

## Post-Audit Implementation Plan Shire of Dalwallinu

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
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 183.6 blockages per 100km of sewer main. In 2012/13 the licensee experienced 122.4 blockages per 100km of sewer main. The licensee has missed the performance target for sewer blockages largely on account of the scheme only having 4.9km of sewer mains. In order to meet the target that was established under the old licence conditions, the licensee needed to experience less than two sewer blockages in any year.</p> <p>Although the new licence, which made this obligation redundant, came into force in November 2013, the licensee's performance for the full 2013/14 year was 346.9 blockages per 100km of sewer main</p>	No action required as the obligation is no longer required under the current licence.		
A2/2015	<p>NP 2 Water Services Operating License 2009, Schedule 3 (Clause 2.5)</p>	We consider this a minor non-compliance but note that this obligation is no longer in effect.	No action required as the obligation is no longer required under the current licence.		

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	The licensee was unable to confirm whether customers have been provided with a copy of the Customer Service Charter, or a summary document, within a three year period up to November 2013.				
A3/2015	<p>B2 Water Services Operating License 2013 (Clause 5.1)</p> <p>DoH identified "areas that require attention" that the licensee is addressing with regards to the recycled water scheme.</p> <p>The licensee was unable to confirm whether a licence has been obtained from DER.</p>	<ul style="list-style-type: none"> <li>▪ We recommend that the licensee continues to complete the list of improvements identified by DoH in order for its recycled water scheme to fulfill the criteria for it to gain approval from the health regulator.</li> <li>▪ In addition, the licensee should complete its Recycled Water Quality Management Plan (RWQMP) by June 2016 in accordance with the DoH requirements.</li> <li>▪ We recommend that the Shire confirms that a licence for the treatment plant has been obtained from the DER and that the DER improvements have been implemented.</li> </ul>	<p>DOH recommended improvements have been put through to the 2015-2016 Budget.</p> <p>Recycled Water Quality Management Plan will be completed as recommended</p> <p>The Shire will follow up with DER re issue of licence on completion of this work as issue of license is subject to completion of works.</p>	<p>MAW</p> <p>MRDS</p> <p>MRDS</p>	<p>30 June 2016</p> <p>30 June 2016</p> <p>30 September 2016</p>
A4/2015	A2 Water Services Operating License 2013 (Clause 16)	We recommend that the licensee ensure that its performance reports are submitted to the Authority by the due dates.	Reminders will be placed on the reporting officer's outlook calendar	MRDS	30 June 2015

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	The licensee was late for the provision of the 2012-13 and 2013-14 performance report.	The Shire expects that this issue should now be resolved as part of its Compliance Schedule and Corporate Calendar.			
A5/2015	A2 Water Services Operating License 2013 (Clause 20)  The asset management manual was last updated in 2012 despite a previous recommendation that it be updated annually.	We consider this to be a minor non-compliance. We recommend that the current asset management manual is updated by 30 June 2015 and then reviewed and updated annually by the end of each financial year.	The AMP will be reviewed by end of July 2015. Any changes will be notified to the ERA within 10 days of the review. The AMP will be reviewed annually thereafter.	MRDS	31 July 2015
A6/2015	B2 Water Services Operating License 2013 (Clause 26)  We have noted some non-compliances with the requirements of the Code of Conduct as summarised under Obligation 11.	As per reference A8/2015 through A15/2015	Response as referenced in A8/2015 through A15/2015		
A7/2015	B2 Water Services Act 2012, Section 12 (Clause 5.3)  The licensee has not complied with all requirements of the Code of Conduct, specifically: <ul style="list-style-type: none"> <li>- Clause 7 – Information about connections (Obligation 92)</li> </ul>	As per reference A8/2015 through A15/2015	Fact sheet to be developed	MAW	30 August 2015

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	<ul style="list-style-type: none"> <li>- Clause 18(2) (3) (4) (6) – Procedure for review of bills (Obligation 114)</li> <li>- Clause 21(1) – Payment methods (Obligation 119) – no direct debit available.</li> <li>- Clause 35(1 - 6) – Complaints procedure (Obligations 145 and 146). No formal complaints procedure exists.</li> <li>- Clause 37(1) – Information to be publically available (obligation 153)</li> </ul>		<p>Procedure for review of bills to be developed</p> <p>All options in accordance with Clause 21(1) will be made available to clients and advertised on rates notice</p> <p>A formal complaints procedure will be developed</p> <p>Information as per clause 37(1) will be made available on the Shire's website</p>	<p>DCEO</p> <p>DCEO</p> <p>DCEO</p> <p>DCEO</p>	<p>30 August 2015</p> <p>30August 2015</p> <p>30 September 2015</p> <p>30 September 2015</p>
A8/2015	<p>B2</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(2)</p> <p>The licensee does not have a written procedure for review of a bill.</p>	<p>Prepare a written procedure for review of a bill consistent with the requirements of the Code, Compliance Manual 2014 Obligations 114 to 116.</p>	<p>As per A7/2015 above</p>		
A9/2015	<p>B2</p> <p>Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(3) &amp; (6)</p>	<p>As per reference A8/2015.</p>	<p>As per A7/2015 above</p>		

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	The licensee does not have a written procedure.				
A10/2015	B2 Water Services Code of Conduct (Customer Service Standards) 2013, Clause 18(4)  The licensee does not have a written procedure.	As per reference A8/2015.	Refer to A7/2015 above		
A11/2015	A2 Water Services Code of Conduct (Customer Service Standards) 2013, Clause 21(1)  The Licensee accepts payments by all the prescribed methods except direct debit or Centrepay	We recommend that the licensee develops protocols to allow customers to be able to pay using direct debit in order to comply with this obligation. We also recommend that the licensee advertises direct debit and Centrepay on its bills to inform customers that they can pay a bill using these prescribed methods.	All options in accordance with Clause 21(1) will be made available to clients and advertised on rates notice	DCEO	30 August 2015
A12/2015	B2 Water Services Code of Conduct (Customer Service Standards) 2013, Clause 29  The Licensee cannot demonstrate that debt collection is definitively stopped when a payment plan is entered into.	We recommend that the licensee implements a system to ensure that the credit path to debt collectors and the bailiff is stopped when a payment plan is entered into (e.g. check boxes on payment plan template which are filled in and signed-off by the officer arranging payment plan).	A check box will be included on payment plan form as recommended	DCEO	30 August 2015
A13/2015	A2 Water Services Code of Conduct (Customer Service	We recommend that the licensee develops a complaints procedure to meet the requirements of Clauses 35(1).	Refer to A7/2015 above		

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	Standards) 2013, Clause 35(1)  The complaints procedure is not fully documented				
A14/2015	B2 Water Services Code of Conduct (Customer Service Standards) 2013, Clause 35(2)  The licensee does not have in place a procedure and defined responsibilities for responding to and resolving complaints.	We recommend that the licensee develops a complaints procedure to reflect the relevant provision of AS ISO 10002.	Refer to A7/2015 above		
A15/2015	A2 Water Services Code of Conduct (Customer Service Standards) 2013, Clause 37(1)  The licensee does not make reference to large-print services in publically available information.	We recommend that the licensee amends its Financial Hardship Policy to make reference to large-print services being available if required by the customer. The licensee should also add this information to its website.	Hardship policy will be amended to include large print option	MRDS	31 July 2015

## 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
R1/2015	B2 <i>Environmental Analysis Asset Management Plan has some out dated references</i>	We recommend that the asset management plan be updated to reflect the requirements of the new operating licence version and the new legislative framework.	AMP will be reviewed and amended as recommended	MRDS	31 July 2015
R2/2015	A2 Asset planning - Asset management plan covers key requirements	The <i>Water Services Act 2012 c</i> and the relevant guidelines for recycled water should be referred to in the regulatory requirements section of the AMP.	AMP will be reviewed and amended as recommended	MRDS	31 July 2015
R3/2015	B2 Asset planning - Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	Stakeholder consultation for the sewerage and non-potable water services should be documented in the AMPs.	AMP will be reviewed and amended as recommended	MRDS	31 July 2015
R4/2015	A2 Asset planning - Service levels are defined	Non-potable water service levels should be developed. Even though the Shire is the only customer, a target "internal" service level could be defined as something which stakeholders are prepare to pay for through their rates.	As there is no standard for non-potable water, the Shire will not be implementing this recommendation at this time.		
R5/2015	A2 Asset planning - Non-asset options (e.g. demand management) are considered	Include demand projections in core asset management plan – as recommended in the Core AMP,	A Demand projections table will be developed and incorporated into the AMP	MAW	31 August 2016
R6/2015	A2	We recommend that the licensee develops a renewals annuity in order to confirm the	The Shire will develop a renewals annuity in order to confirm the longterm sustainability of the service	DCEO/MAW	31 August 2016

Reference (no./year)	Asset System Deficiency	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
	Asset planning - Lifecycle costs of owning and operating assets are assessed	long-term sustainability of the service.			
R7/2015	A2 Asset planning - Costs are justified and cost drivers identified	We recommend that the Shire considers adopting the drivers of renewals, growth and compliance to complement its existing drivers.	The Shire will update the Core AMP to reflect drivers of renewals and growth	DCEO/MAW	31 August 2016
R8/2015	A2 Asset planning - Likelihood and consequences of asset failure	As per the recommendations of the Core AMP, we recommend that a more standard "probability / consequence" analysis should be drawn up,	The Shire will develop a probability/consequence analysis which is to be included in the core AMP	DCEO/MAW	31 August 2016
R9/2015	B2 Asset creation/acquisition - Evaluations include all life-cycle costs	An opportunity for improvement would be for the Shire to develop a simple expenditure justification template for each expenditure item and the completed templates could sit outside of the asset management plan to allow more regular updating. This template would cover: <ul style="list-style-type: none"> <li>▪ need for the expenditure driver</li> <li>▪ options considered and cost assessment</li> <li>▪ description of preferred option</li> <li>▪ procurement process</li> <li>▪ timing for expenditure, etc.</li> </ul>	The Shire will develop a Life Cycle costs evaluation table to sit alongside the core Asset Management Plan	DCEO/MAW	31 August 2016
R10/2015	A2 Asset creation/acquisition - Projects reflect sound	The inconsistencies with the LTFP should be addressed and any projected expenditure in the LTFP (e.g. 75,000 in 2014/15, \$138k in 2015/16)	LTFP will be linked to coincide with the AMP and will include a brief business case	DCEO/MAW	31 August 2016



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	engineering and business decisions	should be justified with a brief business case.			
R11/2015	A2 Asset disposal - Under-utilised and under-performing assets are identified as part of a regular systematic review process	The asset investment business case template should be adapted to also make the case for asset disposal and replacement when developing asset options.	Will include in business case as per R10	DCEO/MAW	31 August 2016
R12/2015	A2 Asset disposal - Under-utilised and under-performing assets are identified as part of a regular systematic review process	We are not certain at what point the asset condition was last updated as the asset condition does not form part of the digital asset register. Instead the asset condition is stored in the Sewer Asset Management Plan. We recommend that the licensee includes the date of the condition rating beside the actual rating in the document as a way of demonstrating when the asset was last inspected.	A date of condition rating will be included in the AMP	MAW	31 August 2016
R13/2015	A2 Asset disposal - The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertake	The Imhoff tank replacement should be re-evaluated closer to the time that it has been forecast to be required and a full business case developed.	A comment will be included relating to the Imhoff tank business case for replacement in the AMP	MAW	31 August 2016
R14/2015	A2 Asset disposal - There is a replacement strategy for assets	Instead of replacing strictly on a like-for-like basis, we recommend that the licensee considers evaluating alternative options that may be more optimal.	The Shire will consider asset disposal options as part of the asset replacement/disposal process	MAW	Annually – 30 June

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R15/2015	B2 Environmental analysis - Opportunities and threats in the system environment are assessed	A minor improvement recommendation is for the licensee to consider environmental risks as well as public health risks (where these are different).	Environmental risks will be included	MRDS	31 Dec 2016
R16/2015	A2 Environmental analysis - Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	We recommend that the licensee records the time of a reported fault and the rectification time in order to demonstrate the emergency response.	The Shire will included time parameters in reporting and fixing of faults	MRDS	31 July 2015
R17/2015	A2 Environmental analysis - Compliance with statutory and regulatory requirements	We recommend that the AMP be updated to reflect the regulatory obligations under the 2013 operating license.	The AMP will be updated to reflect the obligations under the 2013 operating license	MRDS	31 Dec 2016
R18/2015	A2 Environmental analysis - Compliance with statutory and regulatory requirements	We recommend that the Shire prepare a compliance register based on the Authority's Compliance Report Manual to assist in keeping track of its statutory and regulatory obligations. The observations table in this audit report may be used as the basis for this.	The Shire will investigate shortcomings and make improvements to compliance register	MRDS	31 Dec 2016
R19/2015	A2 Asset operations - Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data	We recommend that the licensee confirms an appropriate value for the sewer assets in the accounting system and Long Term Financial Plan  Minor improvements that have been identified are that the asset information which exists in the Sewer AMP could	The Shire will investigate and make improvements to the LTFP and AMP in accordance with R10 requirements	DCEO/MAW	31 Aug 2016

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		usefully be extended to include the underground (network) assets, and above ground assets could be located on a map.			
R20/2015	A2 Asset maintenance - Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule -	We recommend that the licensee keeps records of maintenance in order to demonstrate the theoretical AMP document is actually used / applied.	Current Recording systems will be better aligned with the AMP	DCEO/MAW	31 Aug 2016
R21/2015	B3 Risk management - Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system	At the present time, the Shire does not have a real standard risk assessment, except as part of the contingency plan which does identify key risks and responses.  While these risks and responses are appropriate and cover most of the risks the Shire sewer service is likely to face, we recommend that the licensee completes a more standard risk assessment in accordance with the recommendations of the Core AMP. This process would be expected to start with the licensee developing a risk matrix and brainstorming some risks / probabilities and consequences, along with mitigation actions.	The Shire will make improvements to the risk assessment	MRDS/MAW	31 Dec 2016
R22/2015	B3 Risk management - Risks are documented in a risk register	The Shire should develop a risk management framework and a risk management plan.	The Shire will develop a risk management framework and risk management plan	MRDS/MAW	31 Dec 2016

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	and treatment plans are actioned and monitored				
R23/2015	B2 Risk management - The probability and consequence of risk failure are regularly assessed	The licensee should develop a framework and/or process for completing and updating a risk management plan.	Regular Annual reviews of the AMP which includes the Risk Management Plan will be undertaken	MRDS/MAW	31 Dec 2016
R24/2015	A2 Contingency planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	As above – Development of a standard risk management framework / register / assessment. We recommend that contingency plans should be tested and minutes / notes kept of the testing exercise.	Contingency Planning will form part of the risk management plan as per R22 above	MRDS/MAW	31 Dec 2016
R25/2015	A2 Financial planning - The financial plan states the financial objectives and strategies and actions to achieve the objectives	We recommend that the licensee harmonises the LTFP and the Sewer AMP. The financial objectives and the means of achieving them should be recorded in the plan.	THE LTFP and the AMP will be aligned as per recommendation R10	DCEO	31 Dec 2016
R26/2015	A2 Financial planning - The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	We recommend that the licensee confirms the sewer asset values and updates the balance sheet as appropriate.	The Shire will undertake an evaluation and update balance sheets as required	DCEO	31 Dec 2016
R27/2015	B2 Financial planning - The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period	We recommend that the licensee harmonises the LTFP and the Sewer AMP.	THE LTFP and the AMP will be aligned as per recommendation R10	DCEO	31 Dec 2016

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R28/2015	B2 Financial planning - The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	We recommend that the licensee harmonises the LTFP and the Sewer AMP.	THE LTFP and the AMP will be aligned as per recommendation R10	DCEO	31 Dec 2016
R29/2015	B2 Capital expenditure planning - There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates	We recommend that the capex information included in the Sewer AMP and the Long Term Financial Plan are made consistent with each other. We recommend that the condition rating be taken into account when projecting replacements (business case template to be developed).	As per R25 and R10 above. A business case will also be incorporated	DCEO	31 Dec 2016
R30/2015	A2 Capital expenditure planning - The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	The capex plan is consistent with the asset life but not necessarily with the condition as identified in the AMP. We recommend that the licensee reviews its capex plan to take into the condition of the assets identified in the AMP and updates its forecast accordingly.	The Shire will align the AMP with the Capex	DCEO	31 Dec 2016
R31/2015	B2 Capital expenditure planning - There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned	We recommend that the capex planning included in the Sewer AMP is synchronised with the wider council long-term financial planning in order to ensure consistency between the documents.	All plans will be aligned	DCEO	31 Dec 2016
R32/2015	A2	We observed that not every section of the AMP was updated in 2012 (e.g. condition	The AMP will be updated to include: Financial Planning, Risk Management, life cycle	DCEO/MAW	31 Dec 2016

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	Review of the asset management system - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current	assessment, financial planning information). Therefore, we recommend that the licensee completes a review and update of the entire document to bring it up to date.	evaluation table, Capex references, updated license requirements, Environmental Analysis, Compliance Register, business case, drivers, Probability and Consequences and contingencies		
R33/2015	A2 Review of the asset management system - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current	We recommend that the licensee expands its compliance checklist to include all items that need regular reviews and checks for regulatory purposes (i.e. a comprehensive checklist).	A compliance checklist will be developed and regular reviews recorded	MRDS	31 Dec 2016
R34/2015	B2 Review of the asset management system - Independent reviews (e.g., internal audit) are performed of the asset management system	We recommend that the licensee develops an approach to ensure internal reviews. The simplest method would be to develop a simple checklist for the Asset Management System which is completed by someone who is not directly responsible for maintaining the AMS (e.g. the CEO or DCEO).  The checklist should include the items from the ERA 2014 Audit and Review Guidelines (i.e. the list used for this audit).  Hard copies of the completed checklist should be signed and kept in the ERA file.	A compliance checklist will be developed and regular reviews recorded as recommended	MRDS	31 Dec 2016