

## Shire of Gnowangerup – 2017 Operational Audit and Asset Management System Review Post-Audit Implementation Plan

Ref	Obligation no.	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
1/2017 (Audit)	1, 2, 5, 7, 15, 16, 17, 18, 20, 25, 28, 30, 31, 32, 35-41, 42-45, 49-57, 62, 63, 64, 69, 74, 75, 89, 94, 99, 100, 107, 111-112, 113-117, 119, 122, 128, 146, 147, 148, 149, 150, 152, 153, 154, 160, 162, 163, 165, 168, 171, 172, 175-180, and 183	<ul style="list-style-type: none"> <li>• Rating: D 1;</li> <li>• Obligation: Act – section 21(1)(a); and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon found the Shire has no systems and controls in place to manage compliance with section 21(1)(a) of the Act. The Shire did provide Paxon with a document entitled: “<i>Shire of Gnowangerup – Compliance Calendar</i>”. This document is generic in nature and records numerous operational obligations across the calendar year. However, this document records an insignificant number of the Shire’s compliance obligations in terms of the: <ul style="list-style-type: none"> <li>• Water Services Act 2012;</li> <li>• Water Services Code of Conduct (Customer Service Standards) 2013;</li> <li>• Water Services Regulations 2013; and</li> <li>• Water Services Licence, WL11, Version 5, 1 July 2016. (hereinafter collectively referred to as the “Water Legislation”). Paxon noted this document states: “<i>Last Saved Date: 3/02/2014</i>”;</li> </ul> </li> <li>○ Paxon examined the document entitled: “<i>Shire of Gnowangerup – Council Policy Register – 2015</i>” (“Policy Register”) which records an insignificant number of the Shire’s compliance obligations in terms of the Water Legislation;</li> <li>○ Paxon examined the document entitled: “<i>Shire of Gnowangerup - Asset Management Plan – Ongerup Sewerage and Effluent Reuse Scheme Assets</i>” (“Asset Management Plan”). Paxon notes this document refers in section 3.10.2 entitled: “Specific Legislative Requirements” to the “<i>Water Services Licensing Act 1995</i>”. Paxon further notes this document refers to a copy of the Shire’s Water Services Operating Licence which was in place prior to the Audit Period;</li> <li>○ Paxon examined the document entitled: “<i>Shire of Gnowangerup - Customer Service Charter – Version 2 – 2015</i>” (“Customer Service Charter”) which records an insignificant number of the Shire’s compliance obligations in terms of the Water Legislation; and</li> <li>○ Paxon examined the document entitled: “<i>Shire of Gnowangerup – Procedure Manual - 2018</i>” (“Procedure Manual”) which records an</li> </ul> </li> </ul>	<p>The Shire should consider implementing a compliance register which records all its obligations in terms of the Water Legislation. This register should identify, per individual compliance obligation, appropriate policy and procedure documents and responsible employees. The ERA’s document entitled: “Water Compliance Reporting Manual - Water Services Act 2012 – October 2017” may help the Shire to develop its own compliance register.</p> <p>See also the comments against recommendation 6/2014 from the 2014 audit (pg 20-21 of report).</p>	<p>Modify our current Compliance Calendar to include all of our obligations under the Water Services Act 2012.</p>	<p>DCEO CSO</p>	<p>31/03/2019</p>

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		insignificant number of the Shire's compliance obligations in terms of the Water Legislation.				
2/2017 (Audit)	1	<ul style="list-style-type: none"> <li>Rating: D 1;</li> <li>Obligation: Act – section 21(1)(a); and</li> <li>Details: Paxon examined the document entitled: "<i>Shire of Gnowangerup - Asset Management Plan – Ongerup Sewerage and Effluent Reuse Scheme Assets</i>" ("Asset Management Plan"). Paxon notes this document refers in section 3.10.2 entitled: "Specific Legislative Requirements" to the "<i>Water Services Licensing Act 1995</i>". Paxon further notes this document refers to a copy of the Shire's Water Services Operating Licence which was in place prior to the Audit Period.</li> </ul>	The Shire should update its Asset Management Plan to refer appropriately to the current Water Legislation.	Update the AMP to refer to the current Legislation.	AWMC	30/06/2019
3/2017 (Audit)	4	<ul style="list-style-type: none"> <li>Rating: NP NR;</li> <li>Obligation: Act – section 22; and</li> <li>Details: Paxon did request the Shire to provide the Auditor with a map disclosing its water services operating area during the Audit Period. The Shire did provide Paxon with a map of the Ongerup sewer lines. However, this map could not be compared with the Shire's water services operating area as disclosed in plan OWR-OA-090(C). Thus, Paxon could not independently confirm the Deputy CEO's statement that, during the Audit Period, the Shire did not provide the water service outside of the operating area of the license.</li> </ul>	The Shire should keep an appropriate record of its water services operating area to proof its matches the operating area disclosed in plan OWR-OA-090(C).	The Shire will include a map in our AMP that proves our operating area matches the operating area disclosed in plan OWR-OA-090(C).	AWMC	30/06/2019
4/2017 (Audit)	16	<ul style="list-style-type: none"> <li>Rating: D NR;</li> <li>Obligation: Act – section 77(3); and</li> <li>Details: Paxon was informed by the Shire's Asset and Waste Management Coordinator ("AWMC") the Shire did not keep a "works register" in respect of operational activities performed regarding the water services it provided during the Audit Period. The AWMC stated most operational activities regarding its water services were provided by external suppliers. The AWMC stated the only audit trail available in respect of such operational activities was the accounting records of the Shire (purchase orders, suppliers' invoices etc.). Thus, no specific record was kept during the Audit Period, to support the Deputy CEO's statement that no interruptions of sewerage services took place.</li> </ul>	<p>The Shire should implement a register in which it records appropriate details of service interruptions to proof its compliance with section 77(3) of the Act.</p> <p>See also the comments against recommendation 7/2014 from the 2014 audit (pg 24 of report).</p>	As required in section 77(3) of the Act the Shire will implement a register that will record each month any service interruptions that may or may not have occurred.	DCEO CSO	31/03/2019
5/2017 (Audit)	16	<ul style="list-style-type: none"> <li>Rating: D NR;</li> <li>Obligation: Act – section 77(3); and</li> <li>Details: Paxon examined the Shire's Customer Service Charter which does not include any information as to service interruptions.</li> </ul>	The Shire should include appropriate details of its obligations (from a service delivery perspective) in terms of the Water Legislation in its Customer Service Charter.	As required in section 77(3) of the Act the Shire will include the details of our service delivery obligations in our Customer Service Charter.	DCEO CSO	31/03/2019

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			See also the comments against recommendation 8/2014 from the 2014 audit (pg 24 of report).			
6/2017 (Audit)	32 and 49-57	<ul style="list-style-type: none"> <li>• Rating: D NR;</li> <li>• Obligation: Act – section 129(5); and</li> <li>• Details: Paxon was informed by the Shire's Asset and Waste Management Coordinator ("AWMC") the Shire did not keep a "works register" in respect of operational activities performed regarding the water services it provided during the Audit Period. The AWMC stated most operational activities regarding its water services were provided by external suppliers. The AWMC stated the only audit trail available in respect of such operational activities was the accounting records of the Shire (purchase orders, suppliers' invoices etc.). Thus, no specific record was kept during the Audit Period, to support the Asset and Waste Management Coordinator's statement that no entry was made to a place for exercising a works power under the Act.</li> </ul>	<p>The Shire should implement a register in which it records appropriate details of notices of proposed entry (to undertake routine inspections or maintenance) given to the occupier of the place so as to proof its compliance with section 129(5) of the Act.</p> <p>See also the comments against recommendation 8/2014 from the 2014 audit (pg 25 of report).</p>	<p>As required in section 129(5) of the Act the Shire will implement a register that will record any notices of proposed entry given to the occupiers that may or may not have occurred.</p> <p>The register created for (4/2017) will used for this purpose as well.</p>	DCEO CSO	31/03/2019
7/2017 (Audit)	92	<ul style="list-style-type: none"> <li>• Rating: D 4;</li> <li>• Obligation: Water Services Code of Conduct (Customer Service Standards) 2013 ("Code of Conduct") - clause 7; and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon examined the Shire's Customer Service Charter but could not find any references to the stipulations of clause 7(2) of the Code of Conduct; and</li> <li>○ Paxon searched the Shire's website on 09/02/2018 but could not find any references to the stipulations of clause 7(2) of the Code of Conduct.</li> </ul> </li> </ul>	The Shire should make the information stipulated in clause 7(2) of the Code of Conduct publicly available to customers.	The Shire will make the information stipulated in clause 7(2) of the Code of Conduct publicly available by including it in the Shire's Customer Service Charter.	DCEO CSO	31/03/2019
8/2017 (Audit)	100	<ul style="list-style-type: none"> <li>• Rating: D 2;</li> <li>• Obligation: Code of Conduct - clause 12(1); and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon examined a sample of "Rate Notices" issued after this date and found these notices, with some exceptions, complied with the stipulations of clause 12(1) of the Code of Conduct. The examined "Rate Notices" did not disclose: <ul style="list-style-type: none"> <li>○ Shire's website address;</li> <li>○ Contact details for account, payment and general enquiries for use by customers with hearing or speech impairment; and</li> <li>○ A statement that the website contains information about complaints and review.</li> </ul> </li> </ul> </li> </ul>	The Shire should amend its "Rate Notices" to comply with the stipulations of clauses 12(1)(m), (o) and (p) of the Code of Conduct.	The Shire will amend its "Rate Notices" to comply with the stipulations of clauses 12 (1) (m), (o) and (p) of the Code of Conduct.	SFO FO	31/12/2018

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Ref	Obligation no.	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
9/2017 (Audit)	102	<ul style="list-style-type: none"> <li>Rating: D 2;</li> <li>Obligation: Code of Conduct - clause 12(3); and</li> <li>Details: Paxon could not find any reference to the provisions of clauses 12(3)(e) and (f) of the Code of Conduct on the Shire's "Rate Notices".</li> </ul>	The Shire should amend its "Rate Notices" to comply with the stipulations of clauses 12(3)(e) and (f) of the Code of Conduct.	The Shire will amend its "Rate Notices" to comply with the stipulations of clauses 12(3) (e) and (f) of the Code of Conduct.	SFO FO	31/12/2018
10/2017 (Audit)	113	<ul style="list-style-type: none"> <li>Rating: D NR;</li> <li>Obligation: Code of Conduct - clause 18(1); and</li> <li>Details: <ul style="list-style-type: none"> <li>Paxon examined the Shire's Procedure Manual and found it contains several "Finance" procedures. However, none of these procedures deal with the review of bills;</li> <li>Paxon examined the Shire's Customer Service Charter and found it contains no reference to the review of bills;</li> <li>Paxon searched the Shire's website on 09/02/2018 but could not find any references to the stipulations of clause 18 of the Code of Conduct; and</li> <li>Paxon examined the document entitled: "Shire of Gnowangerup - Financial Hardship Policy – Water" ("Financial Hardship Policy") which states in the section entitled: "Complaints Handling": <i>"If you are not satisfied with the way we handle your complaint, you may refer your complaint to the Energy &amp; Water Ombudsman. The Energy &amp; Water Ombudsman will investigate your complaint and may mediate the dispute between you and us."</i> Paxon regards this information as being too vague and thus does not regard it as a reference to bill reviews.</li> </ul> </li> </ul>	The Shire should write a bill review procedure which complies with the stipulations of section 18 of the Code of Conduct.	The Shire will develop a bill review procedure that will comply with the stipulations of section 18 of the Code of Conduct.	DCEO Financial Consultant	31/03/2019
11/2017 (Audit)	119 and 131	<ul style="list-style-type: none"> <li>Rating: D 4;</li> <li>Obligation: Code of Conduct - clause 21(1); and</li> <li>Details: <ul style="list-style-type: none"> <li>Paxon confirmed by interview of the Shire's Finance Officer that, during the Audit Period, the Shire did allow customers to pay bills using any of the prescribed methods, excluding direct debit;</li> <li>Paxon examined a sample of "Rate Notices" issued during the Audit Period and found it provided for payment by: <ul style="list-style-type: none"> <li>By phone or internet (Bpay);</li> <li>By mail; and</li> <li>In person.</li> </ul> </li> </ul> </li> </ul> <p>Thus, neither the direct debit nor the Centrepay option was available to customers during the Audit Period; and</p>	<p>The Shire should allow customers to pay bills using all the prescribed methods listed in clause 21(1) of the Code of Conduct. The "Rate Notices" should refer to all these prescribed methods.</p> <p>See also the comments against recommendation 10/2014 from the 2014 audit (pg 26 of report).</p>	The Shire will amend its "Rate Notices" to comply with the stipulations of clause 21(1) of the Code of Conduct.	SFO FO	31/12/2018

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		<ul style="list-style-type: none"> <li>○ Paxon searched the Shire's website on 09/02/2018 but could not find any references to the different payment methods stipulated in clause 21(1) of the Code of Conduct. The website only provides "<i>Schedules of Fees and Charges</i>" for different financial years, but this information is limited to actual tables of fees and charges (no rates brochures).</li> </ul>				
12/2017 (Audit)	122	<ul style="list-style-type: none"> <li>• Rating: D 1;</li> <li>• Obligation: Code of Conduct - clause 23(1); and</li> <li>• Details:               <ul style="list-style-type: none"> <li>○ Paxon confirmed by interview of the Shire's Finance Officer that, during the Audit Period, the Shire did accept payment in advance from a customer on a customer's request; and</li> </ul> </li> </ul> <p>Paxon searched the Shire's website on 09/02/2018 but could not find any references to accepting payment in advance from a customer at the customer's request. The website only provides "<i>Schedules of Fees and Charges</i>" for different financial years, but this information is limited to actual tables of fees and charges (no rates brochures).</p>	The Shire should inform customers that customers can make payments in advance.	<p>The Shire will investigate the most appropriate way to inform its customers that they can make payments in advance.</p> <p>This may be through the Schedules of Fees and Charges and/or the Shire website.</p>	DCEO EA	31/03/2019
13/2017 (Audit)	131	<ul style="list-style-type: none"> <li>• Rating: B 2;</li> <li>• Obligation: Code of Conduct - clause 27(3); and</li> <li>• Details:               <ul style="list-style-type: none"> <li>○ Paxon confirmed by interview of the Shire's Finance Officer that, during the Audit Period, the Shire did not consider reducing the amount owed, where the customer was experiencing financial hardship. However, Paxon examined the Shire's Financial Hardship Policy which states under the heading entitled: "<i>Debt Reduction and Collection</i>":  <i>"If you are in financial hardship, we will consider reducing the amount you owe us."</i></li> </ul> </li> </ul> <p>Thus, the Shire did not comply with the stipulations of its Financial Hardship Policy during the Audit Period;</p> <ul style="list-style-type: none"> <li>○ The Shire's Financial Hardship Policy states under the heading entitled: "<i>Useful Information</i>":           <ul style="list-style-type: none"> <li>• "<i>Redirection of rate notice: We will advise you of your right to have your rate notice redirected to another person free of charge if you are absent or ill.</i>";</li> <li>• "<i>Payment options: You may pay your rate notice by direct debit, Centrepay, internet, telephone or post.</i>"; and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The Shire should:           <ul style="list-style-type: none"> <li>○ Consider reducing an amount owing by a customer to the Shire if the customer is assessed to be in financial hardship; and</li> <li>○ Inform its customers appropriately of the stipulations of clauses 27(3)(c)(v) of the Code of Conduct.</li> </ul> </li> </ul>	<p>The Shire will update the Financial Hardship Policy to comply with clauses 27(3) (c) (v) of the Code of Conduct.</p>	DCEO SFO	31/03/2019

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Ref	Obligation no.	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
		<ul style="list-style-type: none"> <li>• <i>“Financial counselling: We will advise you of any financial counselling services or other organisations that may be available to you.”</i></li> <li>○ Paxon examined the Shire's Financial Hardship Policy but could not find any references to: <ul style="list-style-type: none"> <li>• Concessions or other financial relief to which the customer may be entitled under the Act; and</li> <li>• Any other financial assistance to which the customer may be entitled including from Government-funded grant schemes.</li> </ul> </li> </ul>				
14/2017 (Audit)	146	<ul style="list-style-type: none"> <li>• Rating: D 3;</li> <li>• Obligation: Code of Conduct - clause 35(2); and</li> <li>• Details: See the findings for compliance obligation number 145 above.</li> </ul>	The Shire should review its complaints procedure to ensure it meets the relevant provisions of AS ISO 10002-2006 and the ERA document entitled <i>“Customer Complaints Guidelines: distinguishing customer queries from complaints.”</i>	The Shire will review its complaints procedure to ensure it meets the relevant provisions of AS ISO 10002-2006 and the ERA document entitled <i>“Customer Complaints Guidelines: distinguishing customer queries from complaints.”</i>	DCEO CSO	31/03/2019
15/2017 (Audit)	147	<ul style="list-style-type: none"> <li>• Rating: D 3;</li> <li>• Obligation: Code of Conduct - clause 35(3); and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon examined the Shire's Customer Service Charter and Financial Hardship Policy;</li> <li>○ The Customer Service Charter states: <p><i>“In handling your complaint we will:...</i></p> <p><i>Ensure that you will be contacted and advised of the course of action to be taken in a timeframe of 3 business days.”;</i></p> </li> <li>○ Paxon found a document entitled: <i>“Shire of Gnowangerup – Complaints Form”</i> on the Shire's website on 13/02/2018. This form states: <p><i>“We aim to respond to all complaints within 5 – 15 working days (depending on the nature of the complaint).”</i></p> </li> </ul> </li> </ul> <p>Paxon notes this form refers to responding to complaints within 15 working days and not resolving complaints within 15 business days starting on the date the complaint was received;</p>	The Shire should ensure its complaints procedure provides for all the matters stipulated in Clause 35(3) of the Code of Conduct.	The Shire will update all its complaints procedures to provide for all the matters stipulated in Clause 35(3) of the Code of Conduct	DCEO CSO	31/03/2019

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Ref	Obligation no.	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
		<ul style="list-style-type: none"> <li>○ The Financial Hardship Policy does address dispute resolution arrangements – referring complaints to the “<i>Energy &amp; Water Ombudsman</i>”; and</li> <li>○ However, neither of the above-mentioned two documents addresses the resolving of a complaint before the end of the period of 15 business days starting on the day the complaint was received.</li> </ul>				
<b>16/2017 (Audit)</b>	<b>148</b>	<ul style="list-style-type: none"> <li>• Rating: D 3;</li> <li>• Obligation: Code of Conduct - clause 35(4); and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon examined the Shire's Customer Service Charter and Financial Hardship Policy;</li> <li>○ The Financial Hardship Policy states:  <i>“If you are not satisfied with the way we handle your complaint, you may refer your complaint to the Energy &amp; Water Ombudsman.”</i>  In other words, this referral is stated as a dispute resolution procedure and not as an alternative complaint reporting avenue;</li> <li>○ Neither of the above-mentioned two documents refer to applications to the State Administrative Tribunal as provided for in section 222(2)(k) of the Act; and</li> <li>○ Neither of the above-mentioned two documents set out the costs and benefits to the customer if he/she uses the Shire's complaint resolution procedure or instead of the procedures under the Act.</li> </ul> </li> </ul>	<p>The Shire should ensure its complaints procedure informs customers of the matters stipulated in Clause 35(4) of the Code of Conduct.</p> <p>See also the comments against recommendation 3/2014 from the 2014 audit (pg 18 of report).</p>	<p>The Shire will ensure its complaint procedures inform customers of the matters stipulated in Clause 35(4) of the Code of Conduct.</p>	DCEO CSO	31/03/2019
<b>17/2017 (Audit)</b>	<b>150</b>	<ul style="list-style-type: none"> <li>• Rating: D NR;</li> <li>• Obligation: Code of Conduct - clause 36(1); and</li> <li>• Details: <ul style="list-style-type: none"> <li>○ Paxon examined the Shire's Financial Hardship Policy which on the front page of the document provides contact details in respect of: <ul style="list-style-type: none"> <li>• Services for use by customers with hearing or speech impairment; and</li> <li>• Interpreter services.</li> </ul> </li> <li>○ Paxon also examined the Shire's Customer Service Charter and a sample of “<i>Rate Notices</i>” issued during the Audit Period. However, neither of these documents refers to the above-mentioned types of services, and more specifically to providing it for for account, payment and general enquiries; and</li> </ul> </li> </ul>	<p>The Shire should consider providing details of the services stipulated in Clause 36(1) of the Code of Conduct on “<i>Rate Notices</i>” and in its Customer Service Charter.</p> <p>See also the comments against recommendation 3/2014 from the 2014 audit (pg 18 of report).</p>	<p>The Shire will provide details of the services stipulated in Clause 36(1) of the Code of Conduct on “<i>Rate Notices</i>” and in its Customer Service Charter.</p>	DCEO CSO  SFO FO	31/03/2019  31/12/2018

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Ref	Obligation no.	Non-Compliance/Controls Improvement	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
		<ul style="list-style-type: none"> <li>○ None of the above-mentioned three documents addresses providing, at the customer's request and free of charge, a large-print version of any of the licensee's publicly available documents.</li> </ul>				
18/2017 (Audit)	153	<ul style="list-style-type: none"> <li>• Rating: D 3;</li> <li>• Obligation: Code of Conduct - clause 37(1); and</li> <li>• Details:               <ul style="list-style-type: none"> <li>○ Paxon searched the Shire's website and found:                   <ul style="list-style-type: none"> <li>• Schedule of Fees and Charges 2017-2018; and</li> <li>• Schedule of Fees and Charges 2016-2017.</li> </ul> </li> <li>○ However, these documents do not provide any information in respect of the annual sewerage charges levied by the Shire; and</li> <li>○ Paxon also examined the Shire's Customer Service Charter and Financial Hardship Policy. However, Paxon could not find any references in the above-mentioned two documents examined nor on the Shire's website in respect of planned and unplanned interruptions of water supply or other incidents that may significantly affect the provision of water services to customers.</li> </ul> </li> </ul>	<p>The Shire should make the prescribed information stipulated in clauses 37(1) (a), (b), and (l) of the Code of Conduct publicly available.</p> <p>See also the comments against recommendation 3/2014 from the 2014 audit (pg 19 of report).</p>	<p>The Shire will make the prescribed information stipulated in clauses 37(1) (a), (b), and (l) of the Code of Conduct publicly available in all the relevant Shire Charters and Policies'.</p>	<p>DCEO Financial Consultant</p> <p>DCEO CSO</p>	31/12/2018
19/2017 (Audit)	166	<ul style="list-style-type: none"> <li>• Rating: A 2;</li> <li>• Obligation: Water Services Licence ("WSL") – clause 3.8.2; and</li> <li>• Details:               <ul style="list-style-type: none"> <li>○ The front page of the Shire's Compliance Report for 2014-2015 was not provided for Audit purposes. The cover letter which supported this report is dated 31 August 2015. However, the Shire did not provide Paxon with any documentation to proof the timely submission of this report to the ERA; and</li> <li>○ The front page of the Shire's Compliance Report for 2015-2016 as provided to Paxon was not signed by the Shire's CEO.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The Shire should keep:               <ul style="list-style-type: none"> <li>○ Intact compliance reports as duly completed for future reference (front page as signed off by the CEO and Schedule A); and</li> <li>○ Records to confirm the timely submission of compliance reports to the ERA.</li> </ul> </li> </ul> <p>See also the comments against recommendation 4/2014 from the 2014 audit (pg 19 of report).</p>	<p>All Shire compliance reports will be submitted complete and on time.</p> <p>Confirmation of the submission of these reports will recorded in the Shires record management system.</p>	<p>AWMC EHO</p>	31/12/2018
20/2017 (Audit)	167	<ul style="list-style-type: none"> <li>• Rating: A 2;</li> <li>• Obligation: WSL – clause 3.8.2; and</li> <li>• Details: The Shire did not provide Paxon with any documentation to proof the timely submission of its Performance Report for 2014-2015.</li> </ul>	<p>The Shire should keep records to proof the timely submission of compliance reports to the ERA.</p> <p>See also the comments against recommendation 5/2014 from the 2014 audit (pg 20 of report).</p>	<p>All Shire compliance reports will be submitted complete and on time.</p> <p>Confirmation of the submission of these reports will recorded in the Shires record management system.</p>	<p>AWMC EHO</p>	31/12/2018



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## Post-Review Implementation Plan

Reference	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
<b>1/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Planning; and</li> <li>Details: See the section for Asset Planning as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	The Shire should prepare a replacement AMP specifically for the Ongerup sewerage scheme which includes documentation relevant to other recommendations of this Report.	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>2/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Creation and Acquisition; and</li> <li>Details: See the section for Asset Creation and Acquisition as included in Table 15 entitled "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	The new AMP should include a brief description of the Shire's purchasing policy, together with the procedures for evaluating replacement /maintenance options, their inclusion in budgets and approval of expenditure.	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>3/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Disposal; and</li> <li>Details: See the section for Asset Disposal as included in Table 15 entitled "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	<p>The new AMP should include a statement to the effect that due to health issues, disposal of assets previously in contact with sewage should be left in the ground or be disposed of to land fill.</p> <p>See also the comments against recommendation 7/2014 from the 2014 review (pg 24 of report).</p>	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>4/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Environmental Analysis; and</li> <li>Details: See the section for Environmental Analysis as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	The new AMP should include references to the Water Services Act 2012, the current ERA licence, Water Services Regulations 2013 and the Water Services Code of Conduct (Customer Service Standards) 2013. The customer levels of service for the sewerage assets should be clearly documented and the latest dates of all reporting obligations should be listed and issued to responsible officers.	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>5/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Operations; and</li> <li>Details: See the section for Asset Operations as included in Table 15 entitled: "Review</li> </ul>	<ul style="list-style-type: none"> <li>The new AMP should contain a basic register of assets, including material type, construction or replacement/relining date, condition, expected life etc. The AMP should contain a staff organisation diagram indicating prime</li> </ul>	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit	AWMC	30/06/2019

## Shire of Gnowangerup – 2017 Operational Audit and Asset Management System Review

Reference	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
	<i>Observations and Recommendations</i> in section 5.3 of this Report.	<p>management, administrative and depot staff, together with their assigned titles, names and contact details;</p> <ul style="list-style-type: none"> <li>As a back up to the AWMC in the event of his absence, the new AMP should contain a requirement for at least one of the maintenance depot staff to be trained in the procedures for inspection, operation and maintenance of the system, together with the health and safety aspects of these procedures;</li> <li>The Shire should investigate the sludge pump-out history of septic tanks connected to the sewerage system and; to comply with Health Department recommendations and in order to reduce the rate of sludge deposition in the treatment ponds, require that all septic tanks be pumped out at intervals not exceeding five years; and</li> <li>That the remaining two treatment ponds be de-sludged as recommended in the previous review - and included in the 2018/19 works program.</li> </ul> <p>See also the comments against recommendation 8/2014 from the 2014 review (pg 24-25 of report).</p>	and Asset Management System review.		
<b>6/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> <li>Component: Asset Maintenance; and</li> <li>Details: See the section for Asset Maintenance as included in Table 15 entitled: <i>“Review Observations and Recommendations”</i> in section 5.3 of this Report.</li> </ul>	<ul style="list-style-type: none"> <li>The new AMP should include a statement of general checks during twice weekly visits to the treatment plant and collection system – including water level and condition of the treatment plant site and embankments, damaged access chamber covers, settlement or covering of access chambers. Following heavy rain, random inspection should be made of several access chambers to establish whether or not soil or gravel intrusion has occurred and the necessity or otherwise for flushing to be undertaken; and</li> <li>A monthly list of the above should be prepared to allow the tasks to be ticked off and filed.</li> </ul>	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>7/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 2;</li> </ul>	<ul style="list-style-type: none"> <li>The new AMP should include an asset register and maintenance schedule as recommended</li> </ul>	The new Asset Management Plan for the Ongerup sewerage scheme will	AWMC	30/06/2019

## Shire of Gnowangerup – 2017 Operational Audit and Asset Management System Review

Reference	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
	<ul style="list-style-type: none"> <li>Component: Asset Management Information System; and</li> <li>Details: See the section for Asset Management Information System as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	<p>earlier. An Excel spread sheet or appropriate software should be installed to enable current and future replacement expenditure to be modelled and an assessment to be made of the annual input to the Shire's sewerage reserve - ensuring the reserve is always adequate to meet future replacement costs; and</p> <ul style="list-style-type: none"> <li>The Shire should consider obtaining (and simplifying for its own needs) a copy of the Asset Management Information System (AMIS) spread sheets used for many other local authority water systems.</li> </ul>	include all of the recommendations contained in the Operational Audit and Asset Management System review.		
<b>8/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Risk Management; and</li> <li>Details: See the section for Risk Management as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	The Shire's new AMP should contain a revised risk assessment based on the asset management system recommended for consideration in the Asset Management Information System section above.	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>9/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Contingency Planning; and</li> <li>Details: See the section for Contingency Planning as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	<ul style="list-style-type: none"> <li>The new AMP should contain a re-written emergency/contingency plan as set out above;</li> <li>The availability and location of the Department of Health Wastewater Overflows Procedure should be included in the plan; and</li> <li>The Shire staff most prominent in the contingency plans participate in an annual desk top review of each procedure; and that any perceived improvements in the procedures are inserted in the plans as amendments.</li> </ul>	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019
<b>10/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Financial Planning; and</li> <li>Details: See the section for Financial Planning as included in Table 15 entitled: "Review Observations and Recommendations" in section 5.3 of this Report.</li> </ul>	<ul style="list-style-type: none"> <li>The Shire should prepare a separate twenty years long term financial plan for the sewerage system only. The plan should be upgraded and extended annually to retain a rolling twenty years on-going period;</li> <li>The transfers to the reserve should be re-assessed on the basis of a simple net present worth annuity calculation based on the extended life of the assets; and</li> </ul>	The Shire will update our current LTFP to include the recommendations made in this audit.	AWMC Financial Consultant	30/06/2019

## Shire of Gnowangerup – 2017 Operational Audit and Asset Management System Review

Reference	Asset System Deficiency	Auditor's recommendation	Management action	Person Responsible	Target Date for Completion
		<ul style="list-style-type: none"> <li>Based on the above comments and the results of the recommended LTFP, the Shire should adjust the special sewerage rate as required to achieve a balance of income and expenditure.</li> </ul>			
<b>11/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: B 2;</li> <li>Component: Capital Expenditure Planning; and</li> <li>Details: See the section for Capital Expenditure Planning as included in Table 15 entitled: "<i>Review Observations and Recommendations</i>" in section 5.3 of this Report.</li> </ul>	<p>It is recommended the plan be updated annually to provide a rolling forecast of capital works for a period of five years commencing from the financial year in question. The shortfall in the reserve compared with budgeted 2018/19 capital expenditure should be addressed and adjusted.</p> <p>See also the comments against recommendation 10/2014 from the 2014 review (pg 26 of report).</p>	The Shire will update our current LTFP to include the recommendations made in this audit.	AWMC Financial Consultant	30/06/2019
<b>12/2017 (Review)</b>	<ul style="list-style-type: none"> <li>Rating: C 3;</li> <li>Component: Review of Asset Management System; and</li> <li>Details: See the section for Review of Asset Management System as included in Table 15 entitled: "<i>Review Observations and Recommendations</i>" in section 5.3 of this Report.</li> </ul>	The new AMP should contain a requirement for an overall annual desktop review including an upgrade of on-going plans e.g. the financial and capital expenditure plans. The date of each review and the reviewer's name together with details of any changes made should be noted on a table inside the front cover of the document. If substantial changes are made to the AMP, a new copy should be forwarded to the ERA as required by the licence.	The new Asset Management Plan for the Ongerup sewerage scheme will include all of the recommendations contained in the Operational Audit and Asset Management System review.	AWMC	30/06/2019