



2017 POST AUDIT IMPLEMENTATION PLAN  
ELECTRICITY LICENCE EIRL3  
**Rottnest Island Authority**



Reference (no./year)	Compliance rating/Legislative Obligation/details of the issue	Auditors' Recommendation	Management Response	Person Responsible & Expected Completion Date
	<p>An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of the measurements specified in subclauses 3.2(1)(a)(b) using dials, a cyclometer, an illuminated display panel or some other visual means.</p> <p>PFM's "PRO-RNI-I03-030-1 Meter Installation and Calibration Procedure" prescribes that new meters must comply with the Metrology Procedure and National Measurement Act and be installed in accordance with the Electricity Industry Metering Code 2005. The applicable Code is now the Electricity Industry Metering Code 2012</p>	<p>Confirm when all meters will have certificate of calibration and therefore be compliant and provide evidence of calibration certificates for new meters.</p> <p>Confirm with the Authority the options available to the RIA with respect to adopting a pre-approved metrology procedure (such as that used by Horizon Power).</p>	<p>Refer to Obligation 319</p> <p>Refer Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>
21/2015	<p><b>Non-compliant – 2/Obligation 327</b></p> <p>Lic Ref: C5.1, Electricity Industry Metering Code clause 3.5(3) A network operator must, unless otherwise agreed, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and, subject to subclause 3.7(5), maintain the metering installation in the manner prescribed.</p> <p>Findings as per Electricity Industry Metering Code clause 3.1, Obligation 319.</p>	<p>Refer to Obligation 319</p> <p>Confirm when all meters will have certificate of calibration and therefore be compliant and provide evidence of calibration certificates for new meters.</p> <p>Confirm with the Authority the options available to the RIA with respect to adopting a pre-approved metrology procedure (such as that used by Horizon Power).</p>	<p>Refer to Obligation 319</p> <p>Refer Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>
28/2015	<p><b>Non-compliant – 2/Obligation 343</b></p> <p>Lic Ref: C5.1, Electricity Industry Metering Code clause 3.12(2)</p>	<p>Refer to Obligation 319</p> <p>Confirm when all meters will have certificate of calibration and therefore be compliant and</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>

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	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure. The RIA does not have a metrology procedure in place.	provide evidence of calibration certificates for new meters.  Confirm with the Authority the options available to the RIA with respect to adopting a pre-approved metrology procedure (such as that used by Horizon Power).	Refer to Obligation 319	Refer to Obligation 319
39/2015	<b>Non-compliant – 2/Obligation 447</b>  Lic Ref: C5.1, Electricity Industry Metering Code clause 6.1(1) A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed. PFM have confirmed that Horizon Power has not been appointed the metering data agent for Rottneest Island and therefore, their metrology procedure does not currently apply. As per Obligation 319 – The RIA does not have a metrology procedure in place.	Refer to Obligation 319  Confirm when all meters will have certificate of calibration and therefore be compliant and provide evidence of calibration certificates for new meters. Confirm with the Authority the options available to the RIA with respect to adopting a pre-approved metrology procedure (such as that used by Horizon Power).	Refer to Obligation 319  Refer to Obligation 319	Refer to Obligation 319  Refer to Obligation 319
01/2017	<b>B1/106</b> The licensee has taken reasonable steps to minimise the extent and duration of interruptions or restrictions of supply: • A Service Agreement (FUSS) with PFM for the operation and maintenance of the power facilities at agreed service levels; • FUSS outlines expected service level performance indicators and RIA monitors them which is to form	RIA to ensure appropriate feedback is provided to PFM as to their performance against set KPIs.	Agreed – RIA will utilise both formal and informal channels to provide appropriate feedback to PFM. This will occur within the FUSS Contract governance framework.	General Manager Project and Contract Services Target Date: Ongoing

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	<p>part of the decision process of the renewal of contract;</p> <ul style="list-style-type: none"> <li>• It requires that PFM maintains emergency response plans to manage emergencies including risk assessments and Risk Management Plan identifying the asset risks, risk likelihood and criticality and mitigating actions;</li> <li>• It also requires reporting at corporate level of any outages.</li> </ul> <p>Documents and processes are in place to manage and minimise the extent and duration of interruption of the supply of electricity:</p>			
02/2017	<p><b>B2/108</b></p> <p>There are no residential customers on Rottnest Island. Commercial customers separately liaise with Property Managers contracted by the RIA, McGees and Access Housing for their commercial and residential (staff housing) premise requirements respectively. Tenants are not directly responsible for the lease and associated utility bills.</p> <p>All commercial customers are supplied with a standard contract (the Standard Form Contract) for the supply of electricity with the customer's business premise leasing agreement.</p> <p>The audit found that Standard Form Contracts were sent to customers for signing but 2 were not returned.</p>	<p>RIA to ensure that all Standard Form Contracts are signed and returned.</p>	<p>Noted – the two customers have been requested by McGees on behalf of the RIA to sign the Contract, but have not responded to date. The RIA (via McGees) have made and will continue to make a concerted effort to get the two outstanding Standard Form Contracts signed. Another letter was sent by McGees on 29/11/17 to these two customers to sign the Standard Form Contract.</p>	<p>General Manager Project &amp; Contract Services</p> <p>Ongoing until the two outstanding contracts have been signed.</p>
03/2017	<p><b>B2/131</b></p> <p>Information is provided to customers via the Standard Form Contract and monthly utility bills.</p> <p>The Standard Form Contract includes the following:</p>	<p>RIA to instruct McGees to include the 24-hour emergency number on their invoices As part of the tendering process for a new residential property manager,</p>	<p>All required information is on the McGees invoice statement that accompanies the customers invoice.</p>	<p>No further action – November 2017</p>

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	<ul style="list-style-type: none"> <li>• reference to the Code of Conduct and tariff information being available from the RIA website</li> <li>• general information on the Code of Conduct,</li> <li>• assistance with payment difficulties; and</li> <li>• complaints handling.</li> </ul> <p>The Utility Statements issued by McGees to customers includes a 24hr telephone number for faults and emergencies stated on their statements and not invoices (EVIDENCE: INV. NOS. 109186 and 118903).</p>	<p>ensure utility statements are compliant with Code requirements.</p> <p>Two examples of AHR invoices during the audit period were provided and they included a 24hr telephone number for faults and emergencies on invoices</p> <p>The audit found that general information on the safe use of electricity provided to customers during the audit period and was available via the RIA website.</p>	<p>The utility statements are compliant with the Code requirements.</p>	
04/2017	<p><b>B2/155</b></p> <p>Information is provided to customers via the Standard Form Contract and monthly utility bills. The Standard Form Contract includes the following:</p> <ul style="list-style-type: none"> <li>• reference to the Code of Conduct and tariff information being available from the RIA website</li> <li>• general information on the Code of Conduct,</li> <li>• assistance with payment difficulties; and</li> <li>• complaints handling.</li> </ul> <p>The Utility Statements issued by McGees to customers includes a 24hr telephone number for faults and emergencies stated on their statements and not invoices (EVIDENCE: INV. NOS. 109186 and 118903).</p>	<p>RIA to instruct McGees to include the 24-hour emergency number on their invoices As part of the tendering process for a new residential property manager, ensure utility statements are compliant with Code requirements.</p> <p>Two examples of AHR invoices during the audit period were provided and they included a 24hr telephone number for faults and emergencies on invoices</p> <p>The audit found that general information on the safe use of electricity provided to customers during the audit period and was available via the RIA website.</p>	<p>Refer to Obligation B2/131</p>	<p>No further action – November 2017</p>

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05/2017	<p><b>B2/290</b></p> <p>Documentation prepared by the licensee for information purposes is in accordance with the requirements.</p> <p>Both McGees and AHR billings are not as user friendly and some information is not set out in an intuitive manner.</p>	<p>AHR to increase font size for ease of reading and McGees to include 24 hour service faults and difficulties contact number to front of invoice.</p>	<p>Access Housing Realty (AHR) had been requested in an email dated 28/11/17 to change the font size to suit the customers.</p> <p>All required information is on the McGees invoice statement that accompanies the customers invoice.</p> <p>The utility statements are compliant with the Code requirements.</p>	<p>December 2017</p>
06/2017	<p><b>B2/319</b></p> <p>a) A Certificate of Calibration has been acquired for all meters installed post-2012 using the methodology for ensuring compliance by Horizon Power.</p> <p>b) Funds for phase 1 of the Meter Replacement Program had been approved. 11 x 3 phase current transformer meters, 70 x 3 phase meters and 75 x single phase meters have been purchased. Meter installation will occur on an ongoing basis until completion of the project. Funds for phase 2 for the Meter installation have been approved for 2017/18.</p> <p>c) A total of 156 electrical meters have been purchased and delivered to the Island in February 2017.</p> <p>Certificates of calibration will be provided with the new meters, once the meter replacement program has been completed. Detailed meter information (such as meter numbers, location, certificates and compliance evidence) and copies of certificates of calibration will be saved in MAXIMO and an asset number be allocated for each meter. PFM confirmed</p>	<p>Verify that all newly installed meters are provided with calibration certificates on installation.</p> <p>Verify that Draft Metrology Procedure is approved and procedures implemented accordingly</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>



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	<p>that the meters purchased meet the national smart meter specification.</p> <p>The new Draft Metrology Procedure had been completed and forwarded to stakeholders for consultation (Rottnest Island Chamber of Commerce and business community). The consultation on the Rottnest Island Metrology Procedure closed on 20 June 2017. No submissions were received from the stakeholders by the due date. The result was provided to the consultant on 4 July 2017 for preparation of the report to the ERA. The Draft Metrology Procedure and the stakeholder consultation report will be submitted to the ERA for review and approval end of July 2017. Target completion date is 31/08/2017. The RIA has a metrology procedure in place. however the document is extremely long (&gt;100 pages)</p>			
07/2017	<p><b>C2/320</b></p> <p>PFM's Meter Installation and Calibration Procedure" prescribe that new meters must comply with the Electricity Industry Metering Code</p> <p>During the audit period, there was no ERA approved metrology procedure in place. However a draft Metrology Procedure had been developed and is in the process of being submitted to ERA for approval</p>	<p>Submit Metrology document to ERA for review and approval</p> <p>Verify that any accumulation meters conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of the measurements using dials, a cyclometer, an illuminated display panel or some other visual means</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>
08/2017	<p><b>B2/326</b></p> <p>The audit has found the network operator to be non-compliant with this clause but has a program in place to rectify the issue over time. At the time of the audit the following information was noted.</p>	<p>Complete meter replacement and compliance program</p>	<p>Refer to Obligation 319</p>	<p>Refer to Obligation 319</p>



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	<p>There are 528 connection points. Eco Energy were contracted by PFM to gather information on the existing meter installations (survey). The survey was completed in January 2016. PFM is using the survey data to determine the non-compliant aspects of each meter and installation</p> <p>A process is in place for updating new connections. The Rottneest Island authority have purchased 157 meters which are currently being installed. These have certificates of calibration which will bring the number of compliant meters to 190 (planned to be completed around the end of October 2017). The remaining connection points are unmetered and are made up of RIA holiday accommodation units, type 7 connection points and other RIA infrastructure such as pump stations etc.</p>			
09/2017	<p><b>C2/327</b></p> <p>The audit has found the network operator to be non-compliant with this clause as the Metrology Procedure was in draft form and not approved and has not completed its meter replacement and compliance obligations but has a program in place to rectify the issue over time</p>	<p>Complete meter replacement and compliance program</p> <p>Submit Metrology Procedure for approval by ERA</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>	<p>Refer to Obligation 319</p> <p>Refer to Obligation 319</p>
10/2017	<p><b>B2/333</b></p> <p>The types of meters are identified by annual throughput at the connection point and the compliance status of all meters is determined (they remain non-compliant due to calibration). This information is captured in the metering register This will remain non-compliant until completion of the meter replacement programme targeted for completion (31/10/2017)</p>	<p>Complete meter replacement program currently targeted for completion by 31/10/2017</p>	<p>Refer to Obligation 319</p> <p>Revised target completion date 30 June 2018</p>	<p>Refer to Obligation 319</p>

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11/2017	<p><b>B2/342</b></p> <p>PFM's Meter Installation and Calibration Procedure refers to the Electricity Industry Metering Code and associated clauses and includes an annual review of procedures.</p> <p>As part of the meter replacement programme, metering installations will be brought in line with current design requirements. Not all metering installations currently comply</p>	Complete meter replacement program currently targeted for completion by 31/10/2017	Refer to Obligation 319 Revised target completion date 30 June, 2018.	Refer to Obligation 319
12/2017	<p><b>C2/343</b></p> <p>No evidence that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines was discovered</p>	Submit Metrology Procedure for approval by ERA Verify and demonstrate that any instrument transformers meet applicable specifications as set down in the Metrology Procedure	Refer to Obligation 319	Refer to Obligation 319
13/2017	<p><b>B2/349</b></p> <p>Metering CT data spreadsheet (with photos) and the CTs have been checked for compliance with Table 3. Non -Compliant CTs will be changed during the Meter Replacement Programme.</p>	Update non-compliant metering CTs as per plan	Refer to Obligation 319	Refer to Obligation 319
14/2017	<p><b>C2/379</b></p> <p>Existing metering points are not secure. Not known whether new meters will have appropriate security protections.</p>	RIA to confirm what devices and methods will be in-place to ensure that existing and new meter energy data cannot be accessed by local or remote unauthorised users.	All electrical metering reading is done manually by PFM on a monthly basis. Readings are recorded manually in a spreadsheet and photographs are taken at the time of the meter reading.  New meters will have appropriate security protection.	Refer to Obligation 319

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15/2017	<p><b>C2/386</b></p> <p>RIA has a service level agreement with the PFM to record meter data every month. This data audited for via PFM's internal QA process before being given to McGees. The verification and validation procedures for meter readings and validation within the registration process have been developed for the applicable metering types as per Electricity Industry Metering Code 2012, Appendix 2, but no evidence of implementation during the audit period was noted. However draft metrology procedure existed during audit.</p> <p>The types of meters have been identified, see obligation 333 (item 23).</p> <p>PFM Meter Readings Monthly Procedure (PRO-RNI-I03-033-1) has been updated to ensure Code compliance, see items 8 &amp; 22.</p>	<p>Submit Metrology document to ERA for review and approval.</p> <p>Clause 6.8 states that the metrology report must as a minimum point to the documents and processes used to undertake the processes covered under Obligation 386. While the RIA metrology points to the processes and procedures and pointed to in the Audit findings, at the time of the audit it was not approved by the ERA. Hence the non-compliance. No change to report recommended.</p>	Refer to Obligation 319	Refer to Obligation 319
16/2017	<p><b>C2/430</b></p> <p>At the time of the audit, the network operator could not determine a second value.</p> <p>Billing adjustments are made and invoices either reissued or the amount credited to the impacted customers.</p> <p>One instance of a credit applied to a bill was discovered during the audit.</p> <p>During the audit no approved Metrology procedure was sighted.</p>	<p>Complete meter replacement program and gain approval of the metrology procedure so that both first and second values can be measured</p>	Refer to Obligation 319	Refer to Obligation 319
17/2017	<p><b>C2/434</b></p> <p>Whilst there were no instances of estimated energy data recorded during the audit period and all meters are set to provide manual readings, no transformation or processing of data occurred. As no</p>	<p>Submit Metrology document to ERA for review and approval.</p> <p>Verify that accuracy of energy data recording is as per metrology procedure</p>	Refer to Obligation 319	Refer to Obligation 319

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	approved metrology procedure was available at the time of the audit the auditor has relied on interviews for information			
18/2017	<b>C2/447</b> There wasn't an approved metrology procedure in place during the audit period and therefore there was no prescriptive procedure to comply with.	Submit Metrology Procedure for approval by ERA	Refer to Obligation 319	Refer to Obligation 319

## 2017 Rottnest Island Authority Electricity Licence Asset Management System Improvements/Deficiencies and Review Recommendations – Post Audit Implementation Plan

Reference (no/year)	Asset management effectiveness rating/Asset Management System Component & Criteria/details of the issue	Auditors' Recommendation	Management Response	Person Responsible & Expected Completion Date
<b>B. Unresolved during current Audit period</b>				
8/2015	<p><b>C2</b>  <b>Asset operations - Assets are documented in an Asset Register including asset type, location, material, plans of components, and assessment of assets' physical/structural condition and accounting data.</b></p> <p>At present the asset register is not complete. Work is still ongoing and some assets are not included (all of the HV system). A preventative maintenance plan has not been issued at this point.</p> <p>At present due to the asset management system database being in progress there is no link to asset drawings as drawings are out of date; there is a disconnect between drawings and physical installation.</p> <p>There is insufficient information to verify the link between the operational asset register (Maximo) and the current fixed accounting asset register (RIA).</p>	The link between the Physical Asset Register and the Accounting Asset Register should be documented.	<p>The RIA accounting asset register (Sage) and the asset management system (Maximo) perform different functions and can reflect different values – being the difference between accounting and economic valuation.</p> <p>The RIA is currently reviewing its asset management plans and procedures and has engaged a permanent full time employed Manager Assets and Infrastructure. It is anticipated to complete the review within the next 6 months.</p>	<p>General Manager                      Project and Contract Services                      June 2018</p>
01/2017	<p><b>B2</b>  <b>Asset Planning - Does the planning process and objectives reflect the need of all stakeholders and is it integrated with business planning?</b></p> <p>There are no document control procedures identified.</p>	Apply document control procedures.	Noted – general record keeping procedures and training are applied by RIA	No further action – November 2017

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02/2017	<p><b>B2</b>  <b>Asset Planning – Does the asset management plan cover all key requirements?</b>  The Multi Utility Asset Management Plan (MUAMP) is reviewed each year and is a very comprehensive and large document. For efficiency reasons RIA propose to extend the review period from 1 year to 2 years.</p>	<p>1. Agree and get sign off on the proposed extended frequency of review and document accordingly.  2. Determine and action accordingly if it is more efficient to break the MUAMP document out into separated documents for respective utility assets.</p>	<p>The RIA and PFM have agreed with the extended frequency of review every 2 years.  The existing document structure is supported by both the RIA and PFM; however it will be part of the review of its asset management plans and procedures. The RIA has engaged a permanent full time employed Manager Assets and Infrastructure to conduct this review.</p>	<p>General Manager  Project and Contract Services    General Manager  Project and Contract Services  June 2018</p>
03/2017	<p><b>B2</b>  <b>Asset Planning - Have non-asset options (e.g. demand management) been considered?</b>  No evidence of actively considered non-asset initiatives, related to electricity demand management at the consumer end, was presented to the Auditors.</p>	<p>Establish electricity demand management strategies for the major consumers of energy.</p>	<p>Noted – Large users have been briefed on opportunity to directly negotiate with RIA on demand management strategies. This will be progressed subject to consumer demand.</p>	<p>No further action – November 2017</p>
04/2017	<p><b>B2</b>  <b>Asset Planning - Have the lifecycle costs of owning and operating assets been assessed?</b>  The Life Cycle Costing (LCC) model uses predicted costs and actual costs are not always recorded</p>	<p>Capture actual operational and maintenance costs of electricity production and regularly review against forecasted values</p>	<p>Agreed – RIA will continue and update its cost to serve model including Life Cycle Costing (LCC).</p>	<p>General Manager  Project and Contract Services  Target Date: May 2018</p>
05/2017	<p><b>B2</b>  <b>Asset Planning - Have the likelihood and consequences of asset failure been predicted?</b></p>	<p>Assess and document the residual risk for risks identified in the ERMP</p>	<p>Agreed – RIA is reviewing its Strategic Risk framework and will update the Enterprise Risk Management Plan (ERMP) accordingly.</p>	<p>General Manager  Project and Contract Services  Target Date: May 2018</p>

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	The Enterprise Risk Management Plan (ERMP) does not report residual risk after the application of controls			
06/2017	<b>B2</b> <b>Asset Planning - Are the plans being regularly reviewed and updated?</b> The MUAMP does not clearly articulate the review cycle of every 2 years	Develop a document review program and articulate the process in respective management plans.	Agreed – RIA is reviewing its asset management and planning framework and processes.	General Manager Project and Contract Services Target Date: May 2018
07/2017	<b>B2</b> <b>Asset Planning - Is the capability of the plant adequate to meet future demand?</b> The review found that the network is not N-1 compliant. N-1 refers to an abnormal situation in which one asset that otherwise contributes to the system is out-of-service; the analysis is conducted under the assumption that the asset with the largest impact is out-of-service, thereby identifying the most conservative outcome.	1. Develop a software model of the electricity network. 2. Prioritize a risk review of the power system reliability and capacity requirements. 3. Consider larger transformers in future asset replacement plans	Agreed – RIA is investigating network reconfiguration to accommodate proposed developments on the Island	General Manager Project and Contract Services Target Date: May 2018
08/2017	<b>A2</b> <b>Asset Creation &amp; Acquisition - Do evaluations include all life-cycle costs?</b> Actual operational and maintenance cost are not always captured.	Capture actual operational and maintenance cost of electricity production and regularly review against forecasted values.	Agreed – RIA will continue and update its cost model including actual costs	General Manager Project and Contract Services Target Date: May 2018
09/2017	<b>B2</b> <b>Asset Creation &amp; Acquisition - Have the ongoing legal/environmental/safety obligations of the asset owner been assigned and understood?</b> During the review period, it was found the breach register was not kept up to date	RIA to ensure the operations and maintenance contractor keeps the breach register up to date.	Agreed – RIA will incorporate quarterly presentation of the breach register into its FUSS governance framework.	General Manager Project and Contract Services Target Date: January 2018
10/2017	<b>B2</b>	1. Continue with identification of legacy cable and joint locations.	Agreed – RIA is reviewing its asset management and planning framework and processes and will continue	General Manager Project and Contract Services



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	<p><b>Asset Disposal - Are underutilised and underperforming assets identified as part of a regular systematic review process?</b></p> <p>The LCC model only focuses on the assets in the Power House. No other evidence of other underutilised and underperforming assets processes were provided.</p>	2. Update network drawings to show cable and joint locations.	to incorporate identification of legacy cable and joint locations and network drawings.	Target Date: May 2018
11/2017	<p><b>B2 Asset Disposal - Is there a replacement strategy for assets?</b></p> <p>There is an active program to replace wooden poles but no documented plan to replace aged underground legacy cables</p>	Develop a program to identify underground legacy cables and joints and plan for their replacement.	Agreed – RIA is reviewing its asset management and planning framework and processes and will incorporate a program to identify underground legacy cables and joints and plan for their replacement.	General Manager Project and Contract Services Target Date: May 2018
12/2017	<p><b>B2 Asset Operations – Is risk management applied to prioritise operations tasks?</b></p> <p>PFM maintain a “Power Risk Matrix” for the Powerhouse. The review noted however that no document control procedures are applied to this document e.g. previous versions, author, reviewer, dates or endorsements etc.</p>	Apply document control procedures to “Power Risk Matrix”.	RIA has requested Facilities Manager (PFM) to apply document control procedures to “Power Risk Matrix”.	Completed November 2017
13/2017	<p><b>B2 Asset Operations – Are assets documented in an Asset Register including asset type, location, material, plans of components, an assessment assets' physical/structural condition and accounting data?</b></p> <p>Accounting data is maintained in a separate accounting system called “Sage”. There is no direct interface between the asset management system (Maximo) and Sage. Assets are linked between registers through a unique asset identifier nominated</p>	<p>1. The link between the physical asset register and accounting asset register is not documented.</p> <p>2. Software program to be developed to create a unique asset identification numbers</p>	<p>The RIA accounting asset register (Sage) and the asset management system (Maximo) perform different functions and can reflect different values – being the difference between accounting and economic valuation.</p> <p>The RIA is currently reviewing its asset</p>	General Manager Project and Contract Services June 2018

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	by Sage and manually assigned to the corresponding asset in Maximo		management plans and procedures and has engaged a permanent full time employed Manager Assets and Infrastructure. It is anticipated to complete the review within the next 6 months.  A suitable asset management program is currently being reviewed between the RIA and its Facility Manager PFM.	
14/2017	<b>B2</b> <b>Asset Operations - Are operational costs measured and monitored?</b> Some operational costs are monitored and captured on separate spreadsheets with in some cases predicted values used.	Capture actual operational costs of electricity production.	Refer to A2 8/2017	Refer to A2 8/2017
15/2017	<b>B2</b> <b>Asset Operations - Are staff receiving training commensurate with their responsibilities?</b> It is unclear what specific training requirements are required by staff. A training register is not maintained.	Develop a training register capturing staff's training requirements and verification of competency where applicable	Agreed – RIA to agree specific training requirements with PFM and PFM to establish and maintain a training register	General Manager Project and Contract Services Target Date: April 2018
16/2017	<b>B2</b> <b>Asset Maintenance - Are the maintenance costs measured and monitored?</b> Some maintenance costs are captured and noted in a separate spreadsheet. Information on labour hours and parts is entered into Navision, a system that is separate from Maximo	Capture actual maintenance costs of electricity production.	Refer to A2 8/2017	Refer A2 8/2017

Reference (no/year)	Asset management effectiveness rating/Asset Management System Component & Criteria/details of the issue	Auditors' Recommendation	Management Response	Person Responsible & Expected Completion Date
17/2017	<p><b>B3</b>  <b>Asset Management Information System - Does the physical security access control appear adequate?</b></p> <p>All assets inspected had mechanical devices fitted for locking. A main switchboard outer cabinet was found to be unlocked, all others were secure.</p>	<p>1. Formal notification to be sent to PFM from RIA highlighting non-compliance to electricity safety standards (maintain the security of assets with reference to unlocked main switchboard).</p> <p>2. Appropriate training to be provided to relevant personnel regarding asset security.</p>	<p>RIA has formally advised PFM of the identified non-compliance to electricity safety standards</p> <p>This was a one off occasion and had been rectified immediately at the time of the audit.</p> <p>Ongoing appropriate staff training will be provided to relevant personnel regarding asset security.</p>	<p>Completed November 2017</p> <p>PFM – Contract Manager Ongoing</p>
18/2017	<p><b>B2</b>  <b>Risk Management - Do risk management policies and procedures exist and are they being applied to minimise internal and external risks associated with the asset management system?</b></p>	<p>Establish and document a review period for Risk Management Framework (RMF) document. Undertake a review of the RMF to verify its currency.</p>	<p>Refer to B2 5/2017</p>	<p>Refer to B2 5/2017</p>
19/2017	<p><b>B1</b>  <b>Risk Management - Are risks documented in a risk register and are treatment plans actioned and monitored?</b></p> <p>Appropriate high level risk were identified and treatments listed in the Power Risk Matrix. Risk ratings were determined however future action and risk owner were not clearly defined which may lead to confusion of implementation.</p>	<p>Provide clear single responsible person or position as being responsible for the implementation of hazard treatments in the Power Risk Matrix register</p>	<p>Refer to B2 5/2017</p>	<p>Refer to B2 5/2017</p>
20/2017	<p><b>B2</b></p>	<p>1. For the loss of power station, or loss of electrical busbar scenario, clarify</p>	<p>Agreed – RIA will review contingency plans in conjunction with PFM</p>	<p>General Manager Project and Contract Services</p>

Reference (no/year)	Asset management effectiveness rating/Asset Management System Component & Criteria/details of the issue	Auditors' Recommendation	Management Response	Person Responsible & Expected Completion Date
	<p><b>Contingency Planning - Are contingency plans documented, understood and tested to confirm their operability and to cover higher risks?</b></p> <p>Disaster contingency plans (electricity) had not been reviewed and may not be current. There was no evidence of undertaking electricity disaster scenario drills and the electricity restoration priority list, in the opinion of the auditor, did not place restoration of communications and lighthouse in appropriate priority</p>	<p>how the 5 day outage estimate was determined?</p> <p>2. Electrical contingency plan to be updated with likelihood of existing and eventually new generators being immediately available and contingencies if they are not available.</p> <p>3. Undertake selected electrical emergency scenario drills and record findings.</p> <p>4. Establish a review period for the Electrical Disaster Recovery Plan document and elevate the 3rd listed priority of electrical restoration to first priority. (Restore electricity to communications and lighthouse)</p> <p>5. RIA to investigate options to reduce estimated power outage downtime from 5 days.</p>		Target Date: June 2018
21/2017	<p><b>B2 Contingency Planning - Is there a contingency plan for the unavailability or loss of key operational staff (including third party contract staff)?</b></p> <p>No particular written contingency plan was available, however, comprehensive operation and</p>	Develop a plan to manage for the unplanned loss of key people. It is suggested that the plan be incorporated into Business Continuity Planning	Refer to B2 20/2017	Refer to B2 20/2017

Reference (no/year)	Asset management effectiveness rating/Asset Management System Component & Criteria/details of the issue	Auditors' Recommendation	Management Response	Person Responsible & Expected Completion Date
	management data is available for reasonable ongoing operations should a key staff member cease duties.			
22/2017	<p><b>B2</b>  <b>Capital Expenditure Planning - Is the capital expenditure plan consistent with the asset life and condition identified in the asset management plan?</b></p> <p>The underground paper-lead cables are legacy technology and are subject to failure at the joints. This ageing asset may not be adequately reflected in the capital expenditure plan, however, it will get assigned to capital expenditure if RIA align with PFM. Clear supporting evidence of the plan being supported by current asset condition reports with future asset life expectancy was not sighted</p> <p>A high level of reliance on emergency back-up (mainly portable generators) was evident</p>	<p>1. RIA to interrogate the PFM provided detailed condition reports including estimated remaining operating life to support in confirming asset capital replacement planning, including the paper-lead cables.</p> <p>2. RIA to revise their capital expenditure plan and commence actions to secure appropriate future capital expenditure to meet the requirements of the updated plan</p>	Refer B2 11/2017	Refer B2 11/2017
23/2017	<p><b>B1</b>  <b>Review of AMS - Is there a review process in place to ensure that the asset management plan and the asset management system described therein are kept?</b></p> <p>The MUAMP does not mandate a set review period.</p>	Insert requirement in MUAMP that this document is reviewed every 2 years.	Refer B2 11/2017	Refer B2 11/2017