

Post-Audit Implementation Plan Shire of Denmark 2015

Ref	Details of Non Compliance or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc.)	Target Date for Completion
01/2015	<p>Compliance and duties of the licensee <i>Water Services Act 2012 Clauses 26, 27 and 29</i> Compliant (Opportunity for improvement)</p> <p>As noted in the previous audit (<i>Refer recommendation 01/2013</i>), Section 12 of the document entitled: "Peaceful Bay – Non Potable Water Supply - 2013 Asset Management Plan" contains a schedule entitled: "Compliance Schedule" (Schedule). This Schedule, with two exceptions, comprehensively lists reportable compliance obligations included in the Operating Licence. However, the Schedule:</p> <ul style="list-style-type: none"> • Refers to reporting "significant change to asset management plan" and not "material change to the asset management system" as referred to in the Water Services Operating Licence; • Contains no reference to the Shire's obligation to "reporting a change in circumstances" as contained in section 15 of the Water Services Operating Licence dated 18 November 2013; • Refers to the Water Services Licensing Act 1995 and not the Water Services Act 2012 (WA); and <p>Do not contain Operating Licence references for the compliance obligations it contains.</p>	<p>As recommended in the previous audit, amend the Compliance Schedule, as included in the Asset Management Plan, to:</p> <ul style="list-style-type: none"> • Refer to the obligation to notify the ERA of "material change to the asset management system within 10 days"; • Refer to the obligation to report a change in circumstances, as envisaged in section 15 of the Water Services Act 2012 (WA); • Include an appropriate reference to the Water Services Act 2012 (WA); and • Disclose Operating Licence references for the compliance obligations it contains. 	<p>The Schedule will be updated as required and included in the asset management plan</p>	DCRS	June 2016

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02/2015	<p>Complaints Procedure <i>Water Services Code of Conduct (Customer Service Standards) 2013 Clause 35(4)</i> Non-compliant – minor impact</p> <p>The audit reviewed the Shire's Complaints Management Policy and complaint procedure in the Customer Service Charter and noted that the complaints procedure 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 Shire's complaint resolution procedure instead of the procedures under the Act, in accordance with the Water Services Code of Conduct (Customer Service Standards)2013.</p> <p>This audit also noted other references need to be updated such as deleting the previous Water Services Licencing Act 1995 and including the new 24 hour emergency telephone number (other contact numbers are stated).</p>	<p>The Shire should update its complaints procedure in the Customer Service Charter to:</p> <ul style="list-style-type: none"> a) update references to the previous Water Services Licensing Act 1995 with the current legislation of Water Services Act 2012 (WA), including deleting the option to refer complaints to the Department of Water; b) 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; c) 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 d) 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 	<p>The Shire's Complaint Procedure will be updated as required and the Shire policy amended accordingly.</p>	DCRS	June 2016

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		under the Act i.e. Water Services Ombudsman or State Administrative Tribunal; and include the 24 hour emergency telephone number in the list of emergency contacts.			
03/2015	<p>Performance and Compliance Reporting <i>Licence Conditions – Specific Clauses – Provision of Information Clauses 16.1 and 16.2</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> <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 2013/14 and 2014/15 and noted that the Performance Report for 2014/15 was submitted on 10th August 2015 and therefore after the due date. This should be included in the 2015/16 Compliance Report as a minor non-compliance</p>	The Shire should ensure that all future Performance Reports are submitted to the Authority within the timeframes required.	The due dates for all report will be included in the compliance schedule	DCRS	June 2016

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04/2015	<p>Compliance Register</p> <p><i>Licence Conditions – Specific Clauses – Provision of Information Clause 16.2</i></p> <p><i>Compliant (Opportunity for improvement)</i></p> <p>Section 9.3.2.3 of the Audit and Review Guidelines: Water Licenses July 2014 states that the Authority expects licensees to maintain a compliance (or breach) register in respect of their licence conditions. The Shire's DCRS advised that they don't keep a compliance breach register.</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>A compliance register will be developed and maintain in line with auditor requirements</p>	DCRS	June 2016
05/2015	<p>Internal Policies and Procedures relating to the Licence</p> <p><i>Water Services Act 2012 sections 119(2), 122(2), 129(5), 139(3), 173(4), 174(1)&(3), 175(2)&(5), 176(1),(3)&(4), 181, 186, 187(1)-(3), 190(4)-(5), 218(2).</i></p> <p><i>Water Services Regulations 2012 – Reg. 85.</i></p> <p><i>Not rated</i></p> <p>The licence includes compliance obligations in respect of issuance of compliance notices, notices of entry to the property owners and application for warrant.</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>	<p>The Shire should develop and/or update internal procedures with the requirements under the licence re issue of compliance notices, notices of entry to the property owners and application for warrant.</p> <p>The detailed compliance obligations in this report could be used as a reference.</p>	<p>The Shire will consider the auditors recommendation and respond to the Authority expressing the Shire's view that it already has these powers under other legislation.</p>	DCRS	June 2016

Post-Review Implementation Plan – Shire of Demark 2015

Reference (no./year)	Details of the deficiency or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
06/2015	<p>Environmental Analysis - Transfer Pump Room</p> <p><i>Compliance with statutory and regulatory requirements.</i></p> <p>Although not directly associated with the non-potable water supply, within the Transfer Pump Room there is a small plastic storage drum containing Sodium Hypochlorite. This chemical is used to chlorinate the water drawn from the Storage Lagoon for the supply potable of water to the adjacent Caravan Park.</p> <p>The chemical is stored just above ground level without bunding or isolation. In its current form, this dangerous good presents a potential hazard to the system and personnel accessing the Transfer Pump Room if a spill was to occur.</p> <p>Given direct personnel access to this area, there is no form of emergency wash-down or first aid treatment provided. This potential hazard should be considered.</p> <p>Electrical cables supplying power to the Pump Switchboard and Pumps are contained in PVC conduits fixed to the floor slab level. Should a reasonable sized chemical spill occur, there is risk of damage to these cables and / or fire, and can create a trip hazard</p>	<p>The Shire should check on the requirements for Storage and Handling of Dangerous Goods in respect of the chemical storage in the Transfer Pump Room.</p> <p>Compliance with the relevant Acts, Codes and Regulations should be provided.</p> <p>If the chemical storage is assessed as being able to remain within the Transfer Pump Room, a suitable Deluge Shower system to comply with the relevant Australian Standards is recommended for the safety of Shire employees and contractors accessing the area.</p> <p>The trip hazard with the power conduits fixed to the floor should also be mitigated.</p>	<p>All legal requirements will be adhered to</p>	<p>DCRS</p>	<p>June 2016</p>

Reference (no./year)	Details of the deficiency or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
07/2015	<p>Asset Maintenance – Maintenance Items <i>Regular inspections are undertaken of asset performance and condition.</i></p> <p>The review of the Peaceful Bay non-potable water supply scheme confirmed the assets are in generally good condition. However, the following items were identified during the site inspection as requiring attention:</p> <ul style="list-style-type: none"> • Storage lagoon - A gap of approximately 500mm wide was noted between the existing double gate and adjacent perimeter security fencing at the Storage Lagoon. Evidence of recent access by children into the fore bay of the Lagoon was also noted. Given the reasonable remoteness of the Storage Lagoon from the settlement, and that the batters of the earth bank into the water body are steep, the fence needs to be properly secured. • Access track to bore - Given the remote nature of the Bore Pump to the settlement, ongoing maintenance of the track is paramount to the system operation. It is understood that a portion of the access track is maintained by the Shire of Denmark with the balance by other State Government Departments. 	<p>The Shire should ensure that public access to the Storage lagoon area is fully prevented by closing the gap between the fencing and gate.</p> <p>The Shire should establish a written agreement with the government agency maintaining the access track to the bore and refer to this in the Asset Management Plan, to ensure the access track does not fall into disrepair.</p>	<p>The fence gap be identified and closed by the 30 June 2016 closed</p> <p>An agreement will be negotiated</p>	<p>DCRS</p> <p>DCRS</p>	<p>Completed</p> <p>December 2016</p>

Reference (no./year)	Details of the deficiency or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
08/2015	<p>Contingency Planning – Emergency Contacts and Testing</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 and contingency plans. These include non-potable water utilised for potable use, power failure, pump failure, pipe failure, peak demand exceeds capacity of bore and soak, reticulation failure or leakage, increase in suspended solids in water, contamination of water, water storage failure, fire, bore access restricted by flooding and iron bacteria in bore.</p> <p>The Contingency Plan lists the Shire's DCRS, EHO and Peaceful Bay Progress Association as emergency contacts. The list of emergency contacts has not been extended as yet, as recommended in the previous review.</p> <p>Staff involved in the operation of the scheme have been advised of the contingency plans when the AMP was revised in November 2013. Confirmed with the Shire's DCRS that key staff have an understanding of the 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. However, there are no formal plans for testing/training in the contingency plan on a regular basis.</p>	<p>The Shire should expand the list of emergency contacts in the Contingency Plan to include the Power Authority, Fire Service, Police, Ambulance, Pump Supplier, Plumber and Electrician.</p> <p>The Shire should include in the AMP a procedure to provide training/testing of the Plan on an annual basis, such as a desktop scenario exercise involving the main participants, as part of the annual review of the Asset Management Plan in May each year.</p>	<p>The Contingency Plan will be updated to include the contacts</p> <p>An annual test has now been scheduled for April each year</p>	<p>DCRS</p> <p>DCRS</p>	<p>June 2016</p> <p>June 2016</p>

Reference (no./year)	Details of the deficiency or improvement required	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
09/2015	<p>Asset Management Information System – Recordkeeping and Management Reporting</p> <p><i>Adequate system documentation for users and system operators.</i></p> <p>As noted in the previous review:</p> <ul style="list-style-type: none"> • The Shire has retained its combination of hard copy and electronic records of reports, flow, operations and maintenance records, correspondence etc. - rather than install a commercially available Asset Management Information System (AMIS); • Reviewer considers the Shire's approach is appropriate, given the nature of the assets under management. However, the AMIS is fragmented and requires further use of electronic records and consolidation of data currently held on differing hard copy or electronic files; and • While correspondence and financial/ budgeting/expenditure data should be retained on the Shire's Local Government "Synergy" system, data and information related to the water services should be contained in a different main and sub- folders. <p>This review also noted that there is no formal evidence of review of the inspections, meter readings, water quality testing etc. as part of the overall monitoring of the performance of the scheme</p>	<p>The Shire should create an overall electronic folder and appropriate sub-folders to accommodate the relevant records and data associated with the non-potable water services (in order to maintain orderly management of the assets and to easily extract relevant information). These would include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> • Verification of operational and maintenance tasks undertaken, dates; • Records of reports/notes accompanying the above reports and action taken if appropriate; • Pump flow meter records, dates and running total of total flows – for each pump and overall; • Records of pump run hours, well drawdown levels; • Record of complaints, call outs, asset fault alarms, nature of the problem and action taken; • Record of water sampling and results of bacteriological and chemical tests and relevant EHO comments/ actions if appropriate. (Note that these data are already recorded electronically and entered by a member of the Shire's admin staff.); • Age, condition and remaining expected life of assets in service or retained as spares; • An updated version of the 	<p>The suggested folder will be established and populated with historical and current data</p>	DCRS	June 2016

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		<p>current asset register, including, current replacement cost (as a check on the estimate included in the AMP), condition, installation year, life expectancy and anticipated replacement date;</p> <ul style="list-style-type: none"> Copies of ERA and other authority reports/correspondence. <p>The Shire should consider producing say a quarterly report to the DCRS to provide an overall summary of maintenance and inspections undertaken, statistical reports on pump flow, water quality testing, etc., any complaints and any further action recommended.</p>	<p>Commencing next financial year a quarterly report will be implemented</p>	<p>DCRS</p>	<p>June 2016</p>
<p>10/2015</p>	<p>Review of 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 Asset Management Plan has been last revised in January 2014.</p> <p>The AMP contains a timing schedule of compliance processes. The review of all elements of the AMP and the AMIS are listed to be undertaken annually in May and June respectively. The inside first page of the AMP has a document history which provides for sign-off against each review, together with the Reviewer's name, review date and nature of any revision undertaken. The responsibility for annual review of the AMP was allocated to the DCRS. However, the audit noted that the AMP was last revised in January 2014.</p>	<p>The Shire should undertake reviews of the Asset Management Plan at the intervals stated in the Compliance Schedule of the Plan.</p>	<p>The reviews will be undertake annually in April in conjunction with the annual test (08/2016)</p>	<p>DCRS</p>	<p>June 2016</p>