's Asset Management Plan nor in any other Shire's internal document e.g. Compliance Schedule.</p> <p>The audit noted that the person responsible for the AMS (the former EHO) left the Shire in January 2013 and no-one was appointed to take responsibility for the AMS until November 2014. Also electronic versions of the AMP and other schedules appear to have been lost by</p>	<ol style="list-style-type: none"> The Shire should ensure that the Authority is notified about any future significant changes to the asset management system within 10 business days. The Shire should update the Asset Management Plan – Monitoring and Review Procedures section for the requirement to notify the Authority of any significant changes to the asset management system within 10 business days. The Shire should update the Asset Management Plan – Monitoring and Review Procedures section for the requirement to notify the Authority of any significant changes to the asset management system within 10 business days. The Shire should ensure that there is adequate staffing for the 	<p>Contractor to inform Manager Infrastructure Services (MIS) of significant changes. MIS will notify ERA within 10 days.</p> <p>Update schematic diagram to reflect this the 10 new subdivision blocks.</p> <p>Update the Asset Management Plan – Monitoring and Review Procedures section as per recommendation</p> <p>Allocate workload to relevant staff.</p>	<p>MIS</p> <p>MIS</p> <p>CEO</p>	<p>31 July 2015</p> <p>31 July 2015</p> <p>31 May 2015 (done)</p>

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	<p>the Shire. The fact that these issues were not identified and reported to the Authority is a breach of section 24(1)(b) of the Act.</p> <p><i>Also refer recommendation 09/2014 below re lack of a Compliance Schedule.</i></p>	<p>maintenance of asset management system.</p> <p>5. The Shire should ensure that complete documentation of the AMS is retained by the Shire when contracted resources are utilised.</p>	<p>Re-establish electronic copies of AMP and update as required</p> <p>Review current documentation and ensure the complete AMS is retained in one location</p>	MIS	31 July 2015
02/2014	<p>Timeliness of Connections</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 8</i></p> <p>Non-compliant – minor impact</p> <p>The licensee must ensure that, in any 12 month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.</p> <p>Reviewed Performance Reports for 2011/12, 2012/13 and 2013/14 and noted that 4 new properties were connected to the scheme in 2013/14. The Shire could not provide evidence that 90% of new connections in 2013/14 were completed within the</p>	<p>1. The licensee must ensure that, in any 12 month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.</p> <p>2. The Shire should update the Asset Management Plan - Levels of Service section for the requirement that, in any 12 month period, 90% of connections must be completed before the end of 10 business days of a customer paying the relevant fees and complying with the relevant requirements.</p>	<p>Update AMP – Levels of Service Section, to reflect recommendation</p> <p>Building Surveyor to ensure connection is provided within 10 days of customer paying the connect fee.</p>	<p>MIS</p> <p>Building Surveyor</p>	<p>31 July 2015</p> <p>Ongoing</p>

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	<p>timeframes required. Therefore, this needs to be treated as a non-compliance with this provision of the Code.</p> <p>The Shire's EHO also advised that a new subdivision of 10 blocks have been completed in 2013. However there were no properties constructed to date on this block of land and no fees were collected in relation to this subdivision.</p> <p>The requirement for timeliness of connections is not documented in the Shire's Asset Management Plan nor in any other Shire's internal document e.g. Compliance Schedule.</p>				
03/2014	<p>Review of Rates Notices with Sewerage Charges</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 18(1) – 18(5)</i></p> <p><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.</p> <p>The Shire does not have a written procedure for review</p>	<ol style="list-style-type: none"> 1. The Shire should develop a written procedure for review of bills (rates notices with sewerage charges). 2. The procedure should be made publicly available on the Shire's website and in hardcopy. 3. The procedure should include: <ol style="list-style-type: none"> a) what happens if the customer has been 	Develop written procedure for review of bills as per recommendation 03/2014 and make available to public in hard and soft copy	MCRS	31 July 2015

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	<p>of a bill on the customer's request.</p> <p>The Shire's staff advised that no request for review of the rates notices relating to sewerage charges had been received during the audit period.</p>	<p>undercharged or overcharged;</p> <p>b) what the customer can do if dissatisfied with the outcome of the review</p> <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>			
04/2014	<p>Complaints Procedure</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 35(4) & (6)</i></p>	<p>1. The Shire should update its complaints handling procedure in the Compliments and</p>	<p>Update complaints handling procedure as per recommendation 04/2014 and also provide the brochure on website</p>	MCRS & CESO	31 July 2015

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	<p><i>Non-compliant – minor impact</i></p> <p>The Shire's complaints handling procedure as outlined in the Shire's Compliments and Feedback Brochure does not inform the customer that they do not have to use the licensee's complaints procedure, provide details of procedures under the Act, and set out the costs and benefits to the customer if they use the complaint resolution procedure or instead of the procedures under the Act.</p> <p>The Shire's Compliments and Feedback Brochure is not publicly available. Although, the Brochure was observed to be displayed at the Shire's office, the auditor was unable to locate the Shire's Compliments and Feedback Brochure on the Shire's website.</p>	<p>Feedback Brochure to:</p> <ul style="list-style-type: none"> 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; 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 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 			

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		<p>Services Ombudsman or State Administrative Tribunal.</p> <p>2. The Shire should publish its Compliments and Feedback Brochure on its website.</p>			
05/2014	<p>Prescribed Information to be Available in Hardcopy and on Website</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 37(1)</i></p> <p><i>Non-compliant – minor 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 hardcopy annual Rates Notice contains information about fees and charges, bill payment methods and the fees and charges associated with each option, and the exemptions, discounts, rebates and concessions that are available to customers.</p> <p>The hardcopy annual Your Rates Summary Brochure that is being forwarded to each customer together with</p>	<p>1. The Shire should update the annual Your Rates Summary Brochure to provide information on:</p> <ul style="list-style-type: none"> a) fees and charges associated with each bill payment option offered; b) discounts, rebates and concessions that are available to customers; and c) services provided by the stipulated in clause 36(1) of the Code. <p>2. The Shire should publish the annual Your Rates Summary Brochure on the Shire's website.</p>	<p>Update annual “Your Rates Summary” brochure as per recommendation 05/2014 and publish on website</p>	MCRS & CESO	31 July 2015

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	<p>the annual Rate Notice also contains information about fees and charges, bill payment methods and the exemptions, however the Brochure is silent on the fees and charges associated with each payment option and on discounts, rebates and concessions that are available to customers.</p> <p>The Shire's website provides information only on payment options that are available to customers.</p> <p>The licensee is also required to make publicly available information about the services provided by the licensee under clause 36(1) of the Code. The auditor was unable to locate information about provision of these services in hardcopy or on the Shire's website.</p>				
06/2014	<p>Performance and Compliance Reporting</p> <p><i>Licence Conditions – Specific Clauses – Provision of Information Clauses 16(1)(2) & (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>	<ol style="list-style-type: none"> The Shire should ensure that all future Compliance and Performance Reports are submitted to the Authority within the timeframes required. The Shire should ensure that all future updated post-audit and post-review implementation plans are submitted to the Authority by the 	<p>Submit Compliance and Performance Reports and post audit and post review implementation plans by requested dates.</p> <p>Put dates in the compliance calendar</p>	EHO	<p>25 May 2015</p> <p>31 July 2015</p> <p>31 August 2015</p>

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	<ul style="list-style-type: none"> • Annual performance reports no later than 31 July for the reporting year ending 30 June; and • Annual compliance reports by 31 August for the year ending 30 June. <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"> • The 2011/12 Compliance Report was submitted on 2 October and therefore after the due date. This was not reported as non-compliance in 2012/13 Compliance Report. • The 2012/13 Compliance Report also omitted a non-compliance regarding the failure to provide updated post-audit implementation plan by the requested date which constituted a 	requested dates.			

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	<p>contravention of clause 21.1 of the licence Version 2 during the 2012/13 reporting period.</p> <ul style="list-style-type: none"> • The 2012/13 Performance Report as well as 2012/13 Compliance Report were submitted after the due date. The late submission of 2013 Performance Report was not reported as contravention of clause 20.1 of the licence Version 2 in the 2013/14 Compliance Report. <p>In addition to the reporting requirements under the Water Compliance Reporting Manual April 2014, the Shire is also required to submit to the Authority updates on post-audit implementation plan by the requested date. The auditor reviewed the correspondence between the Authority and the Shire and noted that Notice of Contravention of clause 21.1 of the licence Version 2 was issued by the Authority to the Shire on 3 March 2013 in respect of failure to provide the updated post-audit</p>				

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	implementation plan by the requested date. Subsequent to the Notice, the Shire submitted the updated plan to the Authority the same day. As noted above, this contravention of the licence was not included in 2012/13 Compliance Report.				
07/2014	<p>Compliance Register <i>Licence Conditions – Specific Clauses – Provision of Information 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 compliance (or breach) register in respect of their licence conditions. The Shire's CEO advised that they don't keep a compliance breach register.</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.	Establish a compliance breach register	MIS & TO	31 July 2015
08/2014	<p>Internal Policies and Procedures relating to the Licence</p> <p><i>Water Services Act 2012 sections 82(4)&(5), 84(2), 87(2), 90(7), 119(2), 122(2), 128(4), 142, 143(2)&(3), 144(3), 145(2), 147(3)&(4), 151(1)-(3), 153(3), 165(5)&(6), 170, 173(4), 174(1)&(3), 175(2)&(5), 176(1),(3)&(4), 181, 186, 187(1)-(3), 190(4)-(5), 218(2).</i></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	Develop internal procedures as per recommendation 08/2014	MIS	31 July 2015

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	<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><i>Licence clause 15.1(d)</i></p> <p>Not rated</p> <p>The licence includes compliance obligations 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, lodgement of memorial, acquiring interest in land, 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 audit confirmed the above activities had not occurred in the audit period. However, there are no documented internal procedures that would ensure compliance with these conditions of the</p>	<p>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 detailed compliance obligations listed in this report could be used as a reference.</p>			

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	licence in future.				
09/2014	<p>Compliance Schedule <i>Water Services Act 2012 sections 24(1)(b).</i> <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clauses 26(6).</i> <i>Licence condition – Specific Clauses – Clauses 15(1)(d), 16(1) and 20(2).</i></p> <p><i>Not rated</i></p> <p>The Shire's staff was unable to locate the Shire's Compliance Deadlines Schedule that was in place during the previous audit period.</p> <p>Therefore, at present the Shire has no hardcopy record of compliance activities and due dates to comply with the licence.</p>	<ol style="list-style-type: none"> 1. The Shire should develop and implement a Compliance Schedule documenting the compliance activities, responsibilities and due dates including the annual performance and compliance reporting due dates; the requirement to review the financial hardship policy and the next policy review due date; the requirement to notify the Authority of any significant changes to the asset management system within 10 business days, notifying the Authority of any major or general water service works within 10 business days, the requirement for timeliness of connections etc. to ensure regulatory timeframes are met. 2. The Shire should place the hardcopy Compliance Schedule on the front of the hardcopy Licence file. 	Develop a Compliance Schedule as per recommendation 09/2014 and place a hardcopy on the Licence file	MCRS	31 August 2015

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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
10/2014 B3	<p>Asset Creation and Acquisition – Legislative Requirements</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 requirements. The Health Act, Environmental Protection and Occupational Health, Safety and Welfare are briefly considered.</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 AMP 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>Update Legislative Requirements Section of the AMP as per recommendation 10/2014</p>	EHO	30 June 2015

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11/2014 C3	<p>Asset Operations – Asset Register</p> <p><i>Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition and accounting data.</i></p> <p>The AMP provides a summary description of each installation within the scheme. A detailed listing of assets is documented in the Asset Register for the scheme (Excel worksheet).</p> <p>The Asset Register was last updated on 16 November 2011. Therefore, the new subdivision of 10 blocks that was completed in 2013 is not included in the Asset Register.</p> <p>The Asset Register includes construction dates and replacement values for all main asset groups including chambers, pipes, treatment plant, pump station and effluent re-use. The assets are discretely numbered with an alpha-numeric asset number and include the relevant construction material, asset type and descriptions. However, the reviewer noted that some of the relevant fields in the</p>	<p>The Shire should review and update the Asset Register to ensure that all assets are documented in the Asset Register accurately and completely (including the new subdivision assets) and that all required information, including the GPS co-ordinates, is recorded for all asset groups.</p>	<p>Update Asset Register as required by recommendation 11/2014</p>	<p>MIS in consultation with Shire's plumber and EHO</p>	<p>31 July 2015</p>

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	<p>Asset Register are still marked as 'Unknown'.</p> <p>Also, the AMP states that the Shire has collected GPS co-ordinates for all accessible access chambers. However no GPS co-ordinates for any asset are recorded in the Asset Register.</p>				
<p>12/2014 B2</p>	<p>Asset Operations – Staff Resources</p> <p><i>Staff resources are adequate and staff receive training commensurate with their responsibilities.</i></p> <p>The latest available update of the AMP is dated February 2011. The AMP provides information on human resources required to support the plan as follows:</p> <ul style="list-style-type: none"> • Works Manager – tasked with establishing and maintaining the drawing information system; • EHO – responsible for updating asset register, inventory control and procurement, asset condition and performance, risk assessment and management, maintenance planning and works management systems, 	<p>a) The Shire should ensure that there are adequate staff resources assigned to operate and maintain the sewerage scheme. This may include engaging an external contractor to perform the planned maintenance activities.</p> <p>b) The Shire should ensure that staff that support the scheme (as per the roles in the Asset Management Plan receive adequate training and records thereof are maintained. This could include the Water Corporations' sewerage plant operators training program.</p> <p>c)</p>	<p>Alter AMP so it accurately reflects current staff roles and ensure new staff are aware of their roles</p>	<p>EHO</p>	<p>31 July 2015</p>

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	<p>financial management and budgeting, and data and information storage and retrieval.</p> <ul style="list-style-type: none"> • Administrative Support Officer – responsible for data entry into the AMIS from condition appraisal inspections and completed works orders. <p>External licensed plumbers and electricians are also utilised as necessary.</p> <p>The Shire didn't have any EHO from January 2013, when the former EHO left, until September 2014. The current EHO was approved by the Department of Health to the position of Environmental Health Officer to the Shire of Lake Grace with effect from 26 November 2014. Prior to this, there were two other officers appointed to the position of Shire's EHO on 12 September 2014. Staff resources were not adequate over this period. At the date of the audit, the new staff had not been training in the licencing requirements of the scheme.</p> <p>Also as noted in the Asset</p>				

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	Maintenance section below there appears to have been a general lack of maintenance of the scheme since 2011.				
13/2014 C3	<p>Asset Maintenance - Inspections</p> <p><i>Regular inspections are undertaken of asset performance and condition.</i></p> <p>The latest available record of asset condition appraisal is from October 2010 as recorded in the Asset Condition and Performance Excel spreadsheet. The record indicates that the condition of access chambers, gravity mains and most of the rising mains was not assessed at the time of the appraisal.</p> <p>Some of the assets that were observed by the reviewer during the site visit as being in poor condition, were assessed as having a poor condition already in 2010 e.g. the condition of chlorinator was already found to be "Poor" back in 2010 and replacement was recommended as well as the need to repair spalling concrete and removal of a sludge cake from the Imhoff tank. Apparently, no action</p>	<p>a) The Shire should undertake a condition appraisal of all assets as soon as practicable and record the results of the appraisal in the Asset Condition and Performance Excel spreadsheet.</p> <p>b) The Shire should obtain a record of manholes check from the external plumber and record results of the check in the Asset Condition and Performance Excel spreadsheet.</p> <p>c) The Shire should prioritise the maintenance tasks resulting from the asset condition appraisal and implement a plan for asset condition improvement commensurate with urgency, risk and practicability.</p> <p>d) The Shire should resume the annual condition appraisal program of all assets.</p>	<p>Engage Shire plumber to undertake appraisal of all assets and record results</p> <p>Produce an improvement plan for assets as a result of the appraisal</p> <p>Ensure annual condition appraisals are conducted</p>	MIS, EHO & Shire plumber	<p>31 July 2015</p> <p>31 August 2015</p> <p>Annual</p>

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	<p>was done since 2010 to improve condition of these assets.</p> <p>The current EHO advised that all manholes were checked by the external plumber in early 2014 and that record of this assessment was retained by the plumber. At the time of this review, the Shire did not have any record of the results of this assessment in its records.</p> <p>The documentation available for review provided no evidence to substantiate that the required annual physical assessment of the infrastructure was occurring.</p>				
14/2014 C3	<p>Asset Maintenance – Completion of Maintenance</p> <p><i>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.</i></p> <p>An Annual Maintenance Management Plan for 2011/12 was sighted, as no earlier versions of the Plan were available for review. The comprehensive Annual Maintenance Management Plan is part of the AMP and specifies maintenance tasks to be carried out for all</p>	<p>a) The Shire should ensure that the recommendations in the Department of Health's Water Recycling Assessment Report (April 2015) are addressed.</p> <p>b) The Shire should prioritise the recommendations set out in the Department of Health Water Recycling Assessment Report and determine a plan for their implementation commensurate with urgency, risk and practicability.</p> <p>c) The Shire should not resume using treated</p>	<p>Respond to DOH report on how the recommendations shall be addressed moving forward</p> <p>Effluent will continue NOT to be used, as the scheme does not have DOH approval. Seek</p>	EHO	<p>31 May 2015</p> <p>Ongoing</p>

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	<p>assets and the intervals at which they need to be done. However, the documentation available for review provided no evidence to substantiate that routine maintenance is carried out as planned.</p> <p>At the WWTP, the concrete structure of the Imhoff tank appears to be in reasonable condition, as is the pipework entering and leaving the tank. One chamber of the tank appears to be full of sludge. A sludge drying bed within the site appears not to have been used for some time. This indicates that there may be sludge build up at the bottom of the Imhoff tank that may need to be removed. The sludge drying bed should be cleaned out when sludge builds up to within 500mm of the top of the bed wall. It was observed that the paint on steelwork of the Imhoff tank walkway is beginning to fail.</p> <p>The storage ponds were observed to be enclosed by earth banks that are stabilised by grass growing on the inner bank face. The grass on the pond banks should be left intact to stabilise the banks. Erosion from wave action is occurring on the internal bank faces at</p>	<p>effluent for irrigation purposes until the replacement of the chlorinator and until safe to do so based on the water quality sampling results.</p> <p>d) The Shire should arrange for removal of sludge build up from both treatment ponds to increase their capacity as well as removal of sludge from the Imhoff tank chamber and the bottom of the Imhoff tank and from the sludge drying bed.</p> <p>e) The Shire should place coarse clayey gravel (stones up to 100mm diameter) to a minimum thickness of 500mm along those sections of eroded bank. Where possible, the gravel should be compacted with a plate compactor or similar equipment. Where this type of compaction cannot be achieved, the gravel shall be pressed into the bank with the face of a loader bucket.</p> <p>f) While not urgent, it is recommended that repainting of steel be programmed within the next five years.</p>	<p>quotes for new chlorinator installation for inclusion in the 2015/16 budget.</p> <p>Seek quotes for desludging and budget for works in 2015/16 budget</p> <p>Repair eroded walls of the ponds</p> <p>Seek quotes and budget for repainting in 2015/16</p>	<p>EHO</p> <p>EHO & MIS</p> <p>MIS</p> <p>MIS</p>	<p>30 June 2015 – quotes</p> <p>30 June 2015 – quotes 30 June 2016 – works</p> <p>30 June 2015</p> <p>30 June 2016 – quotes</p>

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	<p>some locations. The ponds were also observed having a reduced capacity due to the sludge build up and discharge to the adjoining land was clearly visible.</p> <p>It was observed that water was forming a small lake between the two treatment ponds. The source of this water was unknown and could be either seepage from the ponds or stormwater. This water is localised and does not appear to be draining away from the site. The water level of this pool is well below the level of the adjacent treatment pond, suggesting that it is not infiltration from the pond. It is recommended that the only action taken is to monitor the ponding to make sure that it is retained on site.</p> <p>The current Shire's EHO also advised that the Department of Health (DOH) performed an assessment of the scheme against the <i>Guidelines for the Non-Potable Uses of Recycled Water in WA (dated August 2011)</i> in April 2014. At the date of audit, the EHO also advised that no record of this assessment was available at the Shire. The report was subsequently provided to the</p>	<p>g) The Shire should monitor the ponding between the two treatment ponds to ensure that it is retained on site.</p> <p>h) The Shire should resume the annual Maintenance Management Plan and ensure that all specified maintenance tasks are carried out and this is recorded in the planned/actual maintenance program spreadsheet.</p>	<p>Repair damaged pipe causing leak. Level area where ponding is occurring so that it does not continue</p> <p>Record all maintenance in management plan</p>	<p>MIS</p> <p>MIS & TO</p>	<p>31 May 2015</p> <p>30 June 2015 and ongoing</p>

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	<p>Shire on 21 April 2015.</p> <p>The reviewer was advised that as a result of this assessment and due to concerns about the quality of water for irrigation, the Shire has stopped using the treated effluent for irrigation purposes. The chlorinator was observed to be in a very poor condition and it is currently not being used to chlorinate recycled water. The EHO advised that only the rain water is currently being used to irrigate the town's sports oval.</p> <p>Overall, there has been a general lack of asset maintenance since 2011.</p>				
15/2014 C3	<p>Asset Management Information System</p> <p><i>Adequate system documentation for users and IT operators.</i></p> <p>The asset management information system is a simple system based on the Excel spreadsheets available from the Authority. The system is documented in the Asset Management Plan (latest available version February 2011) which refers to each spreadsheet included in the Appendices.</p> <p>However, apart from a copy of the Asset Register Excel</p>	<p>a) The Shire should ensure that all Asset Management System documentation, including all future updates of the AMP and the accompanying Excel spreadsheets, is saved on the Shire's server and regularly backed up as part of the standard IT maintenance procedures. The backups should be tested each quarter.</p> <p>b) The Shire should update the Asset Management Practices section of the AMP to stipulate the</p>	<p>Save all documents and changes to documents on the server</p> <p>Update Asset Management Practices section of AMP to reflect recommendation 15/2014</p>	MIS & TO	31 July 2015

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	<p>spreadsheet, the Shire had no electronic record of AMP or any other accompanying Excel spreadsheets. The reviewer had a record of the Shire's AMP and accompanying spreadsheets dated 2011 which were obtained by the reviewer during the previous review process. The reviewer provided copies of these documents to the current Shire's EHO as part of this review.</p> <p>As noted in the Asset Management Practices section of the AMP, the former EHO was a custodian of the AMP as well as all accompanying spreadsheets. Apart from the drawing information system, the EHO was responsible for the entire asset management information system. It appears that the data was not being passed on to the Shire for record keeping and backup. However, there have been other staffing changes at the Shire that may have affected the record-keeping. When the former EHO left the Shire in January 2013, the Shire was left without adequate records of the Asset Management System.</p>	<p>responsibilities for management, storage and back-up that would ensure that all Asset Management System records are provided to and retained by the Shire.</p>			

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16/2014 B3	<p>Risk Management</p> <p><i>The probability and consequences of asset failure are regularly assessed.</i></p> <p>The Risk Assessment worksheet has been sighted. It includes the probability and consequences of asset failure for all scheme components and non-compliance with licence obligations.</p> <p>However, the latest version of the Risk Assessment worksheet that was available for review was dated 16 November 2011. No further updates of the worksheet were available beyond this date. Therefore, the reviewer concluded that the probability and consequences of asset failure are not being regularly assessed.</p> <p>Moreover, the Risk Assessment worksheet still refers to 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</p>	<p>a) The Shire should review and, where required, update the Risk Assessment worksheet to ensure that all current internal and external risks associated with the asset management system have been captured and considered, including the recent changes to the legislative requirements (Water Services Act 2012, Water Services Regulation 2013 and Water Services Code of Conduct (Customer Service Standards) 2013) as well as the new version of the operating licence issued on 18 November 2013.</p> <p>b) The Shire should ensure that treatment plans are actioned and monitored.</p> <p>c) The Shire should ensure that the probability and consequences of asset failure are assessed regularly i.e. annually as part of the annual review process of the AMP.</p>	Update Risk Assessment worksheet as per recommendation 16/2014, and assess probability and consequences of asset failure on an annual basis	EHO & MIS	31 July 2015

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	changes to the operating licence (new version of the operating licence was issued on 18 November 2013).				
17/2014 D4	<p>Contingency Planning</p> <p><i>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></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>The AMP states that unforeseen maintenance tasking is instigated by a telephone call-out system to the Manager or Supervisor, who attends the site, assesses the requirements and arranges the immediate and follow-up actions and activities. However, the AMP does not specify who was available to do the actual work; that is an electrician, plumber or other technical personnel. It is recommended that for an unexpected failure of the system, more detailed contingency plans documenting the steps to be taken to resolve the failure,</p>	<p>a) Based on the revised 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 etc.</p> <p>b) The contingency plans should include:</p> <ul style="list-style-type: none"> - Detailed procedures - Key local contact details – name, number and location - Communication protocols - Specifications, location and availability of emergency equipment - Authorities that 	Produce contingency plans as per recommendation 17/2014 and reviewed annually	MIS	31 August 2015

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	<p>and the personnel responsible for the actions, be prepared.</p> <p>The Asset Management Plan had an action item to develop a contingency plan for sewerage overflows by October 2011. This is still outstanding.</p>	<p>need to be contacted and when.</p> <p>c) 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>			
18/2014 B2	<p>Financial Planning - Update</p> <p><i>The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).</i></p> <p><i>The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</i></p> <p>The Financial Planning Excel spreadsheet (dated 16 November 2011) includes the lifecycle costs of owning the assets, including projection of income until 2020 and projections on operations and maintenance, administration and capital expenditure requirements of</p>	<p>a) The Shire should review and update the Asset Management Plan – Financial Summary section as well as accompanying Financial Planning spreadsheet including projections of income, operations and maintenance, administration and capital expenditure requirements of the scheme as well as Lake Grace Sewerage Scheme Reserve based on an assessment of the condition of assets, revised replacement values of assets and updates to the planned operating and maintenance programs</p>	<p>Update asset management plan – Financial Summary Section and Financial Planning Spreadsheet as per recommendation 18/2014</p>	MCRS	31 August 2015

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	<p>the scheme until 2060 based on the adopted 50 years life of the scheme.</p> <p>However, as the Financial Planning spreadsheet was not updated since 2011, the costs of maintaining and operating the scheme and replacement cost of the assets may have changed. Also, the condition of assets has not been re-assessed since 2010 and this may result in changes to the projected expenditure, annuity provision and the balance of the sewerage reserve.</p>	<p>and costs.</p> <p>b) The adequacy of the sewerage reserve should be reviewed annually by comparison with the projected costs in the Financial Planning spreadsheet.</p>			
<p>19/2014 B3</p>	<p>Capital Expenditure Plan – Update</p> <p><i>There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates</i></p> <p>The Financial Planning Excel spreadsheet (dated 16 November 2011) includes the lifecycle costs of owning the assets, including projection of capital expenditure requirements of the scheme until 2060 based on the adopted 50 years life of the scheme.</p> <p>The Shire transferred \$149,350 from the Reserve</p>	<p>The Shire should review and update the capital expenditure plan in the Asset Management Plan on an annual basis, as stated in the Plan. For example, for the planned upgrade of the treatment ponds that will extend their useful life and affect the capital replacement annuity that needs to be set aside in the sewerage reserve.</p>	<p>Update capital expenditure plan on an annual basis as required by recommendation 19/2014.</p>	<p>MCRS in consultation with MIS and EHO</p>	<p>31 August 2015</p>

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	in 2013/14 to be spent on an upgrade of Lake Grace Sewerage ponds to increase the existing level of the embankment by 0.5m. Works have been scheduled for March 2015. This planned upgrade is not reflected in the Financial Planning spreadsheet due to the capital expenditure plan in the AMP and spreadsheet not being updated since 2011.				
20/2014 B3	<p>Review of the Asset Management System</p> <p><i>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 AMP was issued in February 2011. The Monitoring and Review Procedures section of the AMP notes that AMP should be revised at least every five years and when any significant changes occur. The maintenance and capital investment plans shall be revised annually, however these have not been reviewed since November 2011.</p> <p>The back page of the AMP contains a Document /Report</p>	<p>a) The Shire should review and update the AMP and accompanying Excel spreadsheets to bring it up to date.</p> <p>b) The Shire should ensure that the AMP is revised at least every five years and when any significant changes occur and accompanying Excel spreadsheets reviewed and updated annually.</p> <p>c) The Shire should update the Asset Management Plan - Monitoring and Review Procedures section for the requirement to notify the Authority of any changes to the asset management system within 10 business days.</p> <p>d) The Shire should modify</p>	<p>Review and update AMP</p> <p>Review and update AMP</p> <p>Update AMP section on Monitoring and Review Procedures to include requirement to notify ERA of any changes to AMS within 10 business days</p>	<p>MIS</p> <p>MIS</p> <p>MIS</p>	<p>February 2016</p> <p>February 2016 and every 5 years</p> <p>31 July 2015</p>

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	<p>Control Form that outlines the revision number, the author, the reviewer, and who approved the AMP for issue and when. The table notes that the AMP was approved for issue on 25/3/11. There were no further revisions carried out. The users of the AMP could benefit from a brief description of changes to the document from the previous version. The Plan has document control (version details).</p> <p>Also, the Monitoring and Review Procedures section of the AMP has not been updated for the requirement to notify the Authority of any changes to the asset management system within the required timeframe.</p>	<p>the "Document Status" table to include a brief description of changes to the document from the previous version.</p>	<p>Modify document status table of AMP as per recommendation 20/2014 once document has been reviewed – every 5 years.</p>	<p>MIS</p>	<p>February 2016</p>