

# Audit Report

## Performance Audit and Asset Management Review

3607-80

Prepared for  
City of Kalgoorlie-Boulder

11 June 2019



## Contact Information

**Cardno (Qld) Pty Ltd**

ABN 57 051 074 992

Level 11

515 St Paul's Terrace

Fortitude Valley QLD 4006

Australia

www.cardno.com

Phone +61 7 3369 9822

Fax +61 7 3369 9722

## Document Information

Prepared for	City of Kalgoorlie-Boulder
Project Name	Performance Audit and Asset Management Review
File Reference	2019 Audit and Review Report - vA - WL004 - City of Kalgoorlie-Boulder.docxs
Job Reference	3607-80
Date	11 June 2019
Version Number	A

**Author(s):**Justin Edwards  
Senior Consultant

Effective Date 11/06/2019

**Approved By:**Stephen Walker  
Business Leader – Asset Strategies

Date Approved 11/06/2019

## Document History

Version	Effective Date	Description of Revision	Prepared by	Reviewed by
1	08/04/2018	Draft for review and comment	J. Edwards	S. Walker
2	22/05/2019	Updated for ERA and CKB comments	J. Edwards	S. Walker
3	05/06/2019	Updated for ERA comments	J. Edwards	S. Walker
4	06/06/2019	Updated for ERA comments	J. Edwards	S. Walker
A	11/06/2019	Final	J. Edwards	S. Walker

© Cardno. Copyright in the whole and every part of this document belongs to Cardno and may not be used, sold, transferred, copied or reproduced in whole or in part in any manner or form or in or on any media to any person other than by agreement with Cardno.

This document is produced by Cardno solely for the benefit and use by the client in accordance with the terms of the engagement. Cardno does not and shall not assume any responsibility or liability whatsoever to any third party arising out of any use or reliance by any third party on the content of this document.

## Executive Summary

### General

City of Kalgoorlie-Boulder (CKB) holds an Operating Licence which permits it to provide non-potable water supply and sewerage services and undertake, maintain and operate any associated works to the City of Kalgoorlie-Boulder. The operating licence was granted by the Economic Regulation Authority on 29 April 1996. The most current version of the licence, Version 6, was issued on 1 July 2016.

Cardno was commissioned by the Economic Regulation Authority of Western Australia (ERAWA) in November 2018 to undertake an audit and review of CKB in accordance with Sections 24 and 25 of the *Water Services Act 2012*.

The purpose of the audit was to:

1. Assess CKB's level of compliance against the conditions of its licence (Operational / Licence Audit)
2. Assess the effectiveness of measures implemented by CKB for the proper management of assets used in the provision and operation of its services (Asset Management System Review).

This audit report outlines the findings of an audit of City of Kalgoorlie-Boulder to fulfil the above objectives, conducted on 11 - 13 February 2019. The audit covers the operating period of 1 January 2017 to 31 December 2018.

The audit was carried out in accordance with the Audit and Review Guidelines: Water Licences, as published by the Economic Regulation Authority in July 2014.

### Operational Audit

#### Findings from the Previous Operational Audit

The previous audit identified a number of non-compliance and improvement recommendations that were included in the Post-Audit Implementation Plan. These were as follows:

1. 2011- 2012 - At the next review and update of the Customer Service Charter, the references to the operating area should be updated to reflect the correct map reference.  
*Resolved*
2. 2011-2012 - Although relevant legislation is listed in the AMP and in the SOP Manual, a reference in these sections to the officer/department responsible for monitoring applicable legislation and the workflow process/procedure for identifying / implementing / seeking exemption is recommended.  
*Partly resolved*
3. A2/2015 - The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL). CKB should maintain a list of reportable events and incidents of a non-repetitive nature ("once-off" or "specific event" reporting obligations). This list should be added as an attachment to the Reporting Matrix. The Reporting Matrix should also be changed to include the following information: Operating Licence reference; Compliance requirement; Frequency of action specified; (Next) due date; Responsible officer; and Notes. A specific person should be allocated responsibility for ensuring compliance with the dates disclosed in the Reporting Matrix and continually updating the Reporting Matrix  
*Partly resolved*
4. A3/2015 - An appropriate asset management system should be documented for the non-potable water supply services being provided by CKB. Alternatively, the current asset management system for the sewerage services should be appropriately updated to include those services. An operating procedures manual for the non-potable water supply services that CKB provides should be documented. Alternatively, the current SOP Manual for the sewerage services should be appropriately updated to include those services.  
*Partly resolved*
5. A36/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(2) of the Regulations.  
*Resolved*

6. A37/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(4) of the Regulations.  
*Resolved*
7. A38/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 67 of the Regulations.  
*Resolved*
8. A39/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in the Regulations in respect of objections to records maintained under Regulation 65.  
*Resolved*
9. A41/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 9 of the Code of Conduct.  
*Resolved*
10. A44/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 16 of the Code of Conduct.  
*Resolved*
11. A45/2015 – The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 17 of the Code of Conduct.  
*Resolved*
12. A46/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 18 of the Code of Conduct.  
*Resolved*
13. A47/2015 - The review procedure should be disclosed on the CKB's website  
*Resolved*
14. A48/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 20 of the Code of Conduct  
*Resolved*
15. A49/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 21 of the Code of Conduct.  
*Resolved*
16. A51/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 23(1) of the Code of Conduct.  
*Resolved*
17. A52/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 24 of the Code of Conduct.  
*Resolved*
18. A54/2015 - The Financial Hardship Policy should be readily available on the CKB website without having to conduct a specific search therefore. The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(5) of the Code of Conduct.  
*Resolved*
19. A55/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(6) of the Code of Conduct  
*Resolved*
20. A56/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(2) of the Code of Conduct.  
*Resolved*

21. A57/2015 - The Financial Hardship Policy should contain an appropriate reference to other financial assistance to which the customer may be entitled. The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(3) of the Code of Conduct.  
*Resolved*
22. A58/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 28 of the Code of Conduct.  
*Resolved*
23. A59/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 29 of the Code of Conduct.  
*Resolved*
24. A60/2015 - CKB should ensure that its Complaints Handling Procedure complies with the relevant provisions of AS ISO 10002-2006 and the Authority's guidelines on a continuous basis.  
*Resolved*
25. A61/2015 - The Complaints Handling Procedure should be appropriately changed to state that complaints should be resolved before the end of the period of 15 business days starting on the day the complaint was received.  
*Resolved*
26. A62/2015 - The Complaints Handling Procedure should be updated to refer appropriately to the compliance obligations stipulated in clause 35(4) of the Code of Conduct in respect of informing complainants about complaint procedures.  
*Resolved*
27. A65/2015 - The mere listing of applicable legislation in the SOP Manual helps identify legislation to be complied with. However, CKB should follow a pro-active approach to ensure compliance with all compliance obligations that originate from its WSOL. This includes educating its personnel appropriately in respect of the contents of all such compliance obligations.  
*Resolved*
28. A68/2015 - CKB should ensure that all reports are submitted on time to the Authority and adequate records are maintained in respect of all communication with the Authority.  
*Resolved*
29. A73/2015 - The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 30.3 of WSOL -Version 5.  
*Resolved*
30. A1/2017 – Rate Notice Tax Invoices and Tax Invoices should include all the information stipulated in clause 12(1) of the Code of Conduct and the financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(1) of the Code of Conduct.  
*Resolved*
31. A2/2017 - Tax Invoices should include all the information stipulated in clause 12(2) of the Code of Conduct; and the financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(2) of the Code of Conduct.  
*Resolved*
32. A3/2017 - Rate Notice Tax Invoices and Tax Invoices should include all the information stipulated in clause 12(3) of the Code of Conduct and the financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(3) of the Code of Conduct.  
*Resolved*
33. A4/2017 - Rate Notice Tax Invoices and Tax Invoices should disclose all the payment methods included in clause 21(1) of the Code of Conduct.  
*Resolved*

34. A5/2017 - Rate Notice Tax Invoices and Tax Invoices should disclose references to fees and/or charges attached to the bill payment methods offered.

*Resolved*

35. A6/2017 - CKB should disclose the information included in clause 37(2) of the Code of Conduct appropriately on its website.

*Resolved*

36. A7/2017 - Both the Asset Management Plan and the SOP Manual should explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for actual compliance and monitoring compliance therewith.

*Partly resolved*

## Findings from the Current Operational Audit

Issues identified during the current audit (with reference to the summary of recommendations in Section 6):

### Water Services Act 2012

1. A1/2019 - The operating licence references and the Code of Conduct references included in the Standard Operating Procedure Manual are out of date. (Obligation 6)
2. A2/2019 – The Customer Service Charter does not inform customers that at least 48 hours advance notice must be given. (Obligation 32)

### Water Services Code of Conduct (Customer Service Standards) 2018

3. A3/2019 – The rates notices used for billing customers for sewerage services do not include all of the prescribed matters required under Clause 13(6) of the Code. (Obligation 102A)
4. A4/2019 - The text in the Customer Service Charter does not specify that CKB can only recover undercharged amounts in the 12 month period ending on the day on which the licensee informed the customer of the undercharging. (Obligation 107)
5. A5/2019 - The text in the Customer Service Charter does not specify that CKB must not charge interest or late payment fees on an undercharged amount. (Obligation 109)
6. A6/2019 - Although the text in the Customer Service Charter does not specify that CKB must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued. (Obligation 110)
7. A7/2019 - The Customer Service Charter informs customers that “If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.” However, the text does not specify the requirement to undertake this within 15 business days. (Obligation 111A)
8. A8/2019 - The Customer Service Charter informs customers that “If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.” However, the text does not specify that requirement to undertake this within 15 business days. (Obligation 112A)
9. A9/2019 - The Customer Service Charter informs customers that “If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.” However, the text does not specify the requirements under the obligation. (Obligation 112A)
10. A10/2019 - At the time of the audit, CKB were not able to provide a written procedure for the review of a bill at the customer’s request. We note that a procedure has been added to the CKB website since the audit. (Obligation 114)
11. A11/2019 - CKB did not have a publically available procedure for the review of a bill at the time of the audit. As a result, CKB does not make the specified information required under Clauses 20(3) & (6) publically available on its website. We note that a procedure has been added to the CKB website since the audit. (Obligation 115)



12. A12/2019 - CKB did not have a publically available procedure for the review of a bill at the time of the audit. As a result, CKB does not make the specified information required under Clause 20(4) publically available on its website. We note that a procedure that meets the requirements of the obligation has been added to the CKB website since the audit. (Obligation 116)
13. A13/2019 - CKB's Financial Hardship Policy (16 May 2014) does not provide written information to the customer in accordance with all of the requirements under Clause 30(4)(c). We note that the 2019 update of CKB's Financial Hardship Policy has rectified this issue. (Obligation 131C)
14. A14/2019 – CKB does not make its customers aware of all its obligations under clause 32 in the Financial Hardship Policy. (Obligation 133A)
15. A15/2019 - CKB does not make its customers aware of its obligations under clause 33(1)(d)-(e) in the Financial Hardship Policy. We also note that this information is not included in CKB's Customer Service Charter. (Obligation 134A)
16. A16/2019 – CKB's Customer Service Charter informs customers that “Unless interruptions are limited to a few minutes, notification shall be given to domestic customers at least twenty four (24) hours prior and for commercial and industrial customers at least five (5) days prior or by agreement”. This does not comply with Clause 43(2)(a) to provide “not less than 48 hours before the start of the service interruption”. Although CKB's notice complies with clause 43(2)(b), “if it is not reasonably practicable to comply with paragraph (a), at the earliest practicable time before the start of the service interruption”, we consider that CKB is non-compliant against this obligation. (Obligation 144B)
17. A17/2019 - The Customer Service Charter references the Department of Water for escalating complaints and needs to be updated to reference the water services ombudsman. (Obligation 145)
18. A18/2019A1 - CKB's Complaints Handling Policy does not set out any dispute resolution arrangements. (Obligation 147)
19. A19/2019 – CKB does not record any confirmation that it has advised the customer they have a right to apply to the water services ombudsman for a review of the complaint. In addition, CKB's Complaints Handling Policy does not include any specific information regarding the management of water service complaints, including that the customer has the right to apply to the water services ombudsman for a review of the complaint. (Obligation 149A)
20. A20/2019 – CKB's Customer Service Charter, Financial Hardship Policy and the rates notice template do not provide all the specified services required under clause 48(1). (Obligations 153)

In addition, as a result of the above non-compliances, CKB is also non-compliant with the following general compliance obligations:

- > Water Services Act Section 27 - The licensee must comply with the code of conduct that may be made by the ERA to the extent to which it applies to the licensee and is not inconsistent with the licence. (Obligation 11)
- > Water Services Act Section 29 - The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act. (Obligation 12)
- > Water Services Act Section 12 - Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation. (Obligation 156)

Non-compliance with these obligations are being addressed through recommendations A1/2019 to A20/2019 to address non-compliances with specific requirements in the relevant legislation.

### Operational Audit - Effectiveness of controls

We consider that CKB generally has adequate controls in place that are appropriate to the nature and scale of its activities. We observed four obligations (Obligations 4, 7, 149A and 171) where we consider that CKB does not have effective controls. The lack of effective controls for Obligations 4, 7 and 171 were identified in the 2015 audit. We have included further actions against Recommendation A2/2015 to rectify the control issues with these obligations. Recommendation A19/2019 addresses the control issues associated with Obligation 149A.

## Operational Audit - Overall compliance

The overall compliance of CKB with its licence is summarised in Section 4.2 of this report. We observed that CKB has been non-compliant over the course of the audit period with a total of nine of its obligations. All other items were assessed as compliant, not applicable or not able to be rated.

## Asset Management System Review – Findings

The asset management system review assessed the performance of CKB against the key asset management processes and effectiveness criteria set out in the ERA Guidelines.

The previous asset management system review identified the following recommendations:

R2/2015 - Asset Planning: The content of both the AMP and SOP documents should be reviewed and edited to ensure that all twelve Items of Table 22 of ERA's Guidelines are addressed in the AMP and cross referenced to sections of the SOP where the items concerned are subject to specific staff procedures.

*In progress*

R4/2015 - Asset Planning: The AMP should contain a staff organisation chart and an accompanying description of the responsibilities of each staff position. Further, written procedures should be prepared for recording test and performance results, maintenance, emergencies etc. together with review and response action as currently undertaken. Also, a basic schematic of the scheme should be added to the AMP to clarify the collection, treatment and disposal processes.

*In progress*

R6/2015 - Environmental Analysis: The above AMP sections should be combined as appropriate and titled "Environmental Assessment" in accordance with item 4 of Table 22 of ERA Guidelines 2013.

*In progress*

R7/2015 - Environmental Analysis: The section of the AMP related to Environmental Assessment should include a brief statement which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.) together with current population, growth trends, and projections to say 2033.

*In progress*

R8/2015 - Asset Operations: CKB should significantly increase the annual amount of CCTV inspection of its collection system so that the task can be completed in ten or fewer years. Further, CKB should undertake an inspection program for all manholes that will allow completion in five to seven years. Such inspections should involve removal, inspection and greasing of covers and a check on the condition of concrete in walls, base and underside of cover support slabs.

*Partly resolved*

R9/2015 - Asset Operations: An automatic fault alarm system should be installed in the pumping stations and (if practicable) a system which will allow external control and downloading of performance information.

*Resolved*

R10/2015 - Asset Operations: the AMP should include details of the companies contracted to provide services. Reference to staff entering manholes etc. should be deleted from the AMP and inserted in the SOP. Procedures in the AMP - for dealing with blockages, overflows, pump, treatment plant and equipment failures should be included in a separate section of the AMP titled "Contingency Planning". The more specific details in the SOP - of implementing the above procedures should be cross referenced in the AMP. Also, information regarding the existence and location of operation and management manuals should be included in both the AMP and SOP.

*In progress*

R11/2015 - Asset Operations: The Recycled Water Operational and Maintenance Manual should be upgraded to a more detailed level in accordance with Table 22 of ERA's Guidelines 2013.

*Resolved*

R12/2015 - Asset Operations: In the future all reporting in accordance with CKB's DOH licence should be undertaken by the Parks & Reserves division.



*Resolved but additional work now required*

R13/2015 - Asset Maintenance: Confirmation that work has been undertaken and the date of completion should be overtyped in a different colour in the box representing the maintenance item of the AMIS maintenance module.

*In progress*

R14/2015 - Asset Maintenance: The maintenance program in Section 4 of the SOP should be deleted and replaced with cross references to Section 6 of the AMP and the Maintenance module of the AMIS.

*In progress*

R15/2015 - Asset Management Information System: CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007 or later) before considering purchase and setting up a new asset management system. If conversion is indeed possible, CKB should mount the converted version on its system and complete populating / customising modules as discussed below. Also, a staff member should be selected (or appointed) and trained with a view to completing and operating the system.

*In progress*

R16/2015 - Asset Management Information System: The Asset Register is edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible.

*In progress*

R17/2015 - Asset Management Information System: The asset material should be noted in the both the asset and condition registers.

*In progress*

R18/2015 - Asset Management Information System: The maintenance of the treated effluent distribution system is included in the Asset Management spread sheet of the AMIS

*In progress*

R19/2015 – Risk Management: Refer to R10/2017

*In progress*

R21/2015 - Capital Expenditure Planning: Estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning. The CAPEX estimates should include expenditure on the treated effluent disposal scheme.

*In progress*

R22/2015 - Review of the Asset Management System: A procedure should be introduced to undertake and record a review the Asset Management system on a formal regular basis. The review should be undertaken at intervals not exceeding two years, by a person with a sound knowledge of the sewerage system and the procedures of its operation, maintenance and financing. The review date, reviewer's signature and any section amendments should be listed on the page following the cover sheet - which should be updated for all subsequent reviews.

*In progress*

R1/2017 - Asset Planning: additional cross- references should be included in the AMP and SOP to improve navigation between the documents.

*In progress*

R2/2017 - Asset Planning: Consideration should be given to the preparation of a single AMP (and supporting SOP) that incorporates information and policies common to both the Sewerage and Recycled Water systems in one section, together with separate sections setting out the differing operations and maintenance, contingency, CAPEX and financial planning etc. of each system.

*In progress*

R3/2017 - Environmental Analysis: CKB should ensure in future that annual reports on the Recycled Water system are submitted to Health Department in accordance with the Department's approval document.

*Resolved*

R4/2017 – Asset Operations: A third Officer should be trained as a WTO who can undertake the duties during the leave period of existing WTOs.

*Resolved*

R5/2017 – Asset Operations: WTOs should be made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary. An automatic alarm should be installed at Androvich Way pumping station as for Throssell Street. The access frame and covers on the Androvich Way pumping station be greased monthly to allow ease of removal.

*Partly resolved*

R6/2017 - Asset Operations: A list and description should be prepared of daily operations tasks at the WWTP and be supported by a checklist for recording tasks as undertaken.

*Partly resolved*

R7/2017 - Asset Maintenance: The contract and AMIS maintenance schedules should be compared and - if necessary, corrected. As for Recommendation 5/2017 above - WTOs are made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary.

*Partly resolved*

R8/2017 - Asset Maintenance: A check list confirming the undertaking and completion date of maintenance and ad hoc works at the WWTP should be implemented and signed off by the WTO and recorded in CONFIRM. Also, that a list and details of all scheduled maintenance be provided to each WTO.

*Partly resolved*

R9/2017 - Asset Management Information System: Refer to R15/2015, R16/2015, R17/2015 and R18/2015.

*In progress*

R10/2017 - Risk Management: R19/2015 Review be replaced and implemented by "The "Mitigation and Management Strategies" column of the risk assessment spread sheets should either refer to appropriate specific Risk Management Plans, and/or SOP procedure - particularly for risks classified as "Significant" or "Major". Risk Management Plans should either be prepared or reference to such plans be deleted from the documentation. A risk analysis should be included for the treated effluent distribution system.

*In progress*

R11/2017 – Contingency Planning: The SOP documents should be reviewed and edited so that the required actions of each emergency are titled as follows: Section E Item 3 be titled: "Contingency Plans - Sewer Main Overflows and Blockages"; Section F part 2 be titled: "Contingency Plans - Faults and Emergencies". The Emergency Procedure Manual be reviewed and updated and titled: "WWTP Contingency Manual" and be included in the SOP as an Appendix. The Emergency Procedure Manual -Chlorine be included in the SOP as an Appendix. A cross reference to Contingency Plans of the SOP should be inserted in the AMP. The SOP should contain a list the contact details of local services and local trade companies who may be required to assist, including Police, Ambulance, Fire Service, Power Authority, Telstra, Emergency Services, Local Trade companies contracted to provide plumbing, mechanical and electrical services. CKB should ensure written contingency plans for the treated effluent disposal scheme are prepared and implemented. Implement a procedure for periodic desktop team testing of contingency plans and amendment if necessary.

*In progress*

R12/2017 - Financial Planning: CKB completes development of the rolling ten years' financial plan as a matter of urgency and that the plan includes both expenditure and income from the recycled water system. CKB considers increasing the sewerage reserve fund to a more robust balance.

*Resolved*

R13/2017 - Capital Expenditure Planning: CAPEX estimates should be completed as a matter of urgency. CAPEX estimates should include expenditure on the treated effluent disposal scheme.

*Resolved*

R14/2017 - Review of Asset Management System: Reviews should be made to the SOP in addition the AMP. The abbreviations WCC and SAW should be clarified. The review and update referred to in the Executive Summary of the AMP should be amended to read "reviewed and updated annually". The risk

analysis be reviewed and updated as for the AMP and SOP. As for Recommendation 10/2017, Risk Management Plans should either be prepared, or reference to such plans be deleted from the documentation. Reviews should be undertaken in accordance with the documentation and timing recommended above.

*In progress*

The recommendations from this current review are provided in the following table.

Reference (no./year)	Asset Management System Component	Issue	Auditor's recommendation
R1/2019	<i>Asset Planning</i>	The AMP does not include forecasts for the anticipated increase in demand for CKB's non-potable water supply service.	We recommend that CKB considers these items in the final AMP that is due to be completed by 30 June 2019.
R2/2019	<i>Asset Planning</i>	The AMP does not include asset age profiles, asset condition profiles or any plans of the assets.	We recommend that CKB considers these for the final AMP that is due to be completed by 30 June 2019.
R3/2019	<i>Asset Planning</i>	Critical assets listed in the AMP only include the wastewater assets and do not include any of the non-potable water assets.	We recommend that CKB reviews its non-potable water assets to consider the criticality of the assets and includes these items in the final AMP that is due to be completed by 30 June 2019.
R4/2019	<i>Asset Planning</i>	CKB's operations and maintenance expenditure out to 2037 included in the AMP shows expenditure as being relative stable across the period. However, no detail as to inclusions in the expenditure have been listed. The capital works that CKB is currently planning would expect to have an impact on the forecast operations and maintenance budget estimates.	We recommend that CKB provides additional clarification for the projected operations and maintenance expenditure in the AMP as no detail as to inclusions/exclusions (e.g. non-infrastructure) have been provided.
R5/2019	<i>Asset Planning</i>	We note that the graph of expenditure in the AMP does not appear to align with CKB's capital works program out to 2023/24 that has been endorsed by Council.	We recommend that CKB addresses these issues in the preparation of the final AMP due for completion by 30 June 2019.
R6/2019	<i>Asset Acquisition</i>	We note that the Water Services Code of Conduct (Customer Service Standards) is not referenced in the legislation included in the AMP. Although the Code of Conduct is specifically included in the list of "State and Federal Government Acts & Regulations" contained in the Waste and Compliance Services SOP Manual, the reference is for the 2013 version of the Code.	We recommend that CKB adds the Code of Conduct to the list of legislation in the AMP and updates the reference in the SOP Manual to the most recent 2018 version.
R7/2019	<i>Asset Operations</i>	Although CKB was using RAMM as its operational asset register, it was decided to not continue to use the system for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on	We recommend that CKB develops a Roadmap/Action Plan to assist it in making a decision on its AMS. This document should set out the requirements that CKB requires for its AMS, with timelines to complete research for potential options and costs and undertake implementation. The options

Reference (no./year)	Asset Management System Component	Issue	Auditor's recommendation
		a more suitable software over the next few years.	analysis should also include maintaining the current Excel-based system.
R8/2019	<i>Asset Maintenance</i>	We note that although the Treated Wastewater for Reuse SOP references "contingency measures, no details are provided as to what measures are available or need to be taken.	We recommend that additional details be included in the SOP to address these issues.
R9/2019	<i>Risk Management</i>	CKB is still drafting the Risk Management section to be finalised by 30 June 2019. We note that at present no risk evaluation is included in the AMP for the treated effluent distribution system.	We recommend that CKB reviews and updates its risk assessment against the licence obligations and requirements to ensure that all potential risk hazards and events have been considered and addressed.
R10/2019	<i>Financial Planning</i>	The financial plan include in the AMP does not provides projections of operating statements (profit and loss) and statement of financial position (balance sheets. Additionally, the financial plan does not provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	We recommend that CKB addresses these omissions when completing the AMP. The document is due to be completed by 30 June 2019.

### Asset Management System Review – Control Environment

We consider that CKB has adequate controls in place for its asset management functions that are appropriate to the nature and scale of its activities.

### Asset Management System Review - Overall Effectiveness

A summary of our assessment of the effectiveness of CKB's Asset Management System is provided in Section 4.3.

We consider that CKB's asset management system is adequate given the number and type of its assets.

CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project during the review period. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and was considered to not be the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. CKB has not yet budgeted for a new AMS as it is looking to recruit a Senior Asset Officer and have them contribute to the associated decision-making processes. In the interim, it has reverted to the previous Excel-based AMS that it previously used. The AMS is simplistic but meets the minimum requirements as an asset management system for CKB's purposes.

Although CKB's Asset Management Plan (AMP) generally covers the key requirements, the document is still being developed to meet an expected deadline of 30 June 2019. As a result, there is still considerable work to bring the document up to the required standard. A considerable number of recommendations from the last audit are dependent on the AMP being finalised and we have also made some additional recommendations for the AMP.

As a result, the majority of the overall 12 asset management elements have been rated to reflect the work that CKB needs to complete.

## Table of Contents

1	Introduction	1
1.1	The City of Kalgoorlie-Boulder	1
1.2	Asset Management Review and Operational Audit	1
1.3	Purpose of this report	1
2	Audit/Review Scope	3
2.1	Audit/Review Objectives	3
2.2	Scope of Works	3
2.3	Methodology and Approach	4
2.4	Time Period Covered by the Audit/Review	12
2.5	Time Period of the Audit/Review Process	12
2.6	Details of the Licensee Representatives Participating in the Audit/Review	12
2.7	Details of Key Documents and Other Information Sources	12
2.8	Details of Auditors Participating in the Audit/Review and Hours Utilised	14
3	Licensee's Response to Previous Audit and Review Recommendations	15
3.1	Previous Audit Non-Compliances and Recommendations	15
3.2	Previous Review Ineffective Components and Recommendations	30
4	Performance Summary	47
4.1	Assessment Rating Scales	47
4.2	Performance Audit Compliance Summary	49
4.3	Asset Management Review Effectiveness Summary	56
5	Observations and Recommendations	61
5.1	Performance Audit	61
5.2	Asset Management System Review	127
6	Recommendations	156
6.1	Performance Audit	156
6.2	Asset Management Review	165
7	Confirmation of the Audit/Review	181

## Appendices

**Appendix A** Risk Management Framework

**Appendix B** Asset Management Performance Rating Definitions

## Tables

Table 2-1	Excluded conditions	3
Table 2-2	Licence Audit Methodology	6
Table 2-3	Asset Management Review Methodology	8
Table 2-4	Details of Licensee Representatives	12

Table 2-5	Details of Audit / Review Team Members	14
Table 3-1	Previous Audit Non-compliances and Recommendations	15
Table 3-2	Previous Review Ineffective Components and Recommendations	30
Table 4-1	Audit Compliance and Controls Rating Scales	47
Table 4-2	Asset Management Process and Policy Definition Adequacy Rating	47
Table 4-3	Asset Management Performance Ratings	48
Table 4-4	Audit Obligation Ratings	49
Table 4-5	Asset Management Review Effectiveness Summary	56
Table 5-1	Performance Audit Observations	61
Table 5-2	Asset Management System Review Observations	127
Table 6-1	Table of Current Non Audit Compliances and Recommendations	156
Table 6-2	Table of Current Review Asset System Deficiencies/Recommendations	165



# 1 Introduction

---

## 1.1 The City of Kalgoorlie-Boulder

CKB is located approximately 600 kilometres from Perth and has a population of around 30,000 people. CKB operates a sewerage service to an estimated 14,000 connected properties and a non-potable water supply a small number of large commercial customers and to themselves for irrigation. CKB operates its sewerage and non-potable water services in accordance with an operating licence issued by the ERA.

The sewerage network consists of approximately 197 kilometres of sewer pipe, the 8 ML/d IDEA South Boulder wastewater treatment plant, sludge and holding lagoons, balance ponds, pump stations, and ancillary infrastructure, such as flow meters and pipe networks.

## 1.2 Asset Management Review and Operational Audit

The ERA is responsible for regulating the economic framework for water in Western Australia. Its primary objective is to ensure the provision of a competitive and fair environment, particularly where businesses operate as natural monopolies.

The ERA administers the licencing scheme for water licences under the *Water Services Act 2012* (the Act). Under the Act, licensees are obliged to provide an operational audit and asset management system review once every 24 months (or as otherwise required). The audit and review are to be undertaken by an independent expert. The ERA has responsibility for engaging an independent expert to undertake the audits and reviews.

Section 24 of the Act requires the licensees to have an Asset Management System in place that is independently reviewed. The ERA has published The Audit and Review Guidelines: Water Licences to inform independent experts on the requirements for undertaking Audits and Reviews. The audit and review has been conducted in accordance with the version of the Guidelines that was published on 21 July 2014. The most recent version of the Guidelines was issued on 1 March 2019. The Guidelines set out the standard process for conducting audits and reviews, the scope of the audits and reviews, and the criteria for determining the effectiveness (or otherwise) of the asset management system. The previous review was completed in 2017.

Section 25 of the Act requires the licensee to provide the ERA with an independent operational audit per The Audit and Review Guidelines. The previous audit was completed in conjunction with the previous review in 2017.

## 1.3 Purpose of this report

As a condition of the licences, licensees are required to conduct a performance audit and asset management review that assesses the performance of the licensee against its obligations under the licences.

The purpose of the performance audit was to assess the effectiveness of measures taken by the licensee to meet the conditions referred to in the licence including the legislative obligations called up by the licence. The scope of the audit report includes assessing the adequacy and effectiveness of performance against the requirements of the licensee by considering:

- > process compliance
- > outcome compliance
- > output compliance
- > integrity of reporting
- > compliance with any individual license conditions.

The asset management system reviews covers:

- > a description of the audit or review objectives and the methodology used to conduct the audit or review
- > the interval of time covered by the audit or review and the previous audit or review, if applicable
- > the period over which the audit or review has been performed

- > details of the licensee's representatives participating in the audit or review
- > details of key documents and other information sources examined by the auditor during the course of the audit or review
- > details of the audit or review team members and hours utilised by each member
- > any other information the auditor considers relevant to the audit or review scope of work.

CKB's licence is WL4. Version 6 of WL4 is the current license and was issued on 1 July 2016. The last audit of the operating licence and review of the asset management system for CKB covered the period from 1 January 2015 to 31 December 2016. The report was finalised in May 2017.

In accordance with the conditions set by the ERA, an audit that covers the period from 1 January 2017 to 31 December 2018 is required to be prepared and submitted to the ERA by 31 March 2019.

## 2 Audit/Review Scope

### 2.1 Audit/Review Objectives

The objectives of this audit were to:

1. Provide to the Authority an independent assessment of CKB's compliance with all of the relevant obligations under the licences
2. Provide to the Authority an independent assessment of the effectiveness of CKB's asset management system in relation to WL4
3. Provide recommendations to address noncompliance.

### 2.2 Scope of Works

The audit encompassed an assessment of the following four key areas using a risk based approach (to ISO 31000:2018):

- > Process compliance: assessment of the effectiveness of systems and procedures
- > Outcome compliance: assessment of actual performance against the prescribed licence standards
- > Output compliance: assessment of records to indicate procedures are followed and controls are maintained
- > Integrity of reporting: assessment of the completeness and accuracy of the compliance and performance reports

The scope of works of this audit included:

- > Interviews with key staff members from CKB to:
  - Assess findings from the last audit and review the actions taken to address the recommendations from the previous audit / review
  - Assess performance against licence conditions for WL4
  - Assess performance against each asset management process for WL4
- > Reviews of documents, procedures and policy manuals in relation to financial management and planning, service performance standards, asset management, operations and maintenance functions and reporting
- > Testing and assessment to determine whether the procedures and policies are followed and determine its effectiveness
- > Preparation of an audit report in accordance with the format outlined in the ERA Audit and Review Guidelines: Water Licences (July 2014).

#### 2.2.1 Performance Audit Excluded Conditions

Some of the reporting obligations for sewerage services and water supply have been excluded from the audit because they are not applicable to CKB. These are detailed in Table 2-1.

Table 2-1 Excluded conditions

2018 Compliance manual reference	Reference	Reason for exclusion
1	Water Services Act	Only applies to water supply corporations
10	Water Services Act	There is not currently a code of practice
14	Water Services Act	CKB is not a supplier of last resort
21, 22	Water Services Act	CKB water supply is intermittent
23	Water Services Act	CKB does not provide water for fire services
65-68	Water Services Regulations 2013	CKB does not meter its sewerage and recycled water supply

2018 Compliance manual reference	Reference	Reason for exclusion
127	Water Services Code of Conduct (Customer Service Standards) 2018	The grant of the license (1996) occurred more than six months before period being reviewed for this audit
161	Water Services Act Section 12	There are no individual performance standards prescribed by the ERA for CKB
181	Water Services Act Section 12	CKB is not the supplier of last resort
190	Water Services Act Section 12	CKB'S license does not have any performance standards set out in Schedule 2

### 2.2.2 Asset Management System Review

The review of CKB's asset management system for WL4 covered the following asset management elements:

- > Asset planning
- > Asset creation and acquisition
- > Asset disposal
- > Environmental analysis
- > Asset operations
- > Asset maintenance
- > Asset management information system
- > Risk management
- > Contingency planning
- > Financial planning
- > Capital expenditure planning
- > Review of AMS

## 2.3 Methodology and Approach

The audit was undertaken in accordance with ASAE3000. Our approach to the reporting work was to work closely with the licensee so that comments and challenges could be responded to and addressed before the audit report was finalised. The key areas of our approach included:

- > A start-up discussion (by telephone) with CKB to:
  - Discuss the main issues to be addressed at audit
  - Identify any issues from the previous audit
  - Identify any new issues arising from changes to the Licence or operating environment requirements
  - Discuss the audit plan.
- > Preparation of a draft audit plan for comment by the licensee. The audit plan identified the number and location of audits, the information to be addressed and the auditor responsible.
- > Submission of the draft audit plan to the ERA for approval
- > A start-up meeting on-site at the beginning of our audit work
- > On site audit work comprising:
  - Face-to-face interviews with business staff responsible for the audit area
  - Demonstration of key systems
  - Sample testing for outcome compliance (assessing sample of documents to confirm procedures / policies are followed and implemented)
  - Review of any non-compliances and assess if any corrective action was undertaken and its effectiveness

- Controls assessment on obligations that are found to be non-compliant
- Site visit to Kalgoorlie In February 2019 to meet with the contractor responsible for operating and maintaining CKB's infrastructure.
- > Preliminary audit feedback at the audit close-out meeting
- > Preparation of a draft report for CKB's review and comment;
- > Preparation of a final report for submission to the ERA.

Our methodology for completing this audit assignment was based on:

- > A risk assessment that determined the priority of each audit area, using the risk management framework in Appendix A.
- > Our understanding of the licensee's business
- > The experience of our audit team in undertaking regulatory audits which has been gained in several jurisdictions in Australia and in the United Kingdom
- > The outcome of the previous audit completed of CKB

Our audit methodology, including the key documents required to be reviewed and the supporting systems that we would like to see demonstrated, is detailed in Table 2-2 and Table 2-3.

Table 2-2 Licence Audit Methodology

Audit Area	Priority	Approach	Systems	Key Documents
<b>Licence Audit</b>				
Clause 2.7 Notices	5	<ul style="list-style-type: none"> <li>Confirm all notices are issued in writing</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Issued notices</li> </ul>
Clause 2.8 Publishing Information	5	<ul style="list-style-type: none"> <li>Check if any requests have been issued by the Authority to publish any information relating to the performance of the Licensee and correlating response</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Letters of notification / requests from the Authority</li> <li>Response to the Authority</li> </ul>
Clause 2.9 Review of the Authority's Decisions	5	<ul style="list-style-type: none"> <li>Confirm if any requests of a reviewable decision has been issued to the Authority and correlating response</li> </ul>		<ul style="list-style-type: none"> <li>Requests for review of decision (Correspondence)</li> </ul>
Clause 3.1 Compliance	Various	<ul style="list-style-type: none"> <li>Review legislative requirements and confirm compliance                             <ul style="list-style-type: none"> <li>Water Services Act 2012</li> <li>Water Services Regulations 2013</li> <li>Code of Conduct</li> </ul> </li> <li>Identify any corrective action applied to correct / prevent breaches of compliance</li> </ul>		<ul style="list-style-type: none"> <li>Performance standards</li> <li>Compliance Summary Reports (record of breaches)</li> </ul>
Clause 3.2 Fees	5	<ul style="list-style-type: none"> <li>Review invoices from Authority and receipts of payment</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> <li>Finance system</li> </ul>	<ul style="list-style-type: none"> <li>Invoices and receipts</li> </ul>
Clause 3.3 Provision of water services	Various	<ul style="list-style-type: none"> <li>Confirm the provision of services complies with those set out in the operating licence</li> </ul>		<ul style="list-style-type: none"> <li>Current plan of operating area</li> <li>Customer contracts in place for the provision of water services</li> </ul>
Clause 3.4 Provision of water services outside operating area	3	<ul style="list-style-type: none"> <li>Check whether the licensee provides water services outside its designated operating area.</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> <li>Current plans of operating area and map of licenced operating area</li> </ul>
Clause 3.5 Works holding arrangements	2	<ul style="list-style-type: none"> <li>Check whether any water service works that are not held by or for the licensee are covered by a Works Holding Arrangement agreement</li> </ul>		<ul style="list-style-type: none"> <li>Works Holding Arrangements</li> </ul>
Clause 3.6 Accounting Records	2	<ul style="list-style-type: none"> <li>Check that 2016/17 and 2017/18 financial statements are signed off as being to appropriate standards</li> </ul>	<ul style="list-style-type: none"> <li>Finance system</li> </ul>	<ul style="list-style-type: none"> <li>2016/17 Financial statement</li> <li>2017/18 Financial statement</li> </ul>
Clause 3.7 Reporting change in circumstances	4	<ul style="list-style-type: none"> <li>Review any correspondence with the Authority</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> </ul>
Clause 3.8 Provision of Information	Various	<ul style="list-style-type: none"> <li>Confirm that the licensee has provided the Authority with data required for performance monitoring purposes as set out in the Compliance Reporting Manual.</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Annual compliance reports</li> <li>Correspondence register</li> </ul>



Audit Area	Priority	Approach	Systems	Key Documents
Clause 4.1 Asset management system	Various	<ul style="list-style-type: none"> <li>Confirm that an asset management system is in place (where a system is comprised of appropriate policy and planning documents, staff and supporting systems)</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise Asset Management System</li> <li>Computerised Maintenance Management System</li> <li>Document management system</li> </ul>	<ul style="list-style-type: none"> <li>Asset Management Policies</li> <li>Asset Management Plans</li> <li>Asset Management Systems and Procedures Manual</li> <li>Asset Register</li> </ul>
Clause 4.2 Individual Performance Standards	NA	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>		
Clause 4.3 Operational audit	Various	<ul style="list-style-type: none"> <li>Confirm that the asset management policies and procedures meet legislative requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Document management system</li> </ul>	<ul style="list-style-type: none"> <li>Previous audit</li> <li>Post-audit implementation plan</li> </ul>
Clause 5.1 Customer Contracts	3	<ul style="list-style-type: none"> <li>Check whether the Authority has asked for and approved a customer contract during the audit period.</li> <li>Confirm that the contracts comply with the Customer Contract Guidelines</li> <li>Check whether there have been any amendments to the customer contracts during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> <li>Document management system</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> <li>Examples of customer contracts</li> </ul>
Clause 5.3 Non Standard terms	3	<ul style="list-style-type: none"> <li>Assess whether the licensee has agreements with customers that include non-standard terms and conditions</li> <li>If applicable, confirm that the non-standard terms and conditions have been approved by the Authority</li> <li>If applicable, confirm annual reports of agreements containing non-standard terms and conditions have been published and comply with the operating licence requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> <li>Document management system</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> <li>Examples of agreements with non-standard terms &amp; conditions (if applicable)</li> <li>Annual reports of non-standard terms &amp; conditions agreements</li> </ul>
Clause 5.4 Hardship policy	3	<ul style="list-style-type: none"> <li>Confirm Hardship policy in place</li> </ul>	<ul style="list-style-type: none"> <li>Document management system</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence between licensee and ERA</li> <li>Hardship Policy</li> </ul>
Clause 5.5 Scheme	Various	<ul style="list-style-type: none"> <li>Confirm whether the licensee is a member of a scheme and assess compliance</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence register</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> <li>Correspondence with Ombudsman</li> </ul>
Clause 5.6 Supplier of Last Resort	NA	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>		
Clause 6.1 Health	NA	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>		

Table 2-3 Asset Management Review Methodology

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
<b>Asset Management Review</b>				
Asset planning	<ul style="list-style-type: none"> <li>Asset management plan covers key requirements</li> <li>Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning</li> <li>Service levels are defined</li> <li>Non-asset options (e.g. demand management) are considered</li> <li>Lifecycle costs of owning and operating assets are assessed</li> <li>Funding options are evaluated</li> <li>Costs are justified and cost drivers identified</li> <li>Likelihood and consequences of asset failure are predicted</li> <li>Plans are regularly reviewed and updated</li> </ul>	<ul style="list-style-type: none"> <li>Review and assess the adequacy of asset planning processes</li> <li>Review and assess adequacy of asset management plans</li> <li>Assess if asset management plans are up to date</li> <li>Assess implementation of asset management plans (status)</li> <li>Assess whether the asset management plan clearly assigns responsibilities and if these have been applied in practice</li> </ul>	<ul style="list-style-type: none"> <li>GIS</li> <li>Asset database / information system</li> </ul>	<ul style="list-style-type: none"> <li>Overview of planning approach</li> <li>Population projections</li> <li>Infrastructure Planning Reports</li> <li>Example planning reports</li> <li>Review of asset management plans</li> <li>Service level agreements</li> </ul>
Asset creation and acquisition	<ul style="list-style-type: none"> <li>Full project evaluations are undertaken for new assets</li> <li>Evaluations include all life-cycle costs</li> <li>Projects reflect sound engineering and business decisions</li> <li>Commissioning tests are documented and completed</li> <li>Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy of policies and procedures in relation to asset creation and acquisition</li> <li>Review examples of creations / acquisitions to check if policies and procedures were followed and check costs against estimates</li> </ul>	<ul style="list-style-type: none"> <li>Asset database / information system</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures for asset creating and acquisition. Accounting and engineering</li> </ul>
Asset disposal	<ul style="list-style-type: none"> <li>Under-utilised and under-performing assets are identified as part of a regular systematic review process</li> <li>The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken</li> <li>Disposal alternatives are evaluated</li> <li>There is a replacement strategy for assets</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy of policies and procedures in relation to asset disposal, asset replacement, identification of under-performing assets</li> <li>Determine if a review on the usefulness of assets are undertaken</li> <li>Review examples to check that policies and procedures are being followed</li> </ul>	<ul style="list-style-type: none"> <li>Asset database / information system</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures for asset disposal. Accounting and engineering</li> </ul>

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
Environmental analysis	<ul style="list-style-type: none"> <li>Opportunities and threats in the system environment are assessed</li> <li>Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved</li> <li>Compliance with statutory and regulatory requirements</li> <li>Achievement of customer service levels</li> </ul>	<ul style="list-style-type: none"> <li>Review performance and service standards over audit period</li> <li>Review performance / identify any breaches and non-compliances and corrective action taken</li> <li>Review adequacy of reporting and monitoring tools</li> </ul>		<ul style="list-style-type: none"> <li>Policies and procedures</li> <li>Planning reports</li> <li>Customer service</li> <li>Compliance reports</li> <li>Strategic plans (if appropriate)</li> </ul>
Asset operations	<ul style="list-style-type: none"> <li>Operational policies and procedures are documented and linked to service levels required</li> <li>Risk management is applied to prioritise operations tasks</li> <li>Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data</li> <li>Operational costs are measured and monitored</li> <li>Staff resources are adequate and staff receive training commensurate with their responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy of policies and procedures in relation to asset operations</li> <li>Review staff skills / training and resources available</li> <li>Check that operations procedures are being followed including testing of the asset register, observation of operational procedures and analysis of costs</li> <li>Identify any operational events and corrective actions</li> </ul>	<ul style="list-style-type: none"> <li>Asset information system</li> <li>SCADA</li> </ul>	<ul style="list-style-type: none"> <li>Asset register</li> <li>Operations procedures</li> <li>Operational costs</li> <li>Daily / weekly / monthly checksheets</li> <li>Staff skills / resourcing structure</li> </ul>
Asset maintenance	<ul style="list-style-type: none"> <li>Maintenance policies and procedures are documented and linked to service levels required</li> <li>Regular inspections are undertaken of asset performance and condition</li> <li>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule</li> <li>Failures are analysed and operational / maintenance plans adjusted where necessary</li> <li>Risk management is applied to prioritise maintenance tasks</li> <li>Maintenance costs are measured and monitored</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy of policies and procedures in relation to asset maintenance / maintenance functions</li> <li>Check that policies and procedures have been followed including testing of maintenance schedules, analysis of costs,</li> <li>Review maintenance schedules / plans</li> <li>Identify any maintenance events and corrective actions</li> </ul>	<ul style="list-style-type: none"> <li>Asset information system</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance procedures and schedules</li> <li>Record of maintenance</li> <li>Maintenance costs</li> </ul>

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
Asset Management Information System	<ul style="list-style-type: none"> <li>Adequate system documentation for users and IT operators</li> <li>Input controls include appropriate verification and validation of data entered into the system</li> <li>Logical security access controls appear adequate, such as passwords</li> <li>Physical security access controls appear adequate</li> <li>Data backup procedures appear adequate and backups are tested</li> <li>Key computations related to licensee performance reporting are materially accurate</li> <li>Management reports appear adequate for the licensee to monitor licence obligations</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy of asset information system:</li> <li>Asset coverage</li> <li>Functionality</li> <li>Data coverage</li> <li>Security</li> <li>User functionality granted is appropriate</li> <li>Review outputs / reports generated by systems and assess suitability for reporting against performance standards / licence obligations</li> </ul>	<ul style="list-style-type: none"> <li>Asset Management Information system</li> </ul>	<ul style="list-style-type: none"> <li>AMIS manual</li> <li>AMIS data coverage and quality report</li> <li>Asset reports</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system</li> <li>Risks are documented in a risk register and treatment plans are actioned and monitored</li> <li>The probability and consequence of risk failure are regularly assessed</li> </ul>	<ul style="list-style-type: none"> <li>Review risk assessment coverage</li> <li>Review sample of risk mitigation to check policies and procedures are followed</li> <li>Assess staff understanding of risk management and adequacy of risk management training for staff</li> </ul>		<ul style="list-style-type: none"> <li>Corporate Risk management framework</li> <li>Risk assessment</li> </ul>
Contingency planning	<ul style="list-style-type: none"> <li>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy / relevance and currency of contingency plans</li> <li>Review if plans have been tested and report on findings</li> <li>Identify any improvements that have been actioned as a result of testing of the contingency plans</li> </ul>		<ul style="list-style-type: none"> <li>Contingency plans</li> </ul>
Financial planning	<ul style="list-style-type: none"> <li>The financial plan states the financial objectives and strategies and actions to achieve the objectives</li> <li>The financial plan identifies the source of funds for capital expenditure and recurrent costs</li> <li>The financial plan provides projections of operating statements (profit and loss) and</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy and effectiveness of financial planning and reporting processes</li> <li>Review current financial plan and assess whether the process is being followed</li> </ul>		<ul style="list-style-type: none"> <li>Financial Plan</li> </ul>

Review Area	Effectiveness Criteria	Approach	Systems	Key Documents
	<p>statement of financial position (balance sheets)</p> <ul style="list-style-type: none"> <li>The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period</li> <li>The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services</li> <li>Significant variances in actual / budget income and expenses are identified and corrective action taken where necessary</li> </ul>			
Capital expenditure planning	<ul style="list-style-type: none"> <li>There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates</li> <li>The plan provides reasons for capital expenditure and timing of expenditure</li> <li>The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</li> <li>There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned</li> </ul>	<ul style="list-style-type: none"> <li>Review adequacy and effectiveness of capital planning processes through examination of application of process and example documents</li> </ul>	<ul style="list-style-type: none"> <li>Spreadsheets for capital planning and prioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Capital expenditure planning process outline</li> <li>Value engineering documents</li> <li>Risk management applied to investment planning</li> <li>Program management documents</li> <li>Review of capex estimate v outturn</li> </ul>
Review of AMS	<ul style="list-style-type: none"> <li>A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current</li> <li>Independent reviews (e.g., internal audit) are performed of the asset management system</li> </ul>	<ul style="list-style-type: none"> <li>Determine when the asset management plan was last updated and assess whether any significant changes have occurred</li> <li>Determine whether any independent reviews have been performed. If so, review results and action taken</li> <li>Consider the need to update the asset management plan based on the results of this review</li> <li>Determine when the AMS was last reviewed.</li> </ul>		<ul style="list-style-type: none"> <li>Asset management plans</li> </ul>

## 2.4 Time Period Covered by the Audit/Review

This audit covers the period from 1 January 2017 to 31 December 2018.

## 2.5 Time Period of the Audit/Review Process

The audit/review commenced in December 2018 with preparation of the draft Audit Plan. Interviews with CKB staff were carried out on 11 - 13 February 2019 at CKB's office in Kalgoorlie, WA.

## 2.6 Details of the Licensee Representatives Participating in the Audit/Review

Details of representatives from CKB who participated in the audit and review process are provided in Table 2-4.

Table 2-4 Details of Licensee Representatives

Name	Organisation	Role
Shamiso Chadyiwa	City of Kalgoorlie-Boulder	Waste and Compliance Coordinator
Stuart Devenish	City of Kalgoorlie-Boulder	General Manager Infrastructure and Environment
George Workman	City of Kalgoorlie-Boulder	Manager Infrastructure Services
Emil Saule	City of Kalgoorlie-Boulder	Waste Service Officer
Lui Camporeale	City of Kalgoorlie-Boulder	Head of City Presentation and Open Space
Ric Halse	City of Kalgoorlie-Boulder	Manager planning, development & regulatory
Chandana Gedara	City of Kalgoorlie-Boulder	Asset Officer
Jodie Hall	City of Kalgoorlie-Boulder	Management Accountant

## 2.7 Details of Key Documents and Other Information Sources

- > City of Kalgoorlie-Boulder Town Planning Scheme No. 01, 1997 (as amended 2010)
- > CKB Kalgoorlie-Boulder Growth Plan
- > CKB Corporate Business Plan 2017 – 2021
- > CKB Strategic Community Plan 2015 – 2025
- > CKB Long Term Financial Plan 2017 - 2027
- > CKB Water Utility Services Plan, January 2019
- > CKB Annual Reports 2016/17, 2017/18
- > City of Kalgoorlie-Boulder Customer Service Charter, March 2011
- > CKB Wastewater & Treated Wastewater – Asset Management Plan – Version 3 – October 2018
- > CKB Recycled Water Quality Management Plan
- > Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017
- > Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017
- > CKB Asset Management Policy (CORP-AP-003)
- > CKB Accounting Policy (Corp-F-004)
- > CKB Asset Disposal Policy (CORP-AP-002)
- > CKB Purchasing Policy (CORP-AP-001)
- > South Boulder WWTP DER licence (June 2016)
- > WWTP Operations Manual
- > Process Optimisation and Descriptions Manual
- > CKB WWTP SCADA



- > CKB's On Call Procedures
- > SCADA Manual
- > Chlorine Emergency Response Plan
- > CKB Emergency Management Arrangements
- > CKB Emergency Risk Strategies
- > Critical Incident Response Plan
- > CKB Blockage Database
- > CKB Complaints Database
- > CKB water quality database
- > CKB AMIS
- > RAMM Asset Management System
- > Synergy Soft
- > EMC Core
- > IntraMaps
- > Examples of monthly budget reports
- > Water quality test reports
- > Annual Reports to DER 2016, 2017
- > CKB Compliance Report to ERA 2016/17, 2017/18
- > CKB Water Licence Performance Report 2016/17, 2017/18

## 2.8 Details of Auditors Participating in the Audit/Review and Hours Utilised

The audit/review team comprised three staff members from Cardno.

Details of their roles and hours utilised in the audit/review process are provided in the table below.

Table 2-5 Details of Audit / Review Team Members

Name	Organisation	Role	Summary of Task	Hours Utilised
Justin Edwards	Cardno	Auditor/Reviewer	<ul style="list-style-type: none"><li>▪ Audit preparation</li><li>▪ Audit/Review</li><li>▪ Preparation of Report</li></ul>	240
Patrick Lamb	Cardno	Project Manager	<ul style="list-style-type: none"><li>▪ Project Management</li><li>▪ Audit/Review Plan</li></ul>	42
Stephen Walker	Cardno	Reviewer	<ul style="list-style-type: none"><li>▪ Report review</li></ul>	6

### 3 Licensee's Response to Previous Audit and Review Recommendations

In the previous operating licence audit and asset management review, a series of actions were recommended or suggested to improve the existing controls.

#### 3.1 Previous Audit Non-Compliances and Recommendations

Details of the actions completed by the CKB against each of the previous operational licence audit non-compliance and recommendations are presented in Table 3-1.

Table 3-1 Previous Audit Non-compliances and Recommendations

A. Resolved before end of previous audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
2015 Operational Audit				
77 (A36/2015)	1D LO: Reg: 65(2) and WSOL-Version 5: 5.1 <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(2) of the Regulations</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(2) of the Regulations.</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>CKB has stated that no changes were made to their financial procedure documents to incorporate the stipulations of either the:               <ul style="list-style-type: none"> <li>Water Services Act 2012;</li> <li>Water Services Regulations 2013;</li> <li>Water Services Code of Conduct (Customer Service Standards) 2013; and</li> <li>WSOL-Version 5.</li> </ul> </li> </ul>			
78 (A37/2015)	NRD LO: Reg: 65(4) and WSOL - Version 5: 5.1  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 65(4) of the Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 65(4) of the Regulations.</li> </ul>	July 2017	No further action required
79 (A38/2015)	1D LO: Reg: 67 and WSOL -Version 5: 5.1  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in regulation 67 of the Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in regulation 67 of the Regulations.</li> </ul>	July 2017	No further action required
80,81,82,83, 84,85,86 & 87 (A39/2015)	NRD LO: Reg: 68(5), 68(6), 68(7), 68(8), 69(3), 70(2), 74(1), 74(2) and WSOL-Version 5: 5.1  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in the Regulations in respect of objections to records maintained under Regulation 65.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in the Regulations in respect of objections to records maintained under Regulation 65.</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
94 (A41/2015)	1D LO: Code of Conduct: 9 and WSOL - Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 9 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 9 of the Code of Conduct.</li> </ul>	July 2017	No further action required
107,108,109 & 110 (A44/2015)	NR D LO: Code of Conduct: 16(2), 16(3), 16(4), 16(5) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 16 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 16 of the Code of Conduct.</li> </ul>	July 2017	No further action required
111 & 112 (A45/2015)	NRD LO: Code of Conduct: 17(1), 17(2) and WSOL Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 17 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 17 of the Code of Conduct.</li> </ul>	July 2017	No further action required
113,114,115, 116 & 117 (4A6/2015)	<b>113 &amp; 117:</b> NRD LO: Code of Conduct: 18(1), 18(5) and WSOL Version 5: 5.3.  <b>114,115 &amp; 116:</b> 2D	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 18 of the Code of Conduct.</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<p>LO: Code of Conduct: 18(2), 18(3) and (6), 18(4) and WSOL-Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligations contained in clause 18 of the Code of Conduct.</li> </ul>			
115 (A47/2015)	<p>2D LO: Code of Conduct: 18(3) and (6) and WSOL Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon could not find any proper reference to the review procedure in either the Customer Service Charter, sample of rates notices examined or on the CKB's website.</li> </ul>	The review procedure should be disclosed on the CKB's website	July 2017	No further action required
118 (A48/2015)	<p>1D LO: Code of Conduct: 20 and WSOL - Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 20 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 20 of the Code of Conduct</li> </ul>	July 2017	No further action required
119 & 120 (A49/2015)	<p>1D LO: Code of Conduct: 21(1), 21(2) and WSOL - Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 21 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 21 of the Code of Conduct.</li> </ul>	July 2017	No further action required
122	<p>1D</p>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to</li> </ul>	July 2017	No further action required



B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
(A51/2015)	LO: Code of Conduct: 23(1) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 23(1) of the Code of Conduct.</li> </ul>	the compliance obligations stipulated in clause 23(1) of the Code of Conduct.		
123 (A52/2015)	NRD LO: Code of Conduct: 24 and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 24 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 24 of the Code of Conduct.</li> </ul>	July 2017	No further action required
128 (A54/2015)	2D LO: Code of Conduct: 26(5) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has confirmed that the Financial Hardship Policy is available on the CKB website. However, a specific search had to be undertaken to locate the document. Furthermore, the "search" results included a number of financial hardship documents</li> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 26(5) of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The Financial Hardship Policy should be readily available on the CKB website without having to conduct a specific search therefore.</li> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(5) of the Code of Conduct.</li> </ul>	July 2017	No further action required
129 (A55/2015)	NRD LO: Code of Conduct: 26(6) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 26(6) of the Code of Conduct</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	Audit purposes, to the obligation contained in clause 26(6) of the Code of Conduct.			
130 (A56/2015)	<b>1D</b> LO: Code of Conduct: 27(2) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(2) of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(2) of the Code of Conduct.</li> </ul>	July 2017	No further action required
131 (A57/2015)	<b>1D</b> LO: Code of Conduct: 27(3) and WSOL-Version 5: 5.3  <ul style="list-style-type: none"> <li>However, no reference is made (in the Financial Hardship Policy) to applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes</li> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 27(3) of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The Financial Hardship Policy should contain an appropriate reference to other financial assistance to which the customer may be entitled</li> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 27(3) of the Code of Conduct.</li> </ul>	July 2017	No further action required
132 & 133 (A58/2015)	<b>132:</b> NRD LO: Code of Conduct: 28(1), and WSOL-Version 5: 5.3.  <b>133:</b> 1D LO: Code of Conduct: 28(4) & 5 and WSOL - Version 5: 5.3	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 28 of the Code of Conduct.</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 28 of the Code of Conduct.</li> </ul>			
134 (A59/2015)	<p>NRD LO: Code of Conduct: 29 and WSOL - Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 29 of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 29 of the Code of Conduct.</li> </ul>	July 2017	No further action required
146 (A60/2015)	<p>2D LO: Code of Conduct: 35(2) and WSOL –Version 5: 5.3</p> <ul style="list-style-type: none"> <li>CKB has stated that it did develop its Complaints Handling Procedure without taking into account the relevant provisions of AS ISO 10002-2006.</li> </ul>	<ul style="list-style-type: none"> <li>CKB should ensure that its Complaints Handling Procedure complies with the relevant provisions of AS ISO 10002-2006 and the Authority's guidelines on a continuous basis.</li> </ul>	August 2017	No further action required
147 (A61/2015)	<p>1C LO: Code of Conduct: 35(3) and WSOL - Version 5: 5.3</p> <ul style="list-style-type: none"> <li>Paxon has noted that with one exception, CKB's Complaints Handling Procedure does deal appropriately with the matters specified in Clause 35(3) of the Code of Conduct. The Customer Complaint Procedure refers to: <ul style="list-style-type: none"> <li>"...try to resolve the issue within two (2) working days..."; and</li> <li>"...that a full response may be made within seven (7) days."</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The Complaints Handling Procedure should be appropriately changed to state that complaints should be resolved before the end of the period of 15 business days starting on the day the complaint was received.</li> </ul>	August 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
148 (A62/2015)	<p>2D LO: Code of Conduct: 35(4) and WSOL –Version 5: 5.3</p> <p>Paxon has noted that the Complaints Handling Procedure does refer to the "Ombudsman". However, it is stated as a "matter of fact" and does not refer to informing the customer about this right or the other information contained in clause 35(4) of the Code of Conduct.</p>	<ul style="list-style-type: none"> <li>The Complaints Handling Procedure should be updated to refer appropriately to the compliance obligations stipulated in clause 35(4) of the Code of Conduct in respect of informing complainants about complaint procedures.</li> </ul>	August 2017	No further action required
156 (A65/2015)	<p>2D LO: Act: 12 and WSOL -Version 5: 5.1</p> <ul style="list-style-type: none"> <li>Paxon has noted that the SOP Manual specifically lists "State and Federal Government Acts &amp; Regulations" which CKB needs to comply with.</li> <li>The Independent Auditor's Reports, as included in the City of Kalgoorlie-Boulder's Annual Reports for both the 2012 -2013 and the 2013 – 2014 financial year, refer to a number of instances where CKB did not comply with the Local Government Act 1995 and/or the Local Government (Financial Management) Regulations 1996 (as amended).</li> </ul>	<ul style="list-style-type: none"> <li>The mere listing of applicable legislation in the SOP Manual helps identify legislation to be complied with. However, CKB should follow a pro-active approach to ensure compliance with all compliance obligations that originate from its WSOL. This includes educating its personnel appropriately in respect of the contents of all such compliance obligations.</li> </ul>	August 2017	No further action required
166 (A68/2015)	<p>2D LO: Act: 12 and WSOL -Version 5: 16.2</p> <ul style="list-style-type: none"> <li>Paxon has noted that the annual Compliance Report for the year ended 30 June 2014 was submitted late. The Compliance Report which was due by 1 September 2014 was only received by the Authority on 22 December 2014. CKB could not provide any proof as to when the annual</li> </ul>	<p><b>Sewerage services:</b></p> <ul style="list-style-type: none"> <li>The CKB should ensure that: <ul style="list-style-type: none"> <li>All reports are submitted on time to the Authority; and</li> <li>Adequate records are maintained in respect of all communication with the Authority.</li> </ul> </li> </ul>	August 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	Compliance Report for the year ended 30 June 2013 was submitted to the Authority.			
183 (A73/2015)	1D LO: Act: 12 and WSOL -Version 5: 30.3  <ul style="list-style-type: none"> <li>Paxon has noted that no reference is made in the SOP Manual to the obligations contained in WSOL -Version 5 in respect of customer contracts.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 30.3 of WSOL -Version 5.</li> </ul>	August 2017	No further action required
2011- 2012	CR: 4 LO: Clause 2.1  <ul style="list-style-type: none"> <li>The map showing the City's operating area was updated in 2012. Correspondence dated 06/11/2012 from the Authority confirms the amendment to the licence to reflect the correct map reference.</li> </ul>	<ul style="list-style-type: none"> <li>At the next review and update of the Customer Service Charter, the references to the operating area (Section 1.3) should be updated to reflect the correct map reference.</li> </ul>	October 2017	No further action required
<b>2017 Operational Audit</b>				
100 (A1/2017)	3D LO: <i>Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clause 12(1) and WSOL-Version 6: 3.1</i>  <ul style="list-style-type: none"> <li>Paxon examined a sample of "Rate Notice Tax Invoices" and "Tax Invoices" issued after this date and is satisfied these invoices comply with clause 12(1) of the Code of Conduct except for the absence of the stipulated information included in clause 12(l)(i), (m), (o) and (p). The information not disclosed relates to:               <ul style="list-style-type: none"> <li>Concessions, discounts or rebates;</li> <li>Licensee's website address;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>"Rate Notice Tax Invoices" and "Tax Invoices" should include all the information stipulated in clause 12(1) of the Code of Conduct; and</li> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(1) of the Code of Conduct.</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>– Contact details for use by customers with a hearing or speech impairment; and</li> <li>– Reference to the CKB website for information about estimates, meter reading and testing, complaints and review.</li> <li>– Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(1) of the Code of Conduct.</li> </ul>			
101 (A2/2017)	<p>3D LO: clause 12(2) and WSOL-Version 6: 3.1</p> <ul style="list-style-type: none"> <li>▪ Paxon examined a sample of "Tax Invoices" issued after this date and is satisfied these invoices comply with clause 12(2) of the Code of Conduct except for the absence of the stipulated information included in clause 12(2)(c), (d) and (g). The information not disclosed relates to: <ul style="list-style-type: none"> <li>– Number of days to which the bill applies;</li> <li>– Two most recent meter reading dates or estimate dates; and</li> <li>– Consumption comparison with previous water usage.</li> </ul> </li> <li>– Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(2) of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>▪ "Tax Invoices" should include all the information stipulated in clause 12(2) of the Code of Conduct; and</li> <li>▪ The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(2) of the Code of Conduct.</li> </ul>	July 2017	No further action required
102 (A3/2017)	<p>3D LO: clause 12(3) and WSOL-Version 6: 3.1</p>	<ul style="list-style-type: none"> <li>▪ "Rate Notice Tax Invoices" and "Tax Invoices" should include all the information stipulated in clause 12(3) of the Code of Conduct; and</li> </ul>	July 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>CKB has stated no information is disclosed on the back of "Tax Invoices".</li> <li>Paxon examined a sample of "Rate Notice Tax Invoices" and "Tax Invoices" issued after this date and found these documents do not comply with the stipulations of clause 12(3) of the Code of Conduct.</li> <li>Paxon has noted no direct reference is made in the financial procedures documents, as presented for Audit purposes, to the obligation contained in clause 12(3) of the Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>The financial procedures documents should be updated to refer appropriately to the compliance obligations stipulated in clause 12(3) of the Code of Conduct.</li> </ul>		
119 (A4/2017)	<p>4D LO: clause 21(1) and WSOL-Version 6: 3.1</p> <ul style="list-style-type: none"> <li>Paxon examined a sample of "Rate Notice Tax Invoices" and "Tax Invoices" issued during the Audit Period. Our findings were as follows: <ul style="list-style-type: none"> <li>"Rate Notice Tax Invoices" - did not refer to the Centerpay facility (clause 21(l)(b)); and</li> <li>"Tax Invoices" - only referred to "BPay" and Post Billpay".</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>"Rate Notice Tax Invoices" and "Tax Invoices" should disclose all the payment methods included in clause 21(1) of the Code of Conduct.</li> </ul>	July 2017	No further action required
120 (A5/2017)	<p>3D LO: clause 21(2) and WSOL-Version 6: 3.1.1</p> <ul style="list-style-type: none"> <li>Paxon has noted neither "Rate Notice Tax Invoices" nor "Tax Invoices" disclose any reference to fees and/or charges attached to the bill payment methods offered.</li> </ul>	<ul style="list-style-type: none"> <li>"Rate Notice Tax Invoices" and "Tax Invoices" should disclose references to fees and/or charges attached to the bill payment methods offered.</li> </ul>	July 2017	No further action required
154 (A6/2017)	<p>4NP LO: clause 37(2) and WSOL-Version 6: 3.1</p>	<ul style="list-style-type: none"> <li>CKB should disclose the information included in clause 37(2) of the Code of Conduct appropriately on its website.</li> </ul>	November 2017	No further action required

B. Resolved during current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>Paxon found no references, to the stipulations of clause 37(2) of the Code of Conduct on CKB's website (except for clause 37(2)(f))</li> <li>Beyond compliance with this obligation, no systems, processes and controls are expected to be in place to ensure compliance with this obligation.</li> </ul>			

C. Unresolved at end of current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
156 (A7/2017)	<p>2D LO: clause 12 and WSOL-Version 6: 3.1.1</p> <ul style="list-style-type: none"> <li>Paxon has noted the SOP Manual specifically lists "State and Federal Government Acts &amp; Regulations" which CKB needs to comply with.</li> <li>Paxon has noted that, regarding some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for:               <ul style="list-style-type: none"> <li>"Monitoring changes in the legislation"; and</li> <li>Implementing relevant changes in the legislation".</li> </ul> </li> </ul> <p>Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation, or monitoring such compliance.</p>	<ul style="list-style-type: none"> <li>It is recommended that both the Asset Management Plan and the SOP Manual explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for:               <ul style="list-style-type: none"> <li>Actual compliance; and</li> <li>Monitoring compliance therewith.</li> </ul> </li> </ul>	Partly completed	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>The CKB AMP and SOP documents have not yet been updated to include all of the legislation relevant to the CKB and the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet</li> </ul>



C. Unresolved at end of current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
				been completed. CKB has a deadline of 30 June 2019 for completing this work.
4, 7, 156, 163, 171 & 182 (A2/2015)	<p><b>4:</b> NR D LO: Act: 22 and WSOL - Version 5: 28.I.</p> <p><b>7:</b> NR D LO: Act: 24(1)(b) and WSOL - Version 5: 20.2.</p> <p><b>156:</b> 2D LO: Act: 12 and WSOL - Version 5: 5.1.</p> <p><b>163,171 and 182:</b> NR D LO: Act: 12 and WSOL - Version 5: 15.I(a), (b) and (c), 20.2 and 28.I(b)</p> <ul style="list-style-type: none"> <li>Paxon has noted that the CKB's Reporting Matrix does not provide for compliance with this stipulation (provision of water services outside of the operating area of the license) and only lists some compliance obligations and the calendar month it is to be performed.</li> <li>Paxon has noted that the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB's asset management system.</li> </ul>	<ul style="list-style-type: none"> <li>The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL).</li> <li>The CKB should maintain a list of reportable events and incidents of a non-repetitive nature ("once-off" or "specific event" reporting obligations). This list should be added as an attachment to the Reporting Matrix</li> <li>The Reporting Matrix should also be changed to include the following information: <ul style="list-style-type: none"> <li>Operating Licence reference;</li> <li>Compliance requirement;</li> <li>Frequency of action specified;</li> <li>(Next) due date;</li> <li>Responsible officer; and</li> <li>Notes.</li> </ul> </li> <li>A specific person should be allocated responsibility for: <ul style="list-style-type: none"> <li>Ensuring compliance with the dates disclosed in the Reporting Matrix; and</li> <li>Continually updating the Reporting Matrix.</li> </ul> </li> </ul>	Partly completed	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>CKB should ensure that the requirements to notify the ERA under Obligations 4, 7 and 171 are included in this update.</li> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>

C. Unresolved at end of current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
6, 96, 97I 98, 103, 104, 105, 106, 175, 177, 178, 179 & 180 (A3/2015)	<p><b>6:</b> 2C LO: Act: 24(1)(a) &amp; 24(2) and WSOL - Version 5: 20.1.</p> <p><b>96 &amp; 97:</b> 1D LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clauses 10(3), 10(4) and WSOL -Version 5: 5.3.</p> <p><b>98, 103, 104 &amp; 105:</b> NR D LO: Code of Conduct: clauses 10(5), 13(1), (13(2) and 14(1) and WSOL -Version 5: 5.3.</p> <p><b>106:</b> 2B LO: Code of Conduct: clause 15 and WSOL - Version 5: 5.3.</p> <p><b>175, 177, 178, 179 &amp; 180:</b> NRD LO: Act: 12 and WSOL -Version 5: 23.1, 23.3, 23.6, 24.1-2 and 24.4.</p> <p><b>176:</b> 1D LO: Act: 12 and WSOL - Version 5: 23.2</p>	<ul style="list-style-type: none"> <li>An appropriate asset management system should be documented for the non-potable water supply services being provided by CKB. Alternatively, the current asset management system for the sewerage services should be appropriately updated to include those services.</li> <li>An operating procedures manual for the non-potable water supply services that CKB provides should be documented. Alternatively, the current SOP Manual for the sewerage services should be appropriately updated to include those services.</li> </ul>	Partly completed	<p><b>Further action required</b></p> <p>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</p>

C. Unresolved at end of current Audit period				
Water compliance reporting manual (Ref. no./ year)	(Compliance rating/ Legislative obligation / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
	<ul style="list-style-type: none"> <li>CKB has stated that it does not have any specific asset management documentation for the non-potable water supply services it provides, nor a standard operating procedures manual.</li> </ul>			
2011-2012	<p>CR: 4 LO: Clause 5.1</p> <ul style="list-style-type: none"> <li>The City has identified legislation and regulations applicable to the operation of their organisation and provision of the services and these are listed in Section 5 - Regulatory Requirements of the Asset Management Plan; and</li> <li>In addition, Federal, State and Local acts, laws and policies related to the City's sustainability and waste services are listed (and hyperlinked) in Section 7 of its Standard Operating Procedures (SOP) Manual, August 2012.</li> </ul>	Although relevant legislation is listed in the AMP and in the SOP Manual, a reference in these sections to the officer/department responsible for monitoring applicable legislation and the workflow process/procedure for identifying / implementing / seeking exemption is recommended.	Partly completed	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>

## 3.2 Previous Review Ineffective Components and Recommendations

Details of the actions completed by the CKB against each of the previous asset management system review recommendations are presented in Table 3-2 below.

Table 3-2 Previous Review Ineffective Components and Recommendations

A. Resolved before end of previous review period				
Reference (no./year)	(Asset management effectiveness rating / Asset Management System Component & Criteria / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
B. Resolved during current review period				
Reference (no./year)	(Asset management effectiveness rating / Asset Management System Component & Criteria / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
<b>2015 Asset Management System Effectiveness Review</b>				
R9/2015	Rating: B1 Component: Asset Operations <ul style="list-style-type: none"> <li>It is noted that both the WWTP and Re-use Distribution systems have SCADA based external control and fault notification facilities. The two- collection system pumping stations have only a flashing light indication of a fault. CKB relies on advice from the public of a fault at these pumping stations. At least an automatic fault alarm</li> </ul>	<ul style="list-style-type: none"> <li>An automatic fault alarm system should be installed in the pumping stations and (if practicable) a system which will allow external control and downloading of performance information.</li> </ul>	June 2017	No further action required

## B. Resolved during current review period

system should be installed in addition to external control and performance records.

R11/2015	<p>Rating: B1</p> <p>Component: Asset Operations</p> <p>A basic "Recycled Water Operational and Maintenance Manual" broadly sets out the responsibilities of senior staff, health and safety, emergency contact details, staff and contractor inductions. Operational requirements include sampling and testing of effluent, disinfection by chlorination to maintain a residual of 2 mg/L warning protocols, irrigation times and recording. The system is SCADA controlled. Although obviously well operated and maintained by competent staff, the system assets are subject to the requirements of the WSOL particularly with respect to documentation of procedures, operations, maintenance and finance. The manual should therefore be upgraded to a more detailed level in accordance with Table 22 of ERA's Guidelines 2013.</p>	<ul style="list-style-type: none"> <li>The Recycled Water Operational and Maintenance Manual should be upgraded to a more detailed level in accordance with Table 22 of ERA's Guidelines 2013.</li> </ul>	June 2018	No further action required
----------	---	---	-----------	----------------------------

## 2015 Asset Management System Effectiveness Review

R3/2017	<p>Rating: B2</p> <p>Component: Environmental Assessment</p> <ul style="list-style-type: none"> <li>CKB failed to submit relevant annual reports in accordance with the Health Department's conditions of approval.</li> </ul>	<ul style="list-style-type: none"> <li>In future CKB should ensure that annual reports on the Recycled Water system are submitted to Health Department in accordance with the Department's approval document</li> </ul>	October 2017	<p>No further action required</p> <p>However, we note that CKB reported to the ERA that it had submitted a late annual report in 2017/18 to the Department of Health. The report was submitted two days late because the due date fell on a weekend. CKB has now created a Compliance Reporting Register to better track due dates</p>
R12/2017	<p>Rating: A1</p> <p>Component: Financial Planning</p>	<ul style="list-style-type: none"> <li>CKB should complete development of the rolling ten years' financial plan as a matter of urgency and that the plan includes both expenditure and income from the recycled water system</li> </ul>	June 2017	No further action required

## B. Resolved during current review period

	<ul style="list-style-type: none"> <li>Currently, the Financial Plan is being redeveloped on a rolling ten years' basis to comply with the CKB's overall ten-year plan.</li> <li>Income from sale of treated effluent is included as income, but expenditure related to the assets delivering the treated effluent to buyers is not included in either the sewerage, financial or CAPEX plans</li> <li>Reviewer notes that the sewerage reserve has steadily reduced over recent years and currently holds approximately \$200,000. The reserve is inadequate when compared with \$ 60 million plus value of the assets. Also, the current balance will not finance the estimated capital expenditure of some \$ 3.6 Million by the end of 2018/19.</li> </ul>	<ul style="list-style-type: none"> <li>CKB should consider increasing the sewerage reserve fund to a more robust balance.</li> </ul>		
R13/2017	<p>Rating: A1 Component: Capital Expenditure Planning</p> <ul style="list-style-type: none"> <li>The draft AMP contains a draft CAPEX plan for the financial years 2016/17 to 2020/21.</li> <li>Reviewer notes that CAPEX expenditure, despite a recommendation from the previous review, is not included for the treated effluent disposal system. Such inclusion should be made in order to comply with the Asset Management requirements of CKB's Water Services Licence.</li> </ul>	<ul style="list-style-type: none"> <li>The CAPEX estimates should be completed as a matter of urgency</li> <li>The CAPEX estimates should include expenditure on the treated effluent disposal scheme.</li> </ul>	June 2017	No further action required

## C. Unresolved at end of current review period

Reference (no./year)	(Asset management effectiveness rating / Asset Management System Component & Criteria / details of the issue)	Auditor's recommendation or action undertaken	Date resolved	Further action required (Yes/No/Not applicable) & details of further action required including current recommendation reference if applicable
<b>2015 Asset Management System Effectiveness Review</b>				
R02/2015	Rating: C2	<ul style="list-style-type: none"> <li>The content of both the AMP and SOP documents should be reviewed and</li> </ul>	In progress	<b>Further action required</b>

### C. Unresolved at end of current review period

	<p>Component: Asset Planning</p> <ul style="list-style-type: none"> <li>The AMP combined with CKB's Standard Operating Procedures Manual (SOP) addresses the twelve items of Table 22 of the ERA Guidelines 2014. However, many of the sections of the SOP either: <ul style="list-style-type: none"> <li>Include items which should, but are not addressed in the AMP</li> <li>Overlap items dealt with in the AMP but not cross reference; or</li> <li>Provide more detailed management information/ procedures than the AMP.</li> </ul> </li> </ul>	<p>edited to ensure that all twelve Items of Table 22 of ERA's Guidelines 2013 are addressed in the AMP and cross referenced to sections of the SOP where the items concerned are subject to specific staff procedures.</p>		<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>Although the AMP that was provided at audit still requires work, we consider that the deadline for completing the document is achievable.</li> <li>The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March 2019 and this work will be completed after the training.</li> </ul>
R4/2015	<p>Rating: C2 Component: Asset Planning</p> <ul style="list-style-type: none"> <li>The AMP does not contain an organisation chart, a statement of staff position responsibilities or written procedures for recording, reviewing and response action as currently undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>The AMP should contain a staff organisation chart and an accompanying description of the responsibilities of each staff position.</li> <li>Written procedures should be prepared for recording test and performance results, maintenance, emergencies etc. together with review and response action as currently undertaken.</li> <li>A basic schematic of the scheme should be added to the AMP to clarify the collection, treatment and disposal processes.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March 2019 and this work will be completed after the training.</li> </ul>

### C. Unresolved at end of current review period

R6/2015	<p>Rating: B1 Component: Environmental Analysis</p> <ul style="list-style-type: none"> <li>An analysis of the environment in which the sewerage system operates is addressed in various sections of the AMP as follows: <ul style="list-style-type: none"> <li>Section 2 -The physical environment. (first paragraph);</li> <li>Section 3 - Levels of Service (availability, capacity, continuity, odour, emergency response and complaints); and</li> <li>Section 4 - Legislation and licensing environment. Together with the regulatory requirements for independent audits of compliance with CKB's WSOL and review of the adequacy of the management of the systems assets.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The above AMP sections should be combined as appropriate and titled "Environmental Assessment" in accordance with item 4 of Table 22 of ERA Guidelines 2013.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R7/2015	<p>Rating: B1 Component: Environmental Analysis</p> <ul style="list-style-type: none"> <li>Reviewer notes that the cultural environment in which the system operates is not addressed in the AMP. A brief statement is required which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.), together with the current population and growth trends and projections to say 2033.</li> </ul>	<ul style="list-style-type: none"> <li>The section of the AMP related to Environmental Assessment should include a brief statement which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.) together with current population, growth trends, and projections to say 2033.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R8/2015	<p>Rating: B1 Component: Asset Operations</p> <ul style="list-style-type: none"> <li>CCTV examination is taken before and after clearance of blockages and lining works, plus older areas of the system not previously inspected. At the rate of CCTV inspection currently proposed, a period of some nineteen years will elapse before completion. Similarly, CCTV inspection of manholes (which is not satisfactory in deep sections of the system) will also require a period of nineteen years.</li> </ul>	<ul style="list-style-type: none"> <li>CKB should significantly increase the annual amount of CCTV inspection of its collection system so that the task can be completed in ten or fewer years.</li> <li>CKB should undertake an inspection program for all manholes that will allow completion in five to seven years. Such inspections should involve removal, inspection and greasing of covers and a check on the condition of concrete in walls, base and underside of cover support slabs.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is continuing to invest in its CCTV inspections. These are currently budgeted at \$120,000/year. The CCTV footage is currently being reviewed and will be used to develop a forward works program. This will be integrated into the AMP.</li> <li>CKB is currently reviewing its AMP document. As part of the AMP development, CKB is</li> </ul>



## C. Unresolved at end of current review period

				<p>developing a program of inspection works</p> <ul style="list-style-type: none"> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R10/2015	<p>Rating: B1 Component: Asset Operations</p> <ul style="list-style-type: none"> <li>Details of the waste water treatment plant operations and service provision are dealt with partially in the AMP and in more detail in the SOP. Both documents - particularly the AMP should be reviewed and edited.</li> </ul>	<ul style="list-style-type: none"> <li>The AMP should include details of the companies contracted to provide services. Reference to staff entering manholes etc. should be deleted from the AMP and inserted in the SOP. Procedures in the AMP - for dealing with blockages, overflows, pump, treatment plant and equipment failures should be included in a separate section of the AMP titled "Contingency Planning".</li> <li>The more specific details in the SOP - of implementing the above procedures should be cross referenced in the AMP.</li> <li>Information regarding the existence and location of operation and management manuals should be included in both the AMP and SOP.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R12/2015	<p>Rating: B1 Component: Asset Operations</p> <ul style="list-style-type: none"> <li>CKB's Health Division on behalf of Parks and Reserves, arranges the monthly sampling and testing of the treated effluent being supplied to users and advises the DOH of the results.</li> <li>However, although holding a Licence from the DOH for the disposal of treated effluent, CKB has no statement of the separate responsibilities of the Sustainability &amp; Waste Services Division and the Parks &amp; Reserves Division for reporting associated with the licence. As a consequence, an annual report to the DOH as required by CKB's licence has never been submitted. As the treated effluent is being</li> </ul>	<ul style="list-style-type: none"> <li>In future, all reporting in accordance with CKB's DOH licence should be undertaken by the Parks &amp; Reserves division.</li> </ul>	June 2017	<ul style="list-style-type: none"> <li>No further action required</li> </ul>

### C. Unresolved at end of current review period

managed, and (in effect) tested by Parks and Reserves division prior to supply, it is considered that in future, all reporting in accordance with the DOH licence should be undertaken by the Parks & Reserves division.

R13/2015	<p>Rating: B1 Component: Asset Maintenance</p> <ul style="list-style-type: none"> <li>The planned maintenance schedule for each year has been entered into the maintenance module of the AMS. But at present there is no provision for recording whether maintenance has actually been undertaken, or the date.</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation that work has been undertaken and the date of completion should be overtyped in a different colour in the box representing the maintenance item of the AMIS maintenance module.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R14/2015	<p>Rating: B1 Component: Asset Maintenance</p> <ul style="list-style-type: none"> <li>The AMP, Section 6 - Maintenance Planning contains a basic schedule of maintenance duties for the sewerage system and is considered adequate - as detailed maintenance requirements are contained in contract</li> </ul>	<ul style="list-style-type: none"> <li>The maintenance program in Section 4 of the SOP should be deleted and replaced with cross references to Section 6 of the AMP and the Maintenance module of the AMIS.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB</li> </ul>

### C. Unresolved at end of current review period

	documents as discussed in Item 5 - Asset Operations. The maintenance program in Section 4 of the SOP is not considered adequate and should be replaced with that in the AMP.			has a deadline of 30 June 2019 for completing this work.
R15/2015	<p>Rating: C3 Component: Asset Management Information System</p> <ul style="list-style-type: none"> <li>ASSET MANAGEMENT INFORMATION SYSTEM (AMIS) - Is a series of six inter-related Excel spread sheets, which were made available to Licensees (as an example) by the Authority many years ago. Reviewer has noted its use - as provided or amended, by several Licensees over recent years</li> <li>Excel 1997 - is the package on which the software is based; and</li> <li>Microsoft advised Reviewer that, although 1997 Excel software is no longer supported by the company, data captured in Excel 1997 programs should be readily transferable to versions of Excel contained in Windows 2007 or later.</li> </ul>	<ul style="list-style-type: none"> <li>CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007 or later) before considering purchase and setting up a new asset management system. If conversion is indeed possible, CKB should mount the converted version on its system and complete populating / customising modules as discussed below. Also, a staff member should be selected (or appointed) and trained with a view to completing and operating the system.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R16/2015	<p>Rating: C3 Component: Asset Management Information System</p> <ul style="list-style-type: none"> <li>ASSET REGISTER - Each asset is assigned an identifying number and its name, location, installation date, expected life and replacement date, pipe size and material etc. are noted. The register has separate</li> </ul>	<ul style="list-style-type: none"> <li>The asset Register should be edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was</li> </ul>

### C. Unresolved at end of current review period

	worksheets for Pipelines, Manholes, Pumping Stations, the WWTP and Old Boulder holding ponds; and			decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.
	<ul style="list-style-type: none"> <li>A total of 6670 assets are registered. In many cases detail under some headings is missing. In other cases - due to the software being generic, headings are not applicable.</li> </ul>			<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R17/2015	<p>Rating: C3</p> <p>Component: Asset Management Information System</p> <ul style="list-style-type: none"> <li>CONDITION AND PERFORMANCE - This series of worksheets addresses the condition of all assets i.e., Manholes, Pipes, Pumping Stations, WWTP and the Old Boulder Holding ponds. Headings include asset number, installation date, inspection date, condition and priority for attention if relevant. It is noted that there is no heading for material type in the listing for manholes and pipes. It should not be necessary to refer to other spread sheets or drawings to determine the material when reviewing asset conditions.</li> </ul>	<ul style="list-style-type: none"> <li>The asset material should be noted in the both the asset and condition registers.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-</li> </ul>

## C. Unresolved at end of current review period

				based AMS that it previously used.
				<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R18/2015	<p>Rating: C3</p> <p>Component: Asset Management Information System</p> <ul style="list-style-type: none"> <li>While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of the treated effluent distribution system should be included in the Asset Management spread sheet of the AMIS.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R19/2015	<p>Rating: C2</p>	<ul style="list-style-type: none"> <li>The Risk Analysis / Management sections of the AMP and SOP should be</li> </ul>	In progress	<b>Further action required</b>

### C. Unresolved at end of current review period

	<p>Component: Risk Management</p> <ul style="list-style-type: none"> <li>The AMP contains a satisfactory description of the risk assessment procedures leading to the development of the assessment model described in Item 7 above - as does the SOP. However, the overlap is not total. A better approach would be to review and consolidate both into one document for inclusion in both the AMP and SOP. Reference is made in the AMP to the formulation of Risk Management plans. However, these do not appear to have been prepared. Reviewer notes that the "Mitigation and Management Strategies" of the spread sheets mainly refer to "AMP" or more frequently "SOP." These references do not indicate what in fact the mitigating strategies are. Either the strategies should be listed as a series of written plans and referred to directly in the appropriate strategy column - or, explained fully in the column for each occurrence classified as "Significant" or "Major";</li> <li>Reviewer also notes that the occurrence of earthquake, lightning strike - although highly unlikely to occur, are not evaluated in the assessment. Earthquake could cause damage to gravity and - in particular, pressurised rising mains of both the sewerage and re-use systems. Power failure occurrences also, need to be evaluated for the WWTP and treated effluent distribution systems; and</li> <li>No risk evaluation is included for the treated effluent distribution system.</li> </ul>	<p>reviewed and consolidated into a single document within the AMP.</p> <ul style="list-style-type: none"> <li>EITHER, a set of Risk Management Plans (as referred to in the AMP) for risks assessed as "Significant or Major" should be prepared and referenced in the Mitigation and Management Strategies column of the Risk Analysis - OR, the Mitigation and Management Strategy proposed should be set out in the Mitigation and Management column for each occurrence.</li> <li>Existing reference to AMP and SOP in the Mitigation and Management column should be replaced with a reference to the actual item of the documents to which they allude.</li> <li>A risk analysis should be included for the treated effluent distribution system.</li> </ul>	<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R21/2015	<p>Rating: B1 Component: Capital Expenditure Planning</p> <ul style="list-style-type: none"> <li>CAPEX plans for the forward budget periods for the financial years 2012/2013, 2013/2014 and 2014/2015 (for rolling ten, five and five years respectively) were provided by the Sustainability and Waste Services division. These plans represent the division's anticipated requirements and expectations, which are subsequently inserted into the budget process via the Development Services Directorate. The CAPEX estimates are derived from asset replacement items set out in the financial module of the</li> </ul>	<ul style="list-style-type: none"> <li>Estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning; and</li> <li>The CAPEX estimates should include expenditure on the treated effluent disposal scheme.</li> </ul>	<p>In progress</p> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>

### C. Unresolved at end of current review period

	<p>AMIS together with other works indicated by asset condition / failures and necessary system upgrades; and</p> <ul style="list-style-type: none"> <li>Reviewer notes that CAPEX expenditure is not included for the treated effluent disposal system, despite income from the sale of the water (treated effluent) being included in the accompanying Financial Plan for the sewerage system. Such inclusion should be made in order to maintain consistency of approach.</li> </ul>			
R22/2015	<p>Rating: C4</p> <p>Component: Review of the Asset Management System</p> <p>Review of the Asset Management System is not mentioned in the AMP. Reviewer was advised that revisions are usually made in response to asset management reviews and significant changes of practise or procedure. Copies of the AMP were provided for November 2010, July 2012 and Version 141110, denoting its preparation as 10th November 2014. There is no record of any changes made from the previous version, or whether or not a review was conducted of previous versions.</p>	<ul style="list-style-type: none"> <li>A procedure should be introduced to undertake and record a review the Asset Management system on a formal regular basis.</li> <li>The review should be undertaken at intervals not exceeding two years, by a person with a sound knowledge of the sewerage system and the procedures of its operation, maintenance and financing.</li> <li>The review date, reviewer's signature and any section amendments should be listed on the page following the cover sheet - which should be updated for all subsequent reviews.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>

### 2017 Asset Management System Effectiveness Review

R1/2017 & R2/2017	<p>Rating: B2</p> <p>Component: Asset Planning</p> <ul style="list-style-type: none"> <li>In order to allow ready navigation between the AMP and SOP documents, Reviewer considers that both should be subject to additional cross-referencing</li> <li>CKB has engaged a consultant to prepare an overarching AMP for the CKB's operations – and that the AMP for the water Services Licence will become a sub-set.</li> </ul>	<p><b>Recommendation R1/2017:</b></p> <ul style="list-style-type: none"> <li>Additional cross- references should be included in the AMP and SOP to improve navigation between the documents.</li> </ul> <p><b>Recommendation R2/2017:</b></p> <ul style="list-style-type: none"> <li>Consideration should be given to the preparation of a single AMP (and supporting SOP) that incorporates information and policies common to both the Sewerage and Recycled Water systems in one section, together with separate sections setting out the differing operations and maintenance, contingency, CAPEX and financial planning etc. of each system.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March</li> </ul>
-------------------	---	--	-------------	--



## C. Unresolved at end of current review period

2019 and this work will be completed after the training.				
R4/2017, R5/2017 & R6/2017	<p>Rating: B1</p> <p>Component: Asset Operations</p> <ul style="list-style-type: none"> <li>Reviewer considers another CKB officer should be trained as a third WTO to undertake the duties in the event of absence of one of the WTOs</li> <li>Pumping Stations (Throssell St and Androvich Way) - procedures are provided for monthly, checks of pumps, power consumption and wash down. Reviewer noted that WTOs are unaware of these procedures, which are therefore not undertaken. The pumping stations are attended only in the event of a fault or failure. The Throssell St station has electronic transfer of alarms to the WTO on call, whereas the Androvich Way has only a visual alarm. Reviewer was advised that this pumping station is fitted with only one pump. Reviewer was prevented from inspecting the Androvich Way pumping station, as the access covers could not be lifted</li> <li>A WTO has been given the task and time period in which to prepare a daily list and description of WWTP general operations tasks. Reviewer considers a pro-forma task check-list should also be prepared. Ideally, each sheet should list each day in a given month.</li> </ul>	<p><b>Recommendation R4/2017:</b></p> <ul style="list-style-type: none"> <li>A third Officer should be trained as a WTO who can undertake the duties during the leave period of existing WTOs.</li> </ul> <p><b>Recommendation R5/2017:</b></p> <ul style="list-style-type: none"> <li>WTOs should be made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Arrangements should be made for existing contractors to assist as necessary.</li> <li>An automatic alarm should be installed at Androvich Way pumping station as for Throssell Street.</li> <li>The access frame and covers on the Androvich Way pumping station should be greased monthly to allow ease of removal.</li> </ul> <p><b>Recommendation R6/2017:</b></p> <ul style="list-style-type: none"> <li>A list and description should be prepared of daily operations tasks at the WWTP and be supported by a checklist for recording tasks as undertaken.</li> </ul>	Partly completed	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB to develop an on-call policy and SOP for sewer blockages taking into account Worksafe and EBA conditions of employment.</li> <li>People and Culture to develop an organisational policy for on-call duties and responsibilities.</li> <li>CKB to implement Regular maintenance Schedules for the WWTP and pumping stations. CKB's electrical and mechanical contractors are also developing their own schedules for work conducted.</li> </ul>
R7/2017 & R8/2017	<p>Rating: B2</p> <p>Component: Asset Maintenance</p> <ul style="list-style-type: none"> <li>The pumping station maintenance checks and inspections should be undertaken monthly rather than "as required" or, "at six monthly intervals"</li> <li>The Mechanical and Electrical contractors at the WWTP submit their accounts to the WTO for discussion and approval for payment. Although this allows maintenance and ad hoc works to be verified. Reviewer considers there should be provision for the WTO to sign off on the</li> </ul>	<p><b>Recommendation R7/2017:</b></p> <ul style="list-style-type: none"> <li>The contract and AMIS maintenance schedules should be compared and, if necessary, corrected.</li> <li>As for Recommendation R5/2017 above - WTOs should be made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary.</li> </ul>	Partly completed	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for</li> </ul>



## C. Unresolved at end of current review period

completion and date of each item of scheduled maintenance or ad hoc operation. Similarly, each WTO should be provided with list of the Maintenance items for the sewerage system, pumping stations and WWTP.

### Recommendation R8/2017:

- A check list confirming the undertaking and completion date of maintenance and ad hoc works at the WWTP should be implemented and signed off by the WTO and recorded in CONFIRM. Also, that a list and details of all scheduled maintenance be provided to each WTO.

transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.
- CKB to implement a maintenance checklist to record the undertaking and completion dates of all maintenance and ad hoc work carried out at the WWTP which is to be verified by the WTOs and recorded in the ECM CORE document management system.

R9/2017

Rating: B1

Component: Asset Management Information System

- Completion of four recommendations of the 2015 report.

- Relevant sections of Recommendation Nos. R15, R16, R17 and R18 of the 2015 review should be implemented as follows:
  - R15/2015 - A staff member should be selected (or appointed) and trained with a view to completing and operating the system.
  - R16/2015 - The Asset Register should be edited to remove or correct generic column headings and completion of the necessary detail is achieved as soon as possible.

Partly completed

### Further action required

- CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the

## C. Unresolved at end of current review period

		<ul style="list-style-type: none"> <li>– R17/2015 - Asset material should be noted in both the asset and condition registers</li> <li>– R18/2015 - Maintenance of the treated effluent distribution system should be included in the Asset Management spread sheet of the AMIS.</li> </ul>		<p>water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</p> <ul style="list-style-type: none"> <li>▪ As part of the implementation of a new AMIS, CKB will need to ensure that the maintenance for the treated water distribution is included.</li> <li>▪ CKB will need to ensure that the asset material should be recorded in the asset register.</li> </ul>
R10/2017	<p>Rating: B2 Component: Risk Management</p> <ul style="list-style-type: none"> <li>▪ Reference is made in Section 11 of the draft AMP to Risk Management Plans. However, such plans do not exist.</li> <li>▪ The "Mitigation and Management Strategies" column of the spreadsheets mainly refer only to "AMP" or "SOP" - rather than indicating what the mitigating strategies are. The strategies should either refer to appropriate specific (currently non-existent) Risk Management Plan, or SOP procedure - particularly for risks classified as Significant" or "Major".</li> <li>▪ No risk evaluation is included for the treated effluent distribution system.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recommendation R19/2015 should be replaced and implemented as follows: <ul style="list-style-type: none"> <li>– The "Mitigation and Management Strategies" column of the risk assessment spread sheets should either refer to appropriate specific Risk Management Plans, and/or SOP procedure - particularly for risks classified as "Significant" or "Major";</li> </ul> </li> <li>▪ Risk Management Plans should either be prepared or reference to such plans be deleted from the documentation.</li> <li>▪ A risk analysis should be included for the treated effluent distribution system.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>▪ Assets and Procurement to conduct workshops for asset plans with City Presentation &amp; Open Spaces and Waste &amp; Compliance Services for the revisions to the Risk Management Plans.</li> <li>▪ CKB is also looking at additional recruitment for a Senior Assets Engineer and an Engineering Technical Officer to assist in the risk analysis and preparation of the Risk Plans.</li> <li>▪ CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>▪ Risk analysis for the treated effluent distribution system will need to be included in the updated risk assessment.</li> </ul>

### C. Unresolved at end of current review period

R11/2017	<p>Rating: B2 Component: Contingency Planning</p> <ul style="list-style-type: none"> <li>Interspersed through the SOP document are contact names and phone numbers for some Council and contractors only. Reviewer considers that the document should contain a single list of all parties who may need to be contacted in an emergency.</li> <li>The location of specific equipment should also be stated including spare pumps, disinfection materials and odour masking equipment.</li> <li>Emergency procedures at the WWTP should only be undertaken by the WTO, whose response should include request for the assistance of the Mechanical and Electrical contractors.</li> <li>The Emergency Procedures Manual for the WWTP (noted as version 3 dated 2013), deals mainly with staff and safety procedures associated with emergencies and should be upgraded to provide corrected staff and contractor names, titles, abbreviations and contact details. The document should also be included in the SOP as an Appendix.</li> <li>There is no procedure for contingency plans to be periodically team tested and amended if necessary.</li> </ul>	<ul style="list-style-type: none"> <li>The SOP documents should be reviewed and edited so that the required actions of each emergency are titled as follows: <ul style="list-style-type: none"> <li>Section E Item 3 be titled: <ul style="list-style-type: none"> <li>"Contingency Plans - Sewer Main Overflows and Blockages"; and</li> </ul> </li> <li>Section F part 2 be titled: <ul style="list-style-type: none"> <li>"Contingency Plans - Faults and Emergencies".</li> </ul> </li> <li>The Emergency Procedure Manual be reviewed and updated and titled: <ul style="list-style-type: none"> <li>"WWTP Contingency Manual" and be included in the SOP as an Appendix.</li> </ul> </li> </ul> </li> <li>The Emergency Procedure Manual - Chlorine should be included in the SOP as an Appendix.</li> <li>A cross reference to Contingency Plans of the SOP should be inserted in the AMP.</li> <li>The SOP should contain a list the contact details of local services and local trade companies who may be required to assist, including Police, Ambulance, Fire Service, Power Authority, Telstra, Emergency Services, Local Trade companies contracted to provide plumbing, mechanical and electrical services.</li> <li>CKB should ensure written contingency plans for the treated effluent disposal scheme are prepared and implemented.</li> <li>CKB should implement a procedure for periodic desktop team testing of contingency plans and amendment if necessary.</li> </ul>	Partly completed	<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>This will include implementing a procedure for periodic desktop team testing of the contingency plans and amendment if necessary.</li> </ul>
R14/2017	<p>Rating: B2 Component: Review of Asset Management System</p>	<ul style="list-style-type: none"> <li>Reviews should be made to the SOP in addition the AMP.</li> </ul>	In progress	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>Waste and Compliance SOP to be reviewed and updated. This</li> </ul>

### C. Unresolved at end of current review period

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ The draft SOP document states that an internal review of the AMP should be undertaken annually by the TLWC and WCC.</li> <li>▪ Also, updates to the AMP should be made quarterly.</li> <li>▪ The Executive Summary of the AMP states that the document will be reviewed and updated at least every five years.</li> <li>▪ Similarly, the review of the risk system in the AMP requires an annual review of new risks and changes to new risks be undertaken annually by the SAW team. Also, that the SAW team undertake a three-yearly review and re-write of the Risk Management Plan Risk assessment, and the Risk Maintenance Plan.</li> </ul> | <ul style="list-style-type: none"> <li>▪ The abbreviations WCC and SAW should be clarified.</li> <li>▪ The review and update referred to in the Executive Summary of the AMP should be amended to read "reviewed and updated annually".</li> <li>▪ The risk analysis should be reviewed and updated as for the AMP and SOP;</li> <li>▪ As for Recommendation R10/2019, Risk Management Plans should either be prepared, or reference to such plans be deleted from the documentation.</li> <li>▪ Reviews should be undertaken in accordance with the documentation and timing recommended above.</li> </ul> |
|--|---|
- was planned for January 20-19 but has not yet taken place.

## 4 Performance Summary

The findings of the performance audit are summarised in a table with adequacy of control and compliance rating. The table includes all applicable compliance reporting items and are numbered according to the Water Compliance Reporting Manual, May 2018. Description of the rating scale and outcomes of the performance audit is provided in the following sections.

### 4.1 Assessment Rating Scales

In accordance with the Audit Guidelines, an assessment of the performance of CKB was completed using the rating scale in Table 4-1 and asset management system effectiveness using the rating scales in Table 4-2 and Table 4-3.

Table 4-1 Audit Compliance and Controls Rating Scales

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls - no improvement needed	1	Compliant
B	Generally adequate controls - improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

Table 4-2 Asset Management Process and Policy Definition Adequacy Rating

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> <li>Processes and policies are documented.</li> <li>Processes and policies adequately document the required performance of the assets.</li> <li>Processes and policies are subject to regular reviews, and updated where necessary.</li> <li>The asset management information system(s) are adequate in relation to the assets that are being managed.</li> </ul>
B	Requires some improvement	<ul style="list-style-type: none"> <li>Process and policy documentation requires improvement.</li> <li>Processes and policies do not adequately document the required performance of the assets.</li> <li>Reviews of processes and policies are not conducted regularly enough.</li> <li>The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed).</li> </ul>
C	Requires significant improvement	<ul style="list-style-type: none"> <li>Process and policy documentation is incomplete or requires significant improvement.</li> <li>Processes and policies do not document the required performance of the assets.</li> <li>Processes and policies are significantly out of date.</li> <li>The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed).</li> </ul>
D	Inadequate	<ul style="list-style-type: none"> <li>Processes and policies are not documented.</li> <li>The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).</li> </ul>

Table 4-3 Asset Management Performance Ratings

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> <li>▪ The performance of the process meets or exceeds the required levels of performance.</li> <li>▪ Process effectiveness is regularly assessed, and corrective action taken where necessary.</li> </ul>
2	Opportunity for improvement	<ul style="list-style-type: none"> <li>▪ The performance of the process requires some improvement to meet the required level.</li> <li>▪ Process effectiveness reviews are not performed regularly enough.</li> <li>▪ Process improvement opportunities are not actioned.</li> </ul>
3	Corrective action required	<ul style="list-style-type: none"> <li>▪ The performance of the process requires significant improvement to meet the required level.</li> <li>▪ Process effectiveness reviews are performed irregularly, or not at all.</li> <li>▪ Process improvement opportunities are not actioned.</li> </ul>
4	Serious action required	<ul style="list-style-type: none"> <li>▪ Process is not performed, or the performance is so poor that the process is considered to be ineffective.</li> </ul>

## 4.2 Performance Audit Compliance Summary

Table 4-4 provides a summary of CKB's compliance rating against each licence obligation, and an adequacy of controls rating where the item has been found to be non-compliant.

Na = Not applicable - Determined during the audit that the compliance obligation does not apply to the Licensee's business operations

Nr = Not rated - No relevant activity took place during the audit period, therefore it is not possible to assess compliance.

Table 4-4 Audit Obligation Ratings

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
2	Water Services Act Section 21(1)(b)	4	✓					✓					
3	Water Services Act Section 21(1)(c)	4	✓					✓					
4	Water Services Act Section 22	3				✓							✓
5	Water Services Act Section 23	4	✓					✓					
6	Water Services Act Sections 24(1)(a) & 24(2)	1	✓					✓					
7	Water Services Act Section 24(1)(b)	3				✓							✓
8	Water Services Act Section 24(1)(c)	4	✓					✓					
9	Water Services Act Section 25	4	✓					✓					
11	Water Services Act Section 27	4		✓					✓				
12	Water Services Act Section 29	4		✓					✓				
13	Water Services Act Section 36	4					✓						✓
15	Water Services Act Section 66	4	✓					✓					
16	Water Services Act Section 77(3)	4	✓					✓					
17	Water Services Act Sections 82(4) & (5)	4	✓					✓					
18	Water Services Act Section 84(2)	4					✓						✓
19	Water Services Act Section 87(2)	4					✓						✓
20	Water Services Act Section 90(7)	5					✓						✓
24	Water Services Act Section 98(3)	4					✓						✓
25	Water Services Act Section 106(2)	4					✓						✓
28	Water Services Act Section 119(2)	4					✓						✓
29	Water Services Act Section 122(2)	4					✓						✓
30	Water Services Act Section 125(2)	4					✓						✓
31	Water Services Act Section 128(4)	4					✓						✓
32	Water Services Act Section 129(5)	4	✓					✓					

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
33	Water Services Act Section 139(3)	4					✓						✓
34	Water Services Act Section 141(1)	4					✓						✓
35	Water Services Act Sections 142	4					✓						✓
36	Water Services Act Sections 143 (2)	4					✓						✓
37	Water Services Act Sections 143 (3)	4					✓						✓
38	Water Services Act Sections 144(3)	4					✓						✓
39	Water Services Act Section 145(2)	4					✓						✓
40	Water Services Act Section 147(3)	4					✓						✓
41	Water Services Act Section 147(4)	4					✓						✓
42	Water Services Act Section 151(1)	2					✓						✓
43	Water Services Act Section 151(2)	4					✓						✓
44	Water Services Act Section 152(3)	4					✓						✓
45	Water Services Act Section 153(3)	4					✓						✓
46	Water Services Act Section 166(5)	4					✓						✓
47	Water Services Act Section 166(6)	4					✓						✓
48	Water Services Act Section 170	4					✓						✓
49	Water Services Act Section 173(4)	4					✓						✓
50	Water Services Act Section 174(1)	4					✓						✓
51	Water Services Act Section 174(3)	4					✓						✓
52	Water Services Act Section 175(2)	4					✓						✓
53	Water Services Act Section 175(5)	4					✓						✓
54	Water Services Act Section 176(1)	4					✓						✓
55	Water Services Act Section 176(3)	4					✓						✓
56	Water Services Act Section 176(4)	4					✓						✓
57	Water Services Act Section 181	5					✓						✓



2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
58	Water Services Act Section 186	4					✓						✓
59	Water Services Act Section 187(1) – (3)	4					✓						✓
60	Water Services Act Section 190(4)	4					✓						✓
61	Water Services Act Section 190(5)	4					✓						✓
62	Water Services Act Section 210(5)	4					✓						✓
63	Water Services Act Section 218(2)	5					✓						✓
64	Water Services Act Section 218(3)	4					✓						✓
69	Water Services Regulations 2013 Regulation 29(2)	4					✓						✓
70	Water Services Regulations 2013 Regulation 42(2)	4					✓						✓
71	Water Services Regulations 2013 Regulation 43(3)	4					✓						✓
72	Water Services Regulations 2013 Regulation 43(6)	4					✓						✓
74	Water Services Regulations 2013 Regulation 60(2)	4					✓						✓
75	Water Services Regulations 2013 Regulation 63	4					✓						✓
89	Water Services Regulations 2013 Regulation 85	4					✓						✓
92	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 8(1)-(3)	4	✓					✓					
93	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 9(2) and (4)	4					✓					✓	
94	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 10(2)	4	✓					✓					
95	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(2)	4					✓					✓	
96	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(3)	4					✓					✓	
97	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(4)	4					✓					✓	
98	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(5)	4					✓					✓	

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
98A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)	4					✓					✓	
99	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 12	4	✓					✓					
100	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(1)	1	✓					✓					
100A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(3)	1					✓					✓	
101	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(4)	1					✓					✓	
101A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(5)	1					✓					✓	
102A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6)	1		✓					✓				
103	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(1)	4					✓					✓	
104	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(2)	4					✓					✓	
104A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 15(3)	4					✓					✓	
105	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 16(1)	4					✓					✓	
106	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 17(2) & (3)	2					✓					✓	
107	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(2)	3					✓						✓
108	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(3)	3					✓						✓
109	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(4)	3					✓						✓
110	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(5)	3					✓						✓
111A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(2)	4					✓						✓

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
112A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(3)	4					✓						✓
112B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4)	4					✓						✓
112C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(5)	4					✓						✓
113	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(1)	4	✓					✓					
114	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(2)	1		✓					✓				
115	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) & (6)	1		✓					✓				
116	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4)	1		✓					✓				
117	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(5)	4	✓					✓					
117A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21	4	✓					✓					
118	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 23	4	✓					✓					
119	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(1)	1	✓					✓					
120	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(2)	1	✓					✓					
121	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 25(1)	4	✓					✓					
122	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 26(1)	4	✓					✓					
123	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 27	4	✓					✓					
124A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(2)	4					✓						✓
124B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(3)	4	✓					✓					

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
124C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(4)	4	✓					✓					
125	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 29(1) & (2)	4	✓					✓					
126A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(3)	4	✓					✓					
126B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(4)	4	✓					✓					
128	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(6)	4	✓					✓					
129A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(7)	4	✓					✓					
129B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(8)	4	✓					✓					
129C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(9)	4	✓					✓					
130A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(2)	4	✓					✓					
130B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(3)	4	✓					✓					
131A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(a)	4	✓					✓					
131B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(b)	4	✓					✓					
131C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c)	4		✓					✓				
133	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 31(4) & (5)	4	✓					✓					
133A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32	4	✓					✓					
134	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(a)-(c)	4	✓					✓					
134A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e)	4	✓					✓					

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
144A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)	4					✓						✓
144B	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(2)	4					✓						✓
144C	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(1)	4	✓					✓					
144D	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(2)	4	✓					✓					
144E	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 45	4	✓					✓					
145	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(1)	4	✓					✓					
146	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(2)	1	✓					✓					
147	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(3)	4	✓					✓					
148A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(4)	1	✓					✓					
149	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(5)	4	✓					✓					
149A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47	4				✓		✓					
150	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 48(1)	4	✓					✓					
152	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 48(2)	4	✓					✓					
153	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1)	4		✓					✓				
154	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 49(2)	1	✓					✓					
154A	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(3)	4	✓					✓					
155	Water Services Act Section 12	4	✓					✓					
156	Water Services Act Section 12	1		✓					✓				
159	Water Services Act Section 12	4					✓						✓

2018 Compliance Obligation Ref No.	Licence Reference	Audit Priority applied [rated 1 (Highest) to 5 (Lowest)]	Adequacy of Controls Rating					Compliance Rating					
			A	B	C	D	NP	1	2	3	4	Na	Nr
160	Water Services Act Section 12	4	✓					✓					
162	Water Services Act Section 12	4	✓					✓					
163	Water Services Act Section 12	4					✓						✓
165	Water Services Act Section 12	4	✓					✓					
166	Water Services Act Section 12	1	✓					✓					
167	Water Services Act Section 12	4	✓					✓					
168	Water Services Act Section 12	4					✓						✓
169	Water Services Act Section 12	4	✓					✓					
171	Water Services Act Section 12	3				✓							✓
172	Water Services Act Section 12	4	✓					✓					
173	Water Services Act Section 12	4	✓					✓					
175	Water Services Act Section 12	4					✓						✓
176	Water Services Act Section 12	4					✓						✓
177	Water Services Act Section 12	4					✓						✓
178	Water Services Act Section 12	4					✓						✓
179	Water Services Act Section 12	4					✓						✓
180	Water Services Act Section 12	4					✓						✓
182	Water Services Act Section 12	4					✓						✓
183	Water Services Act Section 12	4	✓					✓					

### 4.3 Asset Management Review Effectiveness Summary

The asset management system review assessed the effectiveness of the asset management system in delivering the services as required under the operating licence.

The review was conducted utilising the asset management adequacy and performance ratings as outlined in the Audit Guidelines. A summary of the outcomes of the review is provided in Table 4-5.

Although CKB's AMP generally covers the key requirements, the document is still being developed to meet an expected deadline of 30 June 2019. As a result, there is still considerable work to bring the document up to the required standard. A considerable number of recommendations from the last audit are dependent on the AMP being finalised and we have also made some additional recommendations for the AMP. As a result, the majority of the overall 12 asset management elements have been rated to reflect the work that CKB needs to complete to complete these actions.

Table 4-5 Asset Management Review Effectiveness Summary

Asset Management System Component	Asset management process and policy definition adequacy rating	Asset management performance rating
<b>Asset planning</b>	<b>C</b>	<b>2</b>
▪ Asset management plan covers key requirements	C	2
▪ Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	B	1
▪ Service levels are defined	A	1

Asset Management System Component	Asset management process and policy definition adequacy rating	Asset management performance rating
▪ Non-asset options (e.g. demand management) are considered	A	1
▪ Lifecycle costs of owning and operating assets are assessed	A	1
▪ Funding options are evaluated	A	1
▪ Costs are justified and cost drivers identified	A	1
▪ Likelihood and consequences of asset failure are predicted	A	1
▪ Plans are regularly reviewed and updated	C	2
<b>Asset creation/acquisition</b>	<b>B</b>	<b>1</b>
▪ Full project evaluations are undertaken for new assets	A	1
▪ Evaluations include all life-cycle costs	A	1
▪ Projects reflect sound engineering and business decisions	A	1
▪ Commissioning tests are documented and completed	B	1
▪ Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood	B	1
<b>Asset disposal</b>	<b>A</b>	<b>1</b>
▪ Under-utilised and under-performing assets are identified as part of a regular systematic review process	A	1
▪ The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	A	1
▪ Disposal alternatives are evaluated	A	1
▪ There is a replacement strategy for assets	A	1
<b>Environmental analysis</b>	<b>B</b>	<b>1</b>
▪ Opportunities and threats in the system environment are assessed	B	1
▪ Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved	A	1
▪ Compliance with statutory and regulatory requirements	A	1
▪ Achievement of customer service levels	A	1
<b>Asset operations</b>	<b>B</b>	<b>1</b>

Asset Management System Component	Asset management process and policy definition adequacy rating	Asset management performance rating
<ul style="list-style-type: none"> <li>Operational policies and procedures are documented and linked to service levels required</li> </ul>	B	1
<ul style="list-style-type: none"> <li>Risk management is applied to prioritise operations tasks</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data</li> </ul>	B	2
<ul style="list-style-type: none"> <li>Operational costs are measured and monitored</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Staff resources are adequate and staff receive training commensurate with their responsibilities</li> </ul>	A	2
<b>Asset maintenance</b>	<b>B</b>	<b>2</b>
<ul style="list-style-type: none"> <li>Maintenance policies and procedures are documented and linked to service levels required</li> </ul>	B	1
<ul style="list-style-type: none"> <li>Regular inspections are undertaken of asset performance and condition</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule</li> </ul>	B	2
<ul style="list-style-type: none"> <li>Failures are analysed and operational / maintenance plans adjusted where necessary</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Risk management is applied to prioritise maintenance tasks</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Maintenance costs are measured and monitored</li> </ul>	A	1
<b>Asset management information system</b>	<b>A</b>	<b>1</b>
<ul style="list-style-type: none"> <li>Adequate system documentation for users and IT operators</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Input controls include appropriate verification and validation of data entered into the system</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Logical security access controls appear adequate, such as passwords</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Physical security access controls appear adequate</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Data backup procedures appear adequate and backups are tested</li> </ul>	A	1
<ul style="list-style-type: none"> <li>Key computations related to licensee performance reporting are materially accurate</li> </ul>	A	1



Asset Management System Component	Asset management process and policy definition adequacy rating	Asset management performance rating
<ul style="list-style-type: none"> <li>Management reports appear adequate for the licensee to monitor licence obligations</li> </ul>	A	1
<b>Risk management</b>	<b>B</b>	<b>2</b>
<ul style="list-style-type: none"> <li>Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system</li> </ul>	B	2
<ul style="list-style-type: none"> <li>Risks are documented in a risk register and treatment plans are actioned and monitored</li> </ul>	B	2
<ul style="list-style-type: none"> <li>The probability and consequence of risk failure are regularly assessed</li> </ul>	B	2
<b>Contingency planning</b>	<b>B</b>	<b>2</b>
<ul style="list-style-type: none"> <li>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</li> </ul>	B	2
<b>Financial planning</b>	<b>B</b>	<b>2</b>
<ul style="list-style-type: none"> <li>The financial plan states the financial objectives and strategies and actions to achieve the objectives</li> </ul>	A	1
<ul style="list-style-type: none"> <li>The financial plan identifies the source of funds for capital expenditure and recurrent costs</li> </ul>	A	1
<ul style="list-style-type: none"> <li>The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)</li> </ul>	B	2
<ul style="list-style-type: none"> <li>The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period</li> </ul>	B	2
<ul style="list-style-type: none"> <li>The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services</li> </ul>	B	1
<ul style="list-style-type: none"> <li>Significant variances in actual / budget income and expenses are identified and corrective action taken where necessary</li> </ul>	A	1
<b>Capital expenditure planning</b>	<b>A</b>	<b>1</b>
<ul style="list-style-type: none"> <li>There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates</li> </ul>	A	1
<ul style="list-style-type: none"> <li>The plan provides reasons for capital expenditure and timing of expenditure</li> </ul>	A	1

Asset Management System Component	Asset management process and policy definition adequacy rating	Asset management performance rating
<ul style="list-style-type: none"> <li>The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</li> </ul>	A	1
<ul style="list-style-type: none"> <li>There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned</li> </ul>	A	1
<b>Review of AMS</b>	<b>B</b>	<b>2</b>
<ul style="list-style-type: none"> <li>A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current</li> </ul>	B	2
<ul style="list-style-type: none"> <li>Independent reviews (e.g., internal audit) are performed of the asset management system</li> </ul>	A	1

## 5 Observations and Recommendations

### 5.1 Performance Audit

Table 5-1 Performance Audit Observations

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
2	Clause 3.3.1(b)	Water Services Act Section 21(1)(b)	If requested to provide a water service authorised by the licence to a person not covered by section 21(1)(a) but within the operating area of the licence, the licensee must offer to provide the service on reasonable terms, unless provision of the service is not financially viable or is otherwise not practicable.	<ul style="list-style-type: none"> <li>CKB's Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011 states that <i>“The City of Kalgoorlie-Boulder will use its best endeavours to provide a service to collect, treat and dispose of domestic sewage discharged from each customer's property to the City's sewer system. In addition, the City of Kalgoorlie-Boulder will provide other services on terms agreed between the customer and the City.”</i></li> <li>When requested by customers, CKB has provided services in accordance with its licence and within its operating area.</li> <li>CKB advised that there have been no instances where it has discontinued providing a service because it has been not practicable or not financially viable</li> </ul>	<ul style="list-style-type: none"> <li>CKB Wastewater Collection &amp; Treatment Service – Customer Service Charter, March 2011</li> </ul>	1
3	Clauses 3.1.1 and 3.5	Water Services Act Section 21(1)(c)	The licensee must provide, operate and maintain the water service works specified by the ERA in the licence.	<ul style="list-style-type: none"> <li>CKB stated it has provided, operated and maintained the water service works as specified by the ERA in the licence during the Audit Period. Maintenance of the water service works has been undertaken by CKB employees and contractors during the Audit Period.</li> <li>Asset management procedures are set out in the Waste and Compliance Services Stand Operating Procedures (SOP) Manual. These include:</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Review of operating area map</li> <li>Inspection of assets</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> <li>Treated Wastewater for Reuse Standard Operating Procedures and Maintenance Manual</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>– Sewer Operating Procedures (Part E)</li> <li>– Wastewater Treatment Plant Operating Procedures (Part F)</li> <li>– Asset Management Procedures (Part G)</li> </ul> <ul style="list-style-type: none"> <li>▪ We note that CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>▪ In addition, CKB also has a Treated Wastewater for Reuse Standard Operating Procedures and Maintenance Manual for its recycled water network. This includes the operational requirements for: <ul style="list-style-type: none"> <li>– Wastewater Testing</li> <li>– Warning Protocols</li> <li>– Irrigation Compliance</li> <li>– System Maintenance.</li> </ul> </li> <li>▪ We have undertaken an asset management review at the same time as this operational audit and the findings of this review are presented later in this report.</li> <li>– We inspected the licensee's assets at the time of audit including the</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review of operation and maintenance records</li> <li>▪ Review of licensee performance monitoring and maintenance records</li> </ul>	

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				South Boulder Wastewater Treatment Plant.		
4	Clause 3.4.1	Water Services Act Section 22	The licensee must notify the ERA as soon as practicable before commencing to provide the water service outside of the operating area of the license.	<ul style="list-style-type: none"> <li>CKB does not provide any water services outside of the operating area.</li> <li>This obligation is not able to be rated for the audit period.</li> <li>As CKB does not have any controls to notify the ERA should this event occur, this obligation should be added to its Compliance Reporting Register. This is covered by the further action that has been identified to resolve Recommendation A2/2015.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Review of operating area map</li> </ul>	NR
5	Clause 3.5	Water Services Act Section 23	All water service works used by the licensee in the provision of a water service must be held by the licensee, or must be covered by a works holding arrangement.	<ul style="list-style-type: none"> <li>CKB is the asset owner for the water services assets in its operating area that it is licensed to provide.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset management Plan – Version 3, October 2018</li> <li>Review financial records</li> </ul>	1
6	Clause 4.1.1	Water Services Act Sections 24(1)(a) & 24(2)	The licensee must have an asset management system that provides for the operation and maintenance of the water service works.	<ul style="list-style-type: none"> <li>The main components of the CKB's current asset management system include: <ul style="list-style-type: none"> <li>The Asset Management System</li> <li>The Asset Management Plan (AMP)</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> <li>Treated Wastewater for Reuse Standard Operating Procedures and Maintenance Manual</li> <li>Synergy financial system that includes the financial asset register</li> <li>SCADA for managing/monitoring assets</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> <li>Treated Wastewater for Reuse Standard Operating Procedures and Maintenance Manual</li> <li>WWTP Operating Manual</li> <li>Annual O&amp;M budgets</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>Operating manuals located at the South Boulder Wastewater Treatment Plant (WWTP)</li> <li>Capital Works Program</li> <li>Annual operating budget</li> <li>The SOP Manual states in Part E: <i>The City operates the treatment facility under the Environmental Protection Act 1986, and the sewer system under the Water Services Act 2012 as licensed by the Economic Regulation Authority. Operations of these systems must be in accordance with the relevant Acts and operational licenses as amended. The operational licences are:</i> <ul style="list-style-type: none"> <li>South Boulder Wastewater Treatment Plant DER Operating Licence L8560/2011/1</li> <li>Water Services Operating Licence V5 18 November 2013</li> </ul> <i>Subsidiary Legislation to the Water Services Act 2012 to be complied with is:</i> <ul style="list-style-type: none"> <li>Water Services Regulation 2013</li> <li>Water Services Code of Conduct (Customer Services Standards) 2013 (Code of Conduct)"</li> </ul> </li> </ul> <p><b>Recommendation A1/2019</b></p> <ul style="list-style-type: none"> <li>The operating licence reference in the Asset Management Plan is out of date and we recommend that it is updated. We also note that the Code of Conduct reference also needs to be updated.</li> <li>At the previous audits, CKB has also been using the linked Excel spreadsheet system that was originally provided to water service providers by the ERA.</li> </ul>	<ul style="list-style-type: none"> <li>Capital Works Plan</li> </ul>	

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>We note that CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>In addition, CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>A review of this asset management system has been completed at the same time as this operational audit and the outcomes are presented in a later section of this report.</li> </ul>		
7	Clauses 4.1.2 4.1.1 and 4.1.2	Water Services Act Section 24(1)(b)	The licensee must give details of the asset management system and any changes to it to the ERA.	<ul style="list-style-type: none"> <li>There has been no material change to the asset management system used by the licensee during the audit period.</li> <li>As noted above, after the 2017 audit/review, CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Correspondence with ERA</li> <li>CKB AMS</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years</p> <ul style="list-style-type: none"> <li>In the interim, CKB has continued to use the Excel-based AMIS that has been in place for a number of years.</li> <li>Therefore, this obligation has not been rated.</li> <li>As CKB does not have any controls to notify the ERA should this event occur, this obligation should be added to its Compliance Reporting Register. This is covered by the further action that has been identified to resolve Recommendation A2/2015.</li> </ul>		
8	Clause 4.1.3	Water Services Act Section 24(1)(c)	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	<ul style="list-style-type: none"> <li>An asset management system review was conducted by Paxon and documented in a report prepared 12 May 2017, which covered the period from 1 January 2015 to 31 December 2016.</li> <li>The next asset management system review (this review) covers the 24 month period from 1 January 2017 to 31 December 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Review of previous asset management review report</li> </ul>	1
9	Clause 4.3.1	Water Services Act Section 25	A licensee must, not less than once every 24 months, or such longer period as determined by the ERA, provide the ERA with an operational audit conducted by an independent expert appointed by the ERA.	<ul style="list-style-type: none"> <li>The licensee is currently subject to operational audits at 24 month intervals.</li> <li>The last operational audit was undertaken by Paxon and documented in a report prepared 12 May 2017, which covered the period from 1 January 2015 to 31 December 2016.</li> <li>The next operational audit (this audit) covers the period from 1 January 2017 to 31 December 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Previous operational audit report (Paxon, August 2014)</li> <li>Correspondence with ERA</li> </ul>	1
11	Clause 3.1.1	Water Services Act Section 27	The licensee must comply with the code of conduct that may be made by the ERA to the extent to	<ul style="list-style-type: none"> <li>Obligations 92 – 154A in this table relate to specific requirements of the</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	2



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			which it applies to the licensee and is not inconsistent with the licence.	<p>licensee relating to the Code of Conduct.</p> <ul style="list-style-type: none"> <li>We note that the Code of Conduct is specifically included in the list of "State and Federal Government Acts &amp; Regulations" contained in the Waste and Compliance Services Stand Operating Procedures (SOP) Manual. However, the reference is for the 2013 version of the Code and will need to be updated to the most recent 2018 version.</li> <li>As CKB has not complied with all of the obligations include in the Code of Conduct, this obligation has been rated as non-compliant.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Compliance Reports 2016/17 and 2017/18</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> <li>This audit report</li> </ul>	
12	Clause 3.1.1	Water Services Act Section 29	The licensee must comply with the duties imposed on it by the Act in relation to its licence and must carry out its operations in respect of the licence in accordance with the Act.	<ul style="list-style-type: none"> <li>The duties of the licensee are set out in Part 2, Division 3 of the Act. The compliance of the licensee with these obligations has been tested in this audit, resulting in a number of non-compliances being found. As a result, this obligation has been rated as non-compliant.</li> <li>CKB seeks to comply with its duty to provide sewerage services and non-potable water services within its operating area.</li> <li>CKB has received a small number of complaints regarding its water services in the audit period. For 2016/17, CKB recorded 66 sewer service complaints as it records all sewer blockages as complaints. A further three complaints were received in 2016/17 related to billing and account issues. In 2017/18, CKB recorded 85 sewer service complaints and one account and billing complaint.</li> <li>CKB advised it has not refused provision of sewerage services and</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Operating Licence</li> <li>Asset Management System</li> <li>Previous operational audit report (Paxon, May 2017)</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>non-potable water services in the audit period to customers.</p> <ul style="list-style-type: none"> <li>We note that the <i>Water Services Act 2012</i> is referenced in the legislation included in Section 3.3 – Legislative Requirements of the AMP. We also note that the Act is specifically included in the list of “<i>State and Federal Government Acts &amp; Regulations</i>” contained in the Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>		
13	Clause 3.1.1	Water Services Act Section 36	If the licensee ceases to provide a water service in an area, the licensee must ensure that the water service works are left in a safe condition, and must not remove any part of the works except with the approval of the Minister.	<ul style="list-style-type: none"> <li>CKB advised that it has not ceased to provide a water service during the audit period. Therefore, this obligation is not able to be rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
15	Clause 5.5.1	Water Services Act Section 66	Licensees who are required to be a member of the water services ombudsman scheme agree to be bound by, and compliant with, any decision of direction of the water services ombudsman under the scheme.	<ul style="list-style-type: none"> <li>The licensee has agreed to be bound by and compliant with any decision or direction of the Western Australian Energy and Water Ombudsman (Ombudsman).</li> <li>CKB has stated no decisions of directions were given by the Ombudsman during the Audit Period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Correspondence</li> <li>Complaints register</li> </ul>	1
16	Clause 3.1.1	Water Services Act Section 77(3)	The licensee must take reasonable steps to minimise the extent or duration of any interruption of water services it is responsible for.	<ul style="list-style-type: none"> <li>CKB has in place appropriate asset management practices to minimise the extent or duration of any interruption of its water services. We discuss asset management practices further in the second section of this report.</li> <li>CKB uses the services of a contracted plumber who, in terms of a contractual agreement, is given an hour to respond to interruptions notified by the licensee (after an initial assessment by CKB at the location of the interruption).</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Review of asset management system</li> <li>Annual Compliance Reports 2016/17 and 2017/18</li> <li>Sewer blockage register</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>CKB employees are responsible to limit the extent or duration of interruptions of non-potable water services during the Audit Period.</li> <li>CKB maintains records of sewerage blockages which include the time that the call was received from the customer, the time on site and the duration of any interruption to service. Generally CKB will minimise any interruption to the sewerage service by running a bypass so that customers are not impacted by any blockages in the system. If the outage is longer, CKB are able to organise site toilets for affected customers.</li> </ul>		
17	Clause 3.1.1	Water Services Act Sections 82(4) & (5)	If a person must give the licensee notice of any building work to be carried out on land in the operating area of a license, the licensee must return a copy of the plans and specifications contained in the notice with any written directions about the proposed building work that the licensee considers necessary to ensure the safety and efficacy of the provision of water services provided, or to be provided. The licensee must do this within 7 days of receiving the fee for dealing with the notification.	<ul style="list-style-type: none"> <li>CKB has a turnaround policy for building applications which is enforced as follows: <ul style="list-style-type: none"> <li>Uncertified within 25 days</li> <li>Certified within 10 days</li> </ul> </li> <li>Details of CKB's building permit application processes are provided on the CKB website.</li> <li>Typically for wastewater connections, the property owner/developer would engage a plumber/builder to connect to CKB's sewer pipe and CKB would inspect the cut-in to its asset. Plans received from applicants are recorded by CKB in a database.</li> <li>Any written directions considered necessary to ensure the safety and efficacy of water services are considered to be appropriately addressed to enable compliance with CKB's turnaround policy during the Audit Period.</li> <li>No works were completed in the licenced area under this obligation during the audit period. Construction</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Building Policies</li> <li>CKB Building Approval Forms</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				activities expected in next Financial Year and all relevant planning policies & procedures are expected to be followed.		
18	Clause 3.1.1	Water Services Act Section 84(2)	If the licensee has given a notice under section 83(3)(a) of the Act, and the licensee is satisfied that the person given the notice is not going to comply with the notice within a reasonable time, the licensee must give the person 21 days' notice of its intention to commence the works.	<ul style="list-style-type: none"> <li>CKB has stated no notices were given under section 83(3)(a) of the Act during the Audit Period. Therefore, section 84(2) of the Act in respect of giving 21 days' notice of the CKB's intention to commence works was not applicable during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
19	Clause 3.1.1	Water Services Act Section 87(2)	If a person makes an application with the State Administrative Tribunal for a review of a decision in respect of the licensee providing additional water services when a person has not responded to the licensee's notice, the licensee cannot provide the works until the application has been finally dealt with, except in limited circumstances.	<ul style="list-style-type: none"> <li>CKB has stated it has no knowledge of any application(s) made to the State Administrative Tribunal during the Audit Period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
20	Clause 3.1.1	Water Services Act Section 90(7)	If the licensee gives a compliance notice to a person who is undertaking construction or carrying out similar works in the vicinity of water service works, the licensee must, to the extent practicable, consult with the owner of the land on which the obstruction is located or the activity is taking place if the person to be given the notice is not the owner of the land.	<ul style="list-style-type: none"> <li>CKB has not issued any compliance notices under the Act during the audit period related to construction in the vicinity of water service works. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
24	Clause 3.1.1	Water Services Act Section 98(3)	If required to by the Minister, the licensee must connect a wastewater inlet on land to the sewerage works of the licensee.	<ul style="list-style-type: none"> <li>CKB has not received a direction from the Minister to connect a wastewater inlet on land to its sewerage works during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
25	Clause 3.1.1	Water Services Act Section 106(2)	The licensee must include the information specified in a compliance notice given in relation to failure to maintain fittings, fixtures and pipes.	<ul style="list-style-type: none"> <li>CKB has not issued any compliance notices in relation to failure to maintain fittings, fixtures and pipes. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
28	Clause 3.1.1	Water Services Act Section 119(2)	The licensee must include the information specified in a compliance notice given in relation to the matters set out in section 119(1).	<ul style="list-style-type: none"> <li>CKB has not issued any compliance notices during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
29	Clause 3.1.1	Water Services Act Section 122(2)	If a person makes an application to the State Administrative Tribunal under section 122(1), the licensee cannot take, or continue to take, action against the person except in the circumstances specified.	<ul style="list-style-type: none"> <li>CKB has not given any compliance notices during the audit period. As a result, no applications were made to the State Administrative Tribunal during the Audit Period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
30	Clause 3.1.1	Water Services Act Section 125(2)	If the licensee provides a water supply, sewerage or drainage service to 2 or more dwellings on land by a single property connection, the licensee may apportion fees. The licensee cannot apportion fees to the extent inconsistent with any agreement related to such a provision of services, or section 66 of the Strata Titles Act 1985.	<ul style="list-style-type: none"> <li>CKB did not apportion any of its fees during the audit period. Sewerage service customers are charged based on the rateable value of their property. All recycled non-potable water customers are individually metered and receive individual bills. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
31	Clause 3.1.1	Water Services Act Section 128(4)	If the licensee has previously lodged a memorial with the Registrar, the licensee must lodge a withdrawal of memorial with Registrar along with the prescribed fee (if any) if the charge or contribution has been paid.	<ul style="list-style-type: none"> <li>CKB has stated no circumstances necessitated the withdrawal of a memorial during the Audit Period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NR
32	Clause 3.1.1	Water Services Act Section 129(5)	If a routine inspection or maintenance is likely to cause disruption to the occupants of a place at least 48 hours' notice of a	<ul style="list-style-type: none"> <li>CKB provides 48 hours' notice to occupants in respect of proposed entry for purposes of routine inspections or maintenance of sewerage services.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			proposed entry must be given to the occupier of the place unless the occupier agrees otherwise.	<ul style="list-style-type: none"> <li>CKB's contract plumbers conduct any letter drop informing customers of the proposed entry, although, there is no formal process to provide the notification.</li> <li>No routine inspection or maintenance works were completed in the licenced area under this obligation during the audit period. Given the licensed sewerage services provided by CKB, entry to a customer's property would generally not be expected to be required. Typically any sewerage issues would be classed as emergencies and this provides CKB with exemptions for entry.</li> <li>CKB has stated it did not enter the land of others to carry out the non-potable water supply services it provided during the Audit Period. As such, any clauses in the Act which deal with such entry were not applicable to CKB in respect of the non-potable water supply services it provided during the Audit Period.</li> <li>The SOP states that the office attending a blockage must "Provide 48 hours' notice in writing of any routine inspections or maintenance works to residents' affected by these works prior to them being undertaken."</li> </ul> <p><b>Recommendation A2/2019</b></p> <ul style="list-style-type: none"> <li>We note that the Customer Service Charter informs customers that "For planned work within a property, the City shall advise the occupier in advance." However, the Charter does not inform that at least 48 hours advance notice must be given. We recommend that CKB updates the information in its</li> </ul>	<p>Plan – Version 3, October 2018</p> <ul style="list-style-type: none"> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				Customer Charter specify the notice it is required to provide.		
33	Clause 3.1.1	Water Services Act Section 139(3)	If the licensee removes or erects a fence or gate when exercising a works power conferred by the Act, the licensee must take all reasonable steps to notify the owner before doing so.	<ul style="list-style-type: none"> <li>CKB has erected fences and gates during the audit period in relation to work at Piccadilly Street and Hawkins Street but this has been for contractor's barricades and so did not occur on any private property. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
34	Clause 3.1.1	Water Services Act Section 141(1)	In certain instances, if a person authorised by the licensee carries out road work that involves breaking the surface of the road or that would cause major obstruction to road traffic, the licensee must give at least 48 hours' notice to the public authority managing the road.	<ul style="list-style-type: none"> <li>CKB has not carried out any road work that involved breaking the surface of the road or which would cause major obstruction to road traffic where it has required to provide at least 48 hours' notice to the public authority managing the road. As a result, we have not rated this obligation.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
35	Clause 3.1.1	Water Services Act Sections 142	The licensee must comply with sections 143 and 144 of the Act in relation to the proposed major works, and has given any notice required under section 148.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no definite details to present at the current time.</li> <li>Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
36	Clause 3.1.1	Water Services Act Sections 143 (2)	Before the licensee submits a proposal for the provision of major works to the Minister, the licensee must prepare, publish and make available plans and details of those major works as specified.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>definite details to present at the current time.</p> <ul style="list-style-type: none"> <li>Therefore, this obligation has not been rated.</li> </ul>		
37	Clause 3.1.1	Water Services Act Sections 143 (3)	The licensee must, within 5 days of publishing the plans and details on the licensee's website, give notice setting out the matters prescribed in section 143(4) to the persons and agencies specified.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no definite details to present at the current time.</li> <li>Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
38	Clause 3.1.1	Water Services Act Sections 144(3)	The licensee must have regard to an objection or submission lodged within the relevant period.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no definite details to present at the current time.</li> <li>Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
39	Clause 3.1.1	Water Services Act Section 145(2)	If the licensee makes alterations to the plans or details referred to in section 143(2), the licensee must give written notice of the alterations to any person who is likely to be adversely affected by those alterations.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no definite details to present at the current time.</li> <li>Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
40	Clause 3.1.1	Water Services Act Section 147(3)	The licensee must comply with a direction given by a Minister in respect of a proposal to provide water service works that are major works under section 143(3).	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>planning stage, and so there are no definite details to present at the current time.</p> <ul style="list-style-type: none"> <li>Therefore, this obligation has not been rated.</li> </ul>	Plan – Version 3, October 2018	
41	Clause 3.1.1	Water Services Act Section 147(4)	If the Minister gives a direction that further notices in relation to the proposed major works be given under section 143(3), the licensee must resubmit the proposal.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any major works (as defined by Section 133 of the Act) during the audit period.</li> <li>The proposed upgrade of the South Boulder WWTP is at a very early planning stage, and so there are no definite details to present at the current time.</li> <li>Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
42	Clause 3.1.1	Water Services Act Section 151(1)	A licensee proposing to provide water service works that are general works must prepare plans and details of the proposed works and publish and make them available for inspection.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any general works (as defined by Section 134 of the Act) during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
43	Clause 3.1.1	Water Services Act Section 151(2)	The licensee must give a notice of general works setting out the matters referred to in section 151(3) to the persons and agencies specified.	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any general works (as defined by Section 134 of the Act) during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
44	Clause 3.1.1	Water Services Act Section 152(3)	The licensee must have regard to an objection or submission lodged by the date specified in the notice given under section 151(2).	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any general works (as defined by Section 134 of the Act) during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> </ul>	NR
45	Clause 3.1.1	Water Services Act Section 153(3)	If the licensee makes alteration to those plans or details referred to in section 151, the licensee must give written notice of the alterations to any person who is	<ul style="list-style-type: none"> <li>CKB has not planned for or constructed any general works (as defined by Section 134 of the Act) during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			likely to be adversely affected by those alterations.		Plan – Version 3, October 2018	
46	Clause 3.1.1	Water Services Act Section 166(5)	On being advised by the Minister that an interest in land is appropriate to the licensee's needs, the licensee is required to acquire the interest.	<ul style="list-style-type: none"> <li>CKB has not been required to take an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
47	Clause 3.1.1	Water Services Act Section 166(6)	Any costs incurred in taking an interest in land are to be paid by the licensee.	<ul style="list-style-type: none"> <li>CKB has not been required to take an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
48	Clause 3.1.1	Water Services Act Section 170	The licensee must not sell an interest in land if the purchaser would hold a parcel of land that did not comply with the minimum lot size and zoning requirements under the Planning and Development Act 2005, unless the Minister permits the licensee to do so.	<ul style="list-style-type: none"> <li>CKB has not been required to sell an interest in land under the Act during the audit period. Therefore, this clause is not able to be rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
49	Clause 3.1.1	Water Services Act Section 173(4)	In relation to entry to a place for the purposes of doing works, in the circumstances specified the licensee is required to give 48 hours' notice of proposed entry to a place to the occupier or owner, as applicable, unless the occupier or owner agrees otherwise.	<ul style="list-style-type: none"> <li>As noted against obligation 32, CKB provides 48 hours' notice to occupants in respect of proposed entry for purposes of routine inspections or maintenance of sewerage services.</li> <li>CKB's contract plumbers conduct any letter drop informing customers of the proposed entry, although, there is no formal process to provide the notification. However, given the licensed sewerage services provided by CKB, entry to a customer's property would generally not be expected to be required. Typically any sewerage issues would be classed as emergencies and this provides CKB with exemptions for entry.</li> <li>CKB confirmed that no pre-planned wastewater network work directly impacting on customers has been</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>completed since October 2014, only emergency breakdown work activities have been completed.</p> <ul style="list-style-type: none"> <li>CKB has stated it did not enter the land of others to carry out the non-potable water supply services it provided during the Audit Period. As such, any clauses in the Act which deal with such entry were not applicable to CKB in respect of the non-potable water supply services it provided during the Audit Period.</li> <li>As a result of there being no relevant activity, we have not rated this obligation.</li> </ul>		
50	Clause 3.1.1	Water Services Act Section 174(1)	Notice of a proposed entry by the licensee must be in writing and must set out the purpose of the entry, including (if applicable) any work proposed to be carried out.	<ul style="list-style-type: none"> <li>Refer to previous obligation observations.</li> <li>CKB confirmed that no pre-planned wastewater network work directly impacting on customers has been completed since October 2014, only emergency breakdown work activities have been completed.</li> <li>As a result, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB Wastewater and Treated Wastewater 2018 – Asset Management Plan – Version 3, October 2018</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
51	Clause 3.1.1	Water Services Act Section 174(3)	Even if in a particular instance the licensee may enter a place under the Act without having to give notice of proposed entry, the licensee must when practicable, and when it will not compromise the reason for entry, give notice of entry to the occupier.	<ul style="list-style-type: none"> <li>CKB's Waste and Compliance staff do not have any powers of entry and can only enter a place by permission. If entry is required, CKB will take an Environmental Health Officer as these staff have the required powers of entry under Section 171(1) (c) (e) (f) of the Act.</li> <li>CKB has not made any unconsented entries associated with water services were made during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
52	Clause 3.1.1	Water Services Act Section 175(2)	If an occupier is present when the licensee proposes to enter a dwelling, the licensee must perform the prescribed actions before entering the premises.	<ul style="list-style-type: none"> <li>CKB has not made any entries into a customer's dwelling for purposes related to the licenced water services during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
53	Clause 3.1.1	Water Services Act Section 175(5)	If the licensee enters a dwelling that is unoccupied, the licensee must leave a notice or a copy of the warrant (as applicable) in a prominent position in the dwelling before leaving the dwelling.	<ul style="list-style-type: none"> <li>CKB has not made any entries into a customer's dwelling for purposes related to the licenced water services during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
54	Clause 3.1.1	Water Services Act Section 176(1)	If the licensee has entered a place with or without consent, the licensee must leave the premises as soon as practicable after being notified that the owner or occupier has refused or withdrawn their consent.	<ul style="list-style-type: none"> <li>CKB was not able to recall any incidents from the audit period where the owner or occupier has refused or withdrawn their consent and CKB's staff (or contractors) have been required to leave the premises as soon as practicable after being notified. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
55	Clause 3.1.1	Water Services Act Section 176(3)	The licensee must produce their certificate of authority if asked to do so, and must not perform, or continue to perform, a function under the Act if they are not able to do so.	<ul style="list-style-type: none"> <li>CKB's staff are required to comply with its Code of Conduct in relation to communicating and dealing with members of the public.</li> <li>CKB's requirements are in accordance with the Act and staff are required to produce their certificate of authority if asked to do so.</li> <li>However, CKB does not recall any occasions where staff were required to produce their certificate of authority and no evidence of occasions when this has happened are recorded. Therefore, this obligation has been rated as Not Rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
56	Clause 3.1.1	Water Services Act Section 176(4)	If the licensee enters or proposes to enter a place, and the owner or occupier requests the licensee produce evidence of authority for that entry, then the licensee must leave the place if they are unable	<ul style="list-style-type: none"> <li>CKB has not experienced any occasions during the audit period where staff have been requested to produce evidence of authority for that entry by the owner or occupier and not been</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			to do so unless the owner or occupier agrees otherwise.	able to provide the evidence. Therefore, this obligation has not been rated.		
57	Clause 3.1.1	Water Services Act Section 181	The licensee, or a person assisting the licensee, must, as far as is practicable comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier.	<ul style="list-style-type: none"> <li>CKB stated that there have been no known cases during the audit period where staff have had to comply with any reasonable request from the owner or occupier intended to limit interference with the lawful activities of the owner or occupier. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
58	Clause 3.1.1	Water Services Act Section 186	If the licensee applies for a warrant, the application must contain the prescribed information.	<ul style="list-style-type: none"> <li>CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
59	Clause 3.1.1	Water Services Act Section 187(1) – (3)	If the licensee applies for a warrant to enter, the application must be made in accordance with the procedures specified depending on the location of the applicant and the justice.	<ul style="list-style-type: none"> <li>CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
60	Clause 3.1.1	Water Services Act Section 190(4)	Unless required to give a copy of the warrant, the licensee executing the warrant must produce the warrant for inspection by the occupier of the place concerned on entry (if practicable), and if requested to do so.	<ul style="list-style-type: none"> <li>CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
61	Clause 3.1.1	Water Services Act Section 190(5)	On completing the execution of a warrant the licensee must record the prescribed information on that warrant.	<ul style="list-style-type: none"> <li>CKB advised that it has not applied for a warrant within the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
62	Clause 3.1.1	Water Services Act Section 210(5)	If the licensee designates a person as an inspector or compliance officer, the licensee must give that person a certificate	<ul style="list-style-type: none"> <li>CKB has not designated any person as an inspector or compliance officer during the audit period. As a result, no certificates of authority have been</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			of authority that includes certain prescribed information.	issued. Therefore, this obligation has not been rated.	Procedures (SOP) Manual.	
63	Clause 3.1.1	Water Services Act Section 218(2)	In the exercise or purported exercise of a power under the Act, the licensee must ensure that, to the extent practicable, the free use of any place is not obstructed, and that as little damage, harm or inconvenience is caused as is possible.	<ul style="list-style-type: none"> <li>CKB has not exercised a works power of power of entry under this Act during the audit period. Therefore, this obligation has not been rated.</li> <li>No complaints regarding the CKB's actions to deliver the water service have been received during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
64	Clause 3.1.1	Water Services Act Section 218(3)	If the licensee does any physical damage in the exercise of a works power or a power of entry, the licensee must ensure that the damage is made good, and pay compensation to the extent that it is not practicable to make good the damage.	<ul style="list-style-type: none"> <li>CKB has not exercised a works power of power of entry under this Act during the audit period. Therefore, this obligation has not been rated.</li> <li>No complaints regarding the CKB's actions to deliver the water service have been received during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
69	Clause 3.1.1	Water Services Regulations 2013 Regulation 29(1)	The licensee must, on the written request of a developer who is required to pay the licensee an infrastructure contribution in respect of a subdivided lot, defer the payment of the contribution unless regulations 29(3) or 29(4) applies.	<ul style="list-style-type: none"> <li>CKB collects headwork contributions related to new developments and upgrades of commercial premises from developers.</li> <li>However, CKB advised that no requests to defer the payment of the contribution were received during the Audit Period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual.</li> </ul>	NR
70	Clause 3.1.1	Water Services Regulations 2013 Regulation 42(2)	The written order requiring the owner or occupier of land to install a backflow prevention device must set out the date which the device must be installed and tested (which must be at least 7 days after the order is given).	<ul style="list-style-type: none"> <li>CKB installed one backflow prevention device installed during the audit period in October 2016. This device was installed at a residential property in Dugan Street as a result of sewer blockage issues arising from non-compliant internal plumbing that been in place for a long. The device was installed as a proactive measure.</li> <li>However, CKB carried out the work and did not issue a written order requiring the owner or occupier of land to install the backflow prevention device during</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> <li>CKB Sewer Blockages 16-17 spreadsheet</li> <li>CKB Sewer Blockages 17-18 spreadsheet</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				the audit period. As a result, this obligation has not been rated.		
71	Clause 3.1.1	Water Services Regulations 2013 Regulation 43(3)	The compliance notice requiring the owner or occupier of land to have their backflow prevention device tested or maintained in accordance with the standard by a specified date (which must be at least 7 days after the notice is given).	<ul style="list-style-type: none"> <li>Refer to previous obligation.</li> <li>CKB has not issued a compliance notice requiring an owner or occupier of land to have their backflow prevention device tested or maintained in accordance with the standard during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> <li>CKB Sewer Blockages 16-17 spreadsheet</li> <li>CKB Sewer Blockages 17-18 spreadsheet</li> </ul>	NR
72	Clause 3.1.1	Water Services Regulations 2013 Regulation 43(6)	The compliance notice requiring the owner or occupier of land to have their backflow prevention device made good as specified in the notice must include the work that is required to be done, the manner in which the work is to be done and the date by which the work is to be done (which must be at least 7 days after the notice is given).	<ul style="list-style-type: none"> <li>Refer to previous obligation.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> <li>CKB Sewer Blockages 16-17 spreadsheet</li> <li>CKB Sewer Blockages 17-18 spreadsheet</li> </ul>	NR
74	Clause 3.1.1	Water Services Regulations 2013 Regulation 60(2)	If the licensee proposes to exercise a works power in a road and considers that it is necessary to alter the position of infrastructure, the licensee must notify the person who is responsible for the infrastructure and may request that the person make the alterations within the time specified in the notice.	<ul style="list-style-type: none"> <li>CKB has not exercised a works power in a road during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> </ul>	NR
75	Clause 3.1.1	Water Services Regulations 2013 Regulation 63	If the licensee opens or breaks up the surface of a road, the licensee must complete the relevant work and reinstate and make good the road, and must take all reasonable measures to prevent that part of the road from being hazardous.	<ul style="list-style-type: none"> <li>CKB, as a local authority, is also the roads owner and manager. The exception of relevant is for the State controlled roads that coincide with the sewerage network.</li> <li>CKB is well aware of its obligations to reinstate and make good roads following works.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>No road surfaces were required to be broken up and reinstated during the audit period in relation to the provision of the licenced water services. Therefore, this obligation has not been rated.</li> </ul>		
89	Clause 3.1.1	Water Services Regulations 2013 Regulation 85	Compliance notices issued by the licensee must include a brief description of the possible consequences under the Act of not complying with the notice, and the rights of review under the Act in relation to the notice and who may apply for review.	<ul style="list-style-type: none"> <li>CKB has not issued any compliance notices during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Waste and Compliance Services Stand Operating Procedures (SOP) Manual</li> </ul>	NR
92	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 8(1)-(3)	The licensee must have written information for customers about the prescribed matters regarding connections and the information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	<ul style="list-style-type: none"> <li>Section 2.7 of CKB's Customer Service Charter provides the required written information for customers about the prescribed matters regarding connections.</li> <li>The Customer Service Charter is available to be viewed or downloaded from CKB's website. CKB provides hard copies on request.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
93	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 9(2) and (4)	The licensee must ensure that, in any 12 month period, 90% of connections are completed before the end of 10 business days, starting on the day on which the customer has paid the relevant fees and complied with the relevant requirements.	<ul style="list-style-type: none"> <li>All properties serviced by CKB's sewerage service system have a junction provided as per CKB's standard drawings and specifications. It is the responsibility of the property owner/developer to commission a plumber to connect to the junction as provided by CKB for that property. CKB provides the owner/developer with the standard drawing and specification as part of the application process.</li> <li>However, as this obligation has been incorrectly applied to sewerage services in the ERA's Water Compliance manual, this obligation has been rated as not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
94	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 10(2)	If the licensee charges a fixed charge, the licensee must issue a bill for a fixed charge to each customer at least once in every 12 month period.	<ul style="list-style-type: none"> <li>CKB's sewerage customers receive a fixed charge for their sewerage service include in their rates notice. CKB's rates notices are issued every year in August.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
95	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(2)	If the licensee charges a quantity charge, the licensee must issue a bill for a quantity charge to each customer at least once in every 4 month period.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
96	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(3)	A bill for usage must be based on a meter reading to ascertain the quantity supplied or discharged.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
97	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(4)	If an accurate meter reading is not possible, a bill for usage must be based on an estimate (in accordance with the prescribed regulations) of the quantity of water supplied or waste water discharged.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
98	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(5)	If an accurate meter reading is not possible and there are no applicable regulations, a bill for usage must be based on a reasonable estimate of supply or discharge using one of the prescribed methods.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
98A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 11(6)	Despite subclauses 11(4) and (5), a bill for usage based on a meter reading must be issued at least once in every 12 month period.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
99	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 12	The licensee must send a bill to the address of the place where the water service is provided or, if the customer nominates another address, to the nominated address.	<ul style="list-style-type: none"> <li>CKB sends bills to the address nominated by the customer. This does not need to be the location at which the water service is provided.</li> <li>A sample of rates notices were reviewed during the audit to confirm that they include appropriate address details</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
100	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(1)	Each bill must contain the prescribed information.	<ul style="list-style-type: none"> <li>We reviewed examples of the rates notices issued by CKB. We confirmed that the invoices include: <ul style="list-style-type: none"> <li>the customer's name</li> <li>the account number</li> <li>the address of the place in respect of which the water service is provided</li> <li>any other address nominated by the customer for sending of bills</li> <li>the day on which the bill is issued</li> <li>the charges payable</li> <li>the water service for which the charge is payable</li> <li>the date when payment is due</li> <li>the nature and amount of any applicable concession</li> <li>the amount of interest or fees charged for late payment of outstanding amounts</li> <li>the amount of any arrears or credit standing to the customer's name</li> <li>the options for payment that are available to the customer</li> <li>a statement advising the customer that interest or fees may be charged for late payment of the bill</li> </ul> </li> <li>a statement advising the customer that the licensee can be contacted for</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of monthly Tax Invoices to non-potable water customers</li> <li>Sample of rates notices</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				assistance if the customer is experiencing problems paying the bill		
100A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(3)	A bill issued for 2 or more water services must specify the charge payable for each water service.	<ul style="list-style-type: none"> <li>CKB issues separate rates notices for its sewerage service and its non-potable water supply service. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of monthly Tax Invoices to non-potable water customers</li> <li>Sample of rates notices</li> </ul>	NA
101	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(4)	Each bill for usage for a metered water service must contain the specified information.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
101A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(5)	If a bill for usage for a metered water service was based on an estimate, the bill must inform the customer that the licensee will tell the customer the prescribed information on request.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
102A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6)	Each bill must contain the prescribed information.	<ul style="list-style-type: none"> <li>We reviewed examples of the rate notices issued by CKB. We confirmed that the invoices include: <ul style="list-style-type: none"> <li>the licensee's website address</li> <li>a telephone number for account, payment and general enquiries</li> <li>a telephone number for complaints</li> <li>a Freecall telephone number for the office of the water services ombudsman</li> <li>a statement that the bill can be reviewed in accordance with the licensee's review procedure mentioned in clause 20. For the rates notices, this is under a heading of Objections and Appeals.</li> </ul> </li> <li>The rates notices used for billing customers for sewerage services do not include:</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>the telephone number of the 24 hour information line provided in accordance with clause 45</li> <li>contact details for account, payment and general enquiries for use by customers with hearing or speech impairment</li> <li>for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services".</li> </ul> <p><b>Recommendation A3/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB updates its rates notice templates to include the omissions that have been listed above.</li> <li>In addition, the rates notice template does not include a statement that the website contains information about estimates, meter reading and testing, complaints and review, however, this is not applicable for the sewerage service charges.</li> </ul>		
103	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(1)	If a bill is based on an estimate, the licensee must tell the customer on request the basis of the estimate and the reason for the estimate.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
104	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 14(2)	If a bill is based on an estimate, the licensee must make any adjustments to the next bill to take into account the extent to which the estimate was not reasonable having regard to a subsequent and accurate meter reading.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
104A	Clause 3.1.1	Water Services Code of Conduct (Customer	Each bill for usage to which clause 15 applies must, in addition to the requirements of clause 13,	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Service Standards) 2018 Clause 15(3)	contain the prescribed information.	(Customer Service Standards) 2018. Therefore, this obligation is not applicable.		
105	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 16(1)	The licensee must provide to the customer on request a meter reading and a bill (or revised bill if applicable) for outstanding charges outside of the usual bill cycle, or in case the customer disputes an estimate.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
106	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 17(2) & (3)	The licensee must have a written policy, standard or set of guidelines (available on the licensee's website and a hardcopy provided to a customer upon request at no charge) in relation to granting a discount to a customer whose meter reading indicates a water usage that is higher than normal for the customer but is likely to have been wasted because of a leak from the customer's system.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, this obligation is not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	NA
107	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(2)	The licensee cannot recover an undercharged amount from a customer unless it is for water services provided in the 12 month period ending on the day on which the licensee informed the customer of the undercharging.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges. Although a customer could be undercharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of undercharging taking place during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that "If an error is made in the charges, which results in the customer paying less than the correct amount, the customer may be required to pay the correct amount on request".</li> </ul> <p><b>Recommendation A4/2019</b></p> <ul style="list-style-type: none"> <li>However, this text in the Customer Service Charter does not specify that CKB can only recover undercharged amounts in the 12 month period ending on the day on which the licensee informed the customer of the undercharging. We recommend that CKB adds this disclaimer to the text include in the Customer Service Charter.</li> </ul>		
108	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(3)	An undercharged amount must be the subject of, and explained in, a special bill or a separate item in the next bill.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be undercharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of undercharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>The Customer Service Charter informs customers that “If an error is made in the charges, which results in the customer paying less than the correct amount, the customer may be required to pay the correct amount on request”.</li> <li>However, this text in the Customer Service Charter does not specify that CKB can only recover undercharged amounts in the 12 month period ending on the day on which the licensee informed the customer of the undercharging. We recommend that CKB adds this disclaimer to the text include in the Customer Service Charter (refer to previous recommendation).</li> </ul>		
109	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(4)	The licensee must not charge interest or late payment fees on an undercharged amount.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be undercharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of undercharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that “If an error is made in the charges, which results in the customer paying less than the correct</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>amount, the customer may be required to pay the correct amount on request”.</p> <p><b>Recommendation A5/2019</b></p> <ul style="list-style-type: none"> <li>The text in the Customer Service Charter does not specify that CKB must not charge interest or late payment fees on an undercharged amount. We recommend that CKB adds this to the text include in the Customer Service Charter.</li> </ul>		
110	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 18(5)	The licensee must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be undercharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of undercharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that “If an error is made in the charges, which results in the customer paying less than the correct amount, the customer may be required to pay the correct amount on request”.</li> </ul> <p><b>Recommendation A6/2019</b></p> <ul style="list-style-type: none"> <li>Although the text in the Customer Service Charter informs customers that</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>"The City of Kalgoorlie-Boulder can make special financial arrangements to assist customers experiencing hardship in the payment of their accounts." this text does not specify that CKB must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.</p> <ul style="list-style-type: none"> <li>We recommend that CKB adds additional text to the Customer Service Charter to inform the customers of the requirements under this obligation.</li> </ul>		
111A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(2)	The licensee must, within 15 business days of becoming aware of an overcharge, credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be overcharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of overcharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that "If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer." However,</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of monthly Tax Invoices to non-potable water customers</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>the text does not specify the requirement to undertake this within 15 business days.</p> <p><b>Recommendation A7/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB adds text to the Customer Service Charter to specify the requirement to credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account within 15 business days.</li> </ul>		
112A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(3)	If the licensee sends the customer an overcharging notice and receives instructions from the customer about the refunding or crediting of the overcharged amount, the licensee must refund the overcharged amount, or credit the overcharged amount to the customer's account within 15 business days of the licensee receiving the instructions.	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be overcharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of overcharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that "If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>discretion of the customer.” However, the text does not specify that requirement to undertake this within 15 business days.</p> <p><b>Recommendation A8/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB add text to the Customer Service Charter to inform customers that it must refund any overcharged amount, or credit the overcharged amount to the customer’s account within 15 business days of the licensee receiving the instructions.</li> </ul>		
112B	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4)	<p>If instructions from the customer about the refunding or crediting of the overcharged amount have not been received by the licensee at the end of the period of 10 business days starting on the day an overcharging notice is sent, the licensee must credit the overcharged amount to the customer’s account before the end of the period of the next 15 business days.</p>	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be overcharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of overcharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> <li>The Customer Service Charter informs customers that “If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.” However,</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>the text does not specify the requirements under this obligation.</p> <p><b>Recommendation A9/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB adds to the text included in the Customer Service Charter to specify that it must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days if instructions from the customer about the refunding or crediting of the overcharged amount have not been received at the end of the period of 10 business days starting on the day an overcharging notice is sent.</li> </ul>		
112C	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(5)	The licensee must notify the customer immediately after crediting the overcharged amount to the customer's account under subclause (2)(a), (3) or (4).	<ul style="list-style-type: none"> <li>A fixed annual rate for utility services are made against the owner or occupier of the land to which the services are available or supplied. There are no usage charges.</li> <li>Although a customer could be overcharged on its overall rates, if a property valuation used as the basis for billing is found at a later date to be incorrect or if the wrong unit rate had been applied, as the sewer component is a fixed amount, it is very unlikely for a customer to be charged incorrectly.</li> <li>CKB cannot recall any examples of overcharging taking place during the audit period.</li> <li>Based on our observations, this obligation has not been rated for the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR
113	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The licensee must review a bill on the customer's request.	<ul style="list-style-type: none"> <li>CKB reviews bills when requested to by customers.</li> <li>This is typically performed in person at CKB's offices at the time the request is made.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 20(1)		<ul style="list-style-type: none"> <li>CKB advised that a small number of requests for review of bills have been received during the audit period although no records are kept to confirm the process or the outcomes.</li> </ul>		
114	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(2)	The license must have a written procedure for the review of a bill on the customer's request.	<ul style="list-style-type: none"> <li>At the time of the audit, CKB were not able to provide a written procedure for the review of a bill at the customer's request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</li> </ul> <p><b>Recommendation A10/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB develops a written procedure for the review of a bill on the customer's request.</li> <li>We note that a procedure has been added to the CKB website since the audit.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB website</li> </ul>	2
115	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) & (6)	The review procedure in clause 20(2) must include the specified information and be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	<ul style="list-style-type: none"> <li>At the time of the audit, CKB's bill review procedure was not available on its website. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</li> <li>We note that procedure has been added to the CKB website since the audit</li> </ul> <p><b>Recommendation A11/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB develops a written procedure for the review of a bill on the customer's request that includes the specified information and is available on CKB's website and a hardcopy provided to a customer upon request at no charge</li> <li>We note that a procedure has been added to the CKB website since the audit.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB website</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
116	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4)	The review procedure must state that the customer may, but does not have to, use the licensee's complaints procedure mentioned in clause 46 before or instead of applying to the water services ombudsman or, if available, making an appeal from, or applying for a review of, the decision under regulations mentioned in section 222(2)(k) of the Act.	<ul style="list-style-type: none"> <li>At the time of the audit, CKB were not able to provide a written procedure for the review of a bill at the customer's request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</li> </ul> <p><b>Recommendation A12/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB develops a written procedure for the review of a bill that meets the requirements of this obligation.</li> <li>We note that a procedure that meets the requirements of the obligation has been added to the CKB website since the audit.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB website</li> </ul>	2
117	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(5)	The licensee must inform the customer of the outcome of a review of the customer's bill as soon as practicable or otherwise less than 15 business days from the day the customer's request for review was received.	<ul style="list-style-type: none"> <li>CKB advised that a small number of requests for review of bills have been received during the audit period and that it would expect to inform customers of the outcome of the review of bills within the required 15 business days. However, no records of reviews are maintained to confirm that any reviews were completed during the audit period. Typically CKB expect any bill reviews to be completed in person at Council's offices or over the phone at the time they are raised by the customer.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	1
117A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 21	The licensee must notify each of its customers of any change to the amount or rate of a water service charge in accordance with the requirements in clause 21(2).	<ul style="list-style-type: none"> <li>Fees and charges relevant to the sewer rates and charges are detailed on the front of rates notice and services charges are detailed on its rear. An accompanying 'rates information brochure' is also include with the notice.</li> <li>CKB publishes a schedule of rates and fees annually. The schedule is able to be accessed and downloaded from the CKB website.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Schedule of Fees and Charges 2018-19</li> <li>Sample of rates notices</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>Sewerage rates are also published separately in the Rates section on the CKB website data.</li> </ul>		
118	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 23	The time set by the licensee for the payment of a bill must be after 14 days from when the bill is issued.	<ul style="list-style-type: none"> <li>CKB requires payments of its sewerage rates within 35 days of issue.</li> <li>We reviewed a sample of rates notices and confirmed that the payment terms and due dates are included on the templates.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of rates notices</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
119	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(1)	The licensee must allow a customer to pay a bill using any of the prescribed methods selected by the customer.	<ul style="list-style-type: none"> <li>We reviewed CKB's rates notice and tax invoice templates and confirmed that it allows customers to pay a bill using: <ul style="list-style-type: none"> <li>Centrepay (in the case of a residential customers)</li> <li>internet</li> <li>post.</li> </ul> </li> <li>In addition, CKB allows customers to pay a bill using: <ul style="list-style-type: none"> <li>Australia Post</li> <li>In person over the counter at CKB's Administrative Office or its Customer Service Centre</li> <li>Direct Debit</li> <li>BPoint</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Sample of monthly Tax Invoices to non-potable water customers</li> <li>Sample of rates notices</li> </ul>	1
120	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 24(2)	The licensee must, when offering bill payment method options, inform the customer of the fees and charges (if any) associated with each bill payment method offered.	<ul style="list-style-type: none"> <li>CKB informs customers of additional fees and charges for different payment methods in the Important Information section on the back of each rates notice.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Sample of rates notices</li> </ul>	1
121	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 25(1)	Before receiving a bill payment by direct debit the licensee must obtain the express consent of the customer or of an adult person nominated by the customer to give consent.	<ul style="list-style-type: none"> <li>CKB advised that it obtained express consent in compliance with the stipulations of clause 25(1) of the Code of Conduct during the Audit period</li> <li>CKB's Direct Debit Authorisation Request Form requires details of the</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Sample of rates notices</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>owner of the property and the signature of the person whose bank account will be debited. Forms are able to be downloaded from CKB's website and can also be completed online.</p> <ul style="list-style-type: none"> <li>The Remittance Advice section of the rates notice includes a phone number to call for more information if the customer wants to pay their bill by direct debit.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Direct Debit Authorisation Request Form</li> </ul>	
122	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 26(1)	The licensee must accept payment in advance from a customer on a customer's request.	<ul style="list-style-type: none"> <li>CKB advised that it accepted payments in advance from customers during the Audit Period as CKB's rates are invoiced for the forthcoming year.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Sample of rates notices</li> </ul>	1
123	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 27	The licensee must on request and at no charge redirect a customer's bills because of the customer's absence or illness.	<ul style="list-style-type: none"> <li>CKB advised that on request and at no charge, it redirected a customer's bills because of the customer's absence or illness during the Audit Period</li> <li>This provision is set out in the CKB's Financial Hardship Policy. We note that the policy is not included in the Customer Service Charter and recommend that CKB adds this requirement into the Charter.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
124A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(2)	The licensee must advise a customer who has been assessed as experiencing payment difficulties that they have a right to pay the bill under a payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	<ul style="list-style-type: none"> <li>CKB allows customers to pay bills under a payment plan or other arrangement.</li> <li>Information on payment plans is set out in its Financial Hardship Policy.</li> <li>In addition, the rates notice informs customers that their rates can be paid in instalments and that there is a special payment agreement that allows customers to pay weekly, fortnightly or monthly. Payment forms are available to be accessed on the CKB website.</li> <li>It could not be confirmed if there have been any instances of customers</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	NR



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				paying on a payment plan due to payment difficulties during the audit period, as opposed to using a payment plan for better budgeting. As a result, this obligation has not been rated.		
124B	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(3)	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing payment difficulties, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	<ul style="list-style-type: none"> <li>CKB takes a customer's capacity to pay the bill into account when formulating a payment plan or other arrangement for a customer that has been assessed as experiencing payment difficulties.</li> <li>CKB's Financial Hardship Policy informs customers that "When setting the conditions of the plan, we will consider your capacity to pay and, if relevant, your usage needs".</li> <li>It could not be confirmed if there was any relevant activity during the audit period. However, the processes and documentation that CKB has in place would ensure that the requirements of the obligation are met when payment plans are formulated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
124C	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 28(4)	The licensee must consider and decide whether or not the payment plan or other arrangement for a customer who has been assessed as experiencing payment difficulties should be interest-free, or fee-free, or both.	<ul style="list-style-type: none"> <li>CKB does not charge interest or fees for payment plans or other arrangements set up for customers who have been assessed as experiencing payment difficulties.</li> <li>CKB's Financial Hardship Policy informs customers that "We will not charge you any fees or interest as part of your extension or payment plan".</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
125	Clauses 3.1.1 and 5.4.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 29(1) & (2)	The licensee must have a written policy in relation to financial hardship that is approved by the ERA.	<ul style="list-style-type: none"> <li>CKB has in place a Financial Hardship Policy that was approved by the ERA on 16 May 2014.</li> <li>The Financial Hardship Policy is available on CKB's website.</li> <li>An updated version of the Financial Hardship Policy has been approved by</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				the ERA on 25 January 2019, after the end of the audit period.	<ul style="list-style-type: none"> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> </ul>	
126A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(3)	Unless the ERA approves otherwise, the licensee's financial hardship policy must comply with the ERA's guidelines (if any) in relation to financial hardship policies.	<ul style="list-style-type: none"> <li>CKB has in place a Financial Hardship Policy that was approved by the ERA on 16 May 2014.</li> <li>The Financial Hardship Policy is available on CKB's website.</li> <li>An updated version of the Financial Hardship Policy has been approved by the ERA on 25 January 2019, after the end of the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> </ul>	1
126B	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(4)	Unless the ERA approves otherwise, amendments to the licensee's financial hardship policy must be approved by the ERA and comply with the ERA's guidelines (if any) in relation to financial hardship policies.	<ul style="list-style-type: none"> <li>CKB has in place a Financial Hardship Policy that was approved by the ERA on 16 May 2014.</li> <li>The Financial Hardship Policy is available on CKB's website.</li> <li>An updated version of the Financial Hardship Policy has been approved by the ERA on 25 January 2019, after the end of the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> </ul>	1
128		Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(6)	The licensee's financial hardship policy must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge	<ul style="list-style-type: none"> <li>CKB's Financial Hardship Policy is currently available on its website. We were able to access the Financial Hardship Policy at audit.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB website</li> </ul>	1
129A	Clause 3.1.1 and 5.4.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(7)	The licensee must review its financial hardship policy at least once in every 5 year period.	<ul style="list-style-type: none"> <li>CKB's Financial Hardship Policy became effective on 16 May 2014. Therefore, it only needed to be reviewed by 16 May 2019, after the Audit Period.</li> <li>However, the ERA requested that water licensees review their Financial</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>Hardship Policies in correspondence dated 2 August 2018.</p> <ul style="list-style-type: none"> <li>An updated version of CKB's Financial Hardship Policy was provided to the ERA on 17 January 2019 and approved by the ERA in correspondence dated 25 January 2019. The submission and approval of the updated policy have taken place after the end of the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> </ul>	
129B	Clause 3.1.1 and 5.4.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(8)	The licensee must review its financial hardship policy if directed to do so by the ERA.	<ul style="list-style-type: none"> <li>As noted above, the ERA requested that water licensees review their Financial Hardship Policies in correspondence dated 2 August 2018.</li> <li>An updated version of CKB's Financial Hardship Policy was provided to the ERA on 17 January 2019 and approved by the ERA in correspondence dated 25 January 2019. The submission and approval of the updated policy have taken place after the end of the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> </ul>	1
129C	Clause 3.1.1 and 5.4.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 29(9)	The licensee must consult with relevant consumer organisations when formulating or reviewing its financial hardship policy.	<ul style="list-style-type: none"> <li>We confirmed that CKB has consulted with the Financial Counsellor's Association of Western Australia when reviewing its financial hardship policy during the audit period and that feedback had been received and updates made to the draft document.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>Correspondence from ERA</li> <li>Correspondence with Financial Counsellor's Association of Western Australia</li> </ul>	1
130A	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The licensee must advise a customer who has been assessed as experiencing financial hardship that they have a right to pay the	<ul style="list-style-type: none"> <li>CKB's Financial Hardship Policy (16 May 2014) informs customers that "If we determine that you are in financial hardship, we will offer you more time to</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 30(2)	bill under an interest-free and fee-free payment plan or other arrangement under which the customer is given more time to pay the bill or arrears, and the licensee must offer to enter into an appropriate plan or arrangement with the customer.	<p>pay the Sewered Area portion of your rate notice or a payment plan for this portion. We will not charge you any fees or interest as part of your extension or payment plan.”</p> <ul style="list-style-type: none"> <li>CKB confirmed that it has had ratepayers who have experienced financial stress but not been assessed as in Financial Hardship. Special Payment Arrangement is provided to assist these ratepayers by offering flexible payment arrangements. Those that have approached the City have either declared themselves insolvent or had their property repossessed by their financial institution.</li> <li>Those holding concessional entitlements are encourage to enter a payment arrangement paying their current year rates (and a small portion off their arrears) that allows CKB to claim their concessional entitlement. Penalty interest does not apply in these instances.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	
130B	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(3)	When formulating a payment plan or other arrangement for a customer that the licensee has assessed as experiencing financial hardship, the licensee must take the customer's capacity to pay the bill into account. In the case of a bill for usage, the licensee must also take into account how much water has been supplied or wastewater has been discharged in previous billing periods.	<ul style="list-style-type: none"> <li>Refer to Obligation 130A.</li> <li>CKB takes a customer's capacity to pay the bill into account when formulating a payment plan or other arrangement for a customer that has been assessed as experiencing payment difficulties.</li> <li>CKB's Financial Hardship Policy informs customers that “When setting the conditions of the plan, we will consider your capacity to pay and, if relevant, your usage needs”.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	1
131A	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The licensee must consider reducing the amount owing by the customer.	<ul style="list-style-type: none"> <li>Refer to Obligation 130A.</li> <li>CKB's Financial Hardship Policy (16 May 2014) informs customers that “If you are in financial hardship, we will</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 30(4)(a)		<p>consider reducing the amount you owe us".</p> <ul style="list-style-type: none"> <li>The Financial Hardship Policy provides information on concessions for eligible customers, and that customers should contact the Council if they meet the eligibility criteria as "You may be able to enter into an arrangement that entitles you to a rebate or deferment".</li> <li>However, no reference is made to applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes. We note that the updated 2019 Financial Hardship Policy includes additional information about waiving penalty interest and administration fees.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	
131B	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(b)	The licensee must review, upon request, how a customer is paying a bill under clause 30(2) and (3) and revise the payment plan or arrangement if the review indicates the customer is unable to meet the obligations.	<ul style="list-style-type: none"> <li>Refer to Obligation 130A.</li> <li>CKB's Financial Hardship Policy (16 May 2014) informs customers that "If appropriate, we will review and revise your extension or payment plan". However, no other details are provided.</li> <li>We note that the January 2019 update of the Financial Hardship Policy provides additional information for the customer: "We will review your payment plan if you submit a request in writing. If our review indicates that you are unable to meet your obligations under the current plan, we will revise it. We will either extend the duration of the payment arrangement and/or reduce the periodic payment amount".</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	1
131C	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c)	The licensee must provide the specified written information to a customer.	<ul style="list-style-type: none"> <li>Refer to Obligation 130A.</li> <li>CKB's Financial Hardship Policy (16 May 2014) provides written information to the customer about:</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>– redirecting the bill free of charge under clause 27</li> <li>– applying for concessions to which the customer may be entitled</li> <li>– seeking independent financial counselling or seeking advice from relevant consumer organisations</li> </ul> <ul style="list-style-type: none"> <li>▪ However, CKB's Financial Hardship Policy (16 May 2014) does not provide written information to the customer about: <ul style="list-style-type: none"> <li>– the bill payment methods provided by the licensee</li> <li>– applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes.</li> </ul> </li> <li>▪ We consider that these omissions constitute a minor non-compliance with the obligation.</li> </ul> <p><b>Recommendation A13/2019</b></p> <ul style="list-style-type: none"> <li>▪ We recommend that CKB updates its Financial Hardship Policy to provide all of the written information required under this obligation.</li> <li>▪ We note that the 2019 update of CKB's Financial Hardship Policy includes information about payment methods that rectifies the non-compliance observed in the version of the document that was in place during the audit period.</li> <li>▪ CKB has confirmed that other than concession card holders, there are no other government-funded grant schemes that ratepayers can access to assist them with their rates payments.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
133	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 31(4) & (5)	The licensee must have written information regarding the payment schemes and other assistance that is available to customers. The information must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	<ul style="list-style-type: none"> <li>CKB advised that it did have publicly available written information regarding payment plans and arrangements available to customers during the Audit Period.</li> <li>We confirmed that this information is available in CKB's Financial Hardship Policy, which is publically available on the licensee's website. CKB provide hard copies on request</li> <li>We note that this information is not included in the Customer Charter and recommend that it is also included in this document.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB website</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	1
133A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32	The licensee must not charge interest or fees for late payment of a bill by a customer in the specified circumstances.	<ul style="list-style-type: none"> <li>CKB advised that it does not charge interest or fees for late payment of a bill by a customer: <ul style="list-style-type: none"> <li>if the licensee has assessed, under its financial hardship policy, that the customer is experiencing financial hardship</li> <li>if a complaint made by the customer to the licensee that directly relates to the non-payment of the bill is not resolved</li> <li>if a complaint made by the customer to the water services ombudsman that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman.</li> </ul> </li> <li>No customers have been charged interest or fees for late payment of a bill in the specified circumstances under this obligation.</li> </ul> <p><b>Recommendation A14/2019</b></p> <ul style="list-style-type: none"> <li>We note that only the first dot point above is included in the Financial Hardship Policy to inform customers.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>We recommend that the additional two dot points be added to CKB's Financial Hardship Policy to inform customers of the obligations under this clause.</li> <li>We note that this information has also not been added to the updated January 2019 version of the Financial Hardship Policy.</li> </ul>		
134	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(a)-(c)	The licensee must not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship.	<ul style="list-style-type: none"> <li>CKB advised that it complied with the requirements of this obligation during the audit period.</li> <li>CKB's Financial Hardship Policy (April 2014) informs customers that: <ul style="list-style-type: none"> <li><i>We will also not commence or continue proceedings to recover your debt:</i> <ul style="list-style-type: none"> <li><i>while we are assessing whether or not you are in financial hardship; or</i></li> <li><i>if you are complying with your payment plan or another payment arrangement you have with us.</i></li> </ul> </li> </ul> </li> <li>We confirmed that under its Sundry Debtors Procedure Manual, CKB does not commence or continue proceedings to recover a debt from a customer if the customer is complying with a payment plan or other arrangement, is being assessed for payment difficulties or is being assessed for financial hardship</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> <li>CKB Sundry Debtors Procedure Manual</li> </ul>	1
134A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e)	The licensee must not commence or continue proceedings to recover a debt from a customer if a complaint made by the customer to the licensee or water services ombudsman, which directly relates to the water service charge to which the debt relates, is not resolved by the licensee (or is not	<ul style="list-style-type: none"> <li>CKB advised that it complied with the requirements of this obligation during the audit period.</li> <li>However, we note that CKB does not make its customers aware of its obligations under this clause in the Financial Hardship Policy. We also note that this information is not included in CKB's Customer Service Charter.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB Financial Hardship Policy for Water Services, January 2019</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			determined or is upheld by the ombudsman).	<b>Recommendation A15/2019</b> <ul style="list-style-type: none"> <li>We recommend that CKB updates its Financial Hardship Policy and its Customer Service Charter to make its customers aware of the obligations under this clause.</li> </ul>	<ul style="list-style-type: none"> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> </ul>	
144A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 43(1)	The licensee must give notice of any planned service interruption to each customer that will be affected by the service interruption.	<ul style="list-style-type: none"> <li>Section 3.3 of CKB's Customer Service Charter informs customers that "Unless interruptions are limited to a few minutes, notification shall be given to domestic customers at least twenty four (24) hours prior and for commercial and industrial customers at least five (5) days prior or by agreement.</li> <li>CKB provides notice of any planned service interruptions to each customer that will be affected by the service interruption.</li> <li>Although CKB has contractors who carry out the site work, CKB arranges the advance notice provided to customers.</li> <li>CKB confirmed that no pre-planned wastewater network work directly impacting on customers has been completed since October 2014, only emergency breakdown work activities have been completed. Details of completed work are recorded in the annual sewer blockages spreadsheet and we confirmed that there has been no planned work in the audit period.</li> <li>As a result, we have not rated this obligation.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>Sewer blockages 2016-17 spreadsheet</li> <li>Sewer blockages 2017-18 spreadsheet</li> </ul>	NR
144B	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The notice of any planned service interruption must be given within the prescribed timeframes.	<ul style="list-style-type: none"> <li>CKB confirmed that no pre-planned wastewater network work directly impacting on customers has been completed since October 2014, only emergency breakdown work activities</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service –</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 43(2)		<p>have been completed. Details of completed work are recorded in the annual sewer blockages spreadsheet and we confirmed that there has been no planned work in the audit period.</p> <ul style="list-style-type: none"> <li>As a result, we have not rated this obligation.</li> <li>As noted above, Section 3.3 of CKB's Customer Service Charter informs customers that "Unless interruptions are limited to a few minutes, notification shall be given to domestic customers at least twenty four (24) hours prior and for commercial and industrial customers at least five (5) days prior or by agreement.</li> <li>We note that this does not comply with Clause 43(2)(a) to provide "not less than 48 hours before the start of the service interruption". Although CKB's notice complies with clause 43(2)(b), "if it is not reasonably practicable to comply with paragraph (a), at the earliest practicable time before the start of the service interruption", we consider that CKB is non-compliant against this obligation.</li> </ul> <p><b>Recommendation A16/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB revises the information in the Customer Service Charter to inform customers that it will provide at least 48 hours' notice for planned service interruptions.</li> </ul>	<p>Customer Service Charter – March 2011</p> <ul style="list-style-type: none"> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> <li>Sewer blockages 2016-17 spreadsheet</li> <li>Sewer blockages 2017-18 spreadsheet</li> </ul>	
144C	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(1)	The licensee must have policies, practices and procedures for dealing with and minimising the impact of a burst, leak or blockage in its water supply works or sewerage works.	<ul style="list-style-type: none"> <li>CKB's Asset Management Policy provides a framework for the City to undertake the long-term sustainable management of its infrastructure and other associated assets. Objectives listed in the Policy include "Ensuring that the City's services and</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service –</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment”.</p> <ul style="list-style-type: none"> <li>CKB’s Customer Service Charter informs customers of its overall practices to minimise the impacts of blockages and leaks in its sewerage system.</li> <li>The Waste and Compliance Services SOP Manual provides procedural information associated with dealing with and minimising the impacts of sewer main overflows and blockages. This information is included in Section E of the SOP Manual and references the obligations under this clause of the Code. The SOP Manual also provides procedures for the On Call Duty Cycle.</li> </ul>	<p>Customer Service Charter – March 2011</p> <ul style="list-style-type: none"> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>	
144D	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 44(2)	The policies, practices and procedures under clause 44(1) must deal with the prescribed matters.	<ul style="list-style-type: none"> <li>Under Clause 44(2) of the Code, CKB must have policies, practices and procedures that deal with the following prescribed matters: <ul style="list-style-type: none"> <li>prompt attendance at a site after becoming aware of the existence of a burst, leak or blockage</li> <li>the action or actions that must be taken to rectify a burst, leak or blockage, taking into account the potential or actual impact on — <ul style="list-style-type: none"> <li>customers</li> <li>other persons or entities affected by the burst, leak or blockage</li> <li>property</li> <li>the environment</li> </ul> </li> <li>the action or actions that must be taken to ensure that, in the event of a wastewater spill from the</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>sewerage works of the licensee onto a customer's property, damage and inconvenience to the customer and other persons or entities are minimized</p> <ul style="list-style-type: none"> <li>– the action or actions that must be taken to ensure that, in the event of a wastewater spill from the sewerage works of the licensee, the spill is promptly cleaned and the affected area is disinfected.</li> </ul> <ul style="list-style-type: none"> <li>▪ We reviewed the Waste and Compliance Services SOP Manual and confirmed that procedures for all of the matters prescribed under this clause in the Code are adequately covered. The SOP Manual references the obligations under this clause of the Code at the start of the relevant section.</li> <li>▪ As noted above, CKB informs customers of its practices in the Customer Service Charter and the overall asset management framework is set out in the City's Asset Management Policy.</li> </ul>		
144E	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 45	The licensee must provide a 24 hour information line by means of which, at the cost of a local telephone call (excluding mobile telephones), a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.	<ul style="list-style-type: none"> <li>▪ CKB provides a 24 hour information line, by means of which, a customer can notify the licensee of emergencies and faults, and get information about the reason for, and the expected duration of, any unplanned service interruption.</li> <li>▪ CKB's emergency customer service telephone number is published in the Customer Service Charter and on the Sewerage and Waste Water section of CKB's website.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interviews with licensee staff</li> <li>▪ City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>▪ Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	1
145	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The licensee must have a written complaints procedure in relation to investigating and dealing with complaints of customers about the	<ul style="list-style-type: none"> <li>▪ CKB has a Complaints Handling Policy (Exec- OD-001) which comprehensively outlines the processes for managing and resolving complaints complaint</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interviews with licensee staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 46(1)	provision of water services by the licensee or a failure by the licensee to provide a water service.	<p>from customers. This includes details of CKB's commitment, recording customer complaints, processing complaints, empowering CKB staff, and monitoring customer complaints.</p> <ul style="list-style-type: none"> <li>Section 2.3 of CKB's Waste and Compliance Services SOP Manual provides details for recording the water service complaints. We note that the Treated Water for Reuse SOP does not include any information on managing customer complaints and recommend that additional procedural information is added to set out managing customer complaints related to the non-potable water supply system.</li> <li>CKB has a Customer Complaint Form which is available to be accessed from CKB's website and which allows the customer to lodge a complaint directly from the website. The Form includes the Complaints Procedure. The form also provides phone and address details.</li> <li>The Customer Service Charter has a section on 'Enquiries, Suggestions, Complaints and Disputes' which also provides an outline of CKB's customer complaints process.</li> </ul> <p><b>Recommendation A17/2019</b></p> <ul style="list-style-type: none"> <li>We note that the Customer Service Charter references the Department of Water for escalating complaints. This reference is out of date and we recommend that the details be updated to reference the water services ombudsman.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	
146	Clause 3.1.1	Water Services Code of Conduct (Customer	The licensee's complaints procedure must be developed using as minimum standards the	<ul style="list-style-type: none"> <li>At the 2017 audit, CKB advised that its Complaints Handling Policy (Exec- OD-001) had been developed without</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Service Standards) 2018 Clause 46(2)	relevant provisions of AS/NZS 10002-2014 and the ERA's guidelines (if any).	<p>taking into account the relevant provisions of AS ISO 10002-2006.</p> <ul style="list-style-type: none"> <li>As a result, a recommendation (60/2015) was included in the 2017 Audit Report for CKB to ensure that its Complaints Handling Procedure complied with the relevant provisions of AS ISO 10002-2014.</li> <li>CKB included an action in the 2017 Post-Audit Implementation Plan that noted that it had purchased AS ISO 10002 and the review of the complaints procedure was due to be completed by January 2018. We note that the most recent version of the CKB Complaints Handling Policy on its website is dated 25 Aug 2017.</li> <li>The City's procedure is based on the Ombudsman WA guidelines which refer to the ISO standards and the ERA guidelines. Based on our review of the complaints procedure, we consider that it has been developed using the relevant provisions of AS ISO 10002-2014 and the ERA requirements.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	
147	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(3)	The licensee's complaints procedure must provide for the matters specified in relation to lodgement of complaints, responding to complaints, dispute resolution arrangements and resolving complaints.	<ul style="list-style-type: none"> <li>Under clause 46(3) of the Water Services Code of Conduct (Customer Service Standards) 2018, a water services complaints procedure must provide for the following — <ul style="list-style-type: none"> <li>how complaints are to be lodged and recorded</li> <li>time limits and methods for responding to complaints</li> <li>dispute resolution arrangements</li> <li>resolving a complaint before the end of the period of 15 business days starting on the day the complaint was received.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>We reviewed CKB's complaints procedure, as set out in on the Customer Complaints Form and confirmed that provides for the matters specified under this obligation.</li> </ul> <p><b>Recommendation A18/2019</b></p> <ul style="list-style-type: none"> <li>We observed that CKB's Complaints Handling Policy does not set out any dispute resolution arrangements and recommend that the documents is revised to include the policies related to these matters.</li> <li>CKB commented that it is currently reviewing the Complaints Handling Policy and expects this review to be completed by June 2019.</li> </ul>		
148A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(4)	The licensee's complaints procedure must list the procedures available to the customer under the Act as to applying to the water services ombudsman or making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k).	<ul style="list-style-type: none"> <li>We reviewed CKB's complaints procedure, as set out in on the Customer Complaints Form and confirmed that it lists the procedures available to the customer under the Act as to applying to the water services ombudsman.</li> <li>The text in the Customer Complaint Form informs customer that: <ul style="list-style-type: none"> <li><i>If you aren't satisfied with the final response from the City you can take your complaint to the Ombudsman.</i> <ul style="list-style-type: none"> <li><i>Please make sure you have lodged your complaint, and have been provided with a response from the City before you contact the Ombudsman.</i></li> <li><i>The agency for Local Government issues is the Ombudsman Western Australia.</i></li> <li><i>The agency for water services issues is the Energy and Water Ombudsman for WA.</i></li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
149	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 46(5)	The licensee's complaints procedure must be available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	<ul style="list-style-type: none"> <li>CKB's Complaints Handling Policy and Customer Complaints Form are both available to be accessed and downloaded from its website. This was confirmed at audit. Hard copies can be provided on request.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> </ul>	1
149A	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 47	When the licensee considers that a customer's complaint has been resolved the licensee must advise the customer accordingly, inform the customer that the customer has a right to apply to the water services ombudsman for a review of the complaint, and provide a Freecall telephone number for the water services ombudsman.	<ul style="list-style-type: none"> <li>CKB's Customer Complaint Form informs customers that <i>"If you aren't satisfied with the final response from the City you can take your complaint to the Ombudsman."</i> The Form provides additional steps and also a link to CKB's Complaints Handling Policy.</li> <li>In addition, CKB's Customer Service Charter informs customers that "If the matter has not been resolved to your satisfaction within 21 days, you may refer the matter to the Department of Water, which will seek a detailed explanation of the nature of the complaint, the solutions or actions offered by the City of Kalgoorlie-Boulder and the reasons why these are not acceptable to you. The Department of Water will respond with its opinion on the matter and suggest a solution to the parties involved." We have recommended that the references to the Department of Water included in the Customer Service Charter be updated to the water services ombudsman in Recommendation A17/2019 (Obligation 145).</li> <li>This information is also included in Section 11 – Complaints Handling in CKB's Financial Hardship Policy.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>CKB Complaints Handling Policy (Exec- OD-001)</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Customer Complaint Form</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>CKB has stated that it complies with the obligation. This information would also be provided verbally to customers and, as such, there is no record of occasions when CKB have advised customers of their right to apply to the water services ombudsman for a review of the complaint.</li> </ul> <p><b>Recommendation A19/2019</b></p> <ul style="list-style-type: none"> <li>As CKB does not record confirmation that it has advised the customer they have a right to apply to the water services ombudsman for a review of the complaint, we recommend that this information is recorded against each complaint in the complaints register together with the details of the complaint and CKB's response and any documentation sent to them.</li> <li>In addition, although CKB informs customers of the right to apply to water services ombudsman for a review of the complaint, CKB's Complaint Handling Policy (EXEC-OD-001) does not include any specific information regarding the management of water service complaints, including that the customer has the right to apply to the water services ombudsman for a review of the complaint. As a result, we recommend that CKB adds a section on water service complaints into its Complaints Handling Policy to outline the policies and procedures relating to these complaint types.</li> </ul>		
150	Clause 3.1.1	Water Services Code of Conduct (Customer Service)	The licensee must provide a customer with the specified services on request and at no charge.	<ul style="list-style-type: none"> <li>Under Clause 48(1) of the Water Services Code of Conduct (Customer Service Standards) 2018, a licensee must provide a customer with the following on request and at no charge</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service –</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 48(1)		<ul style="list-style-type: none"> <li>– services for account, payment and general enquiries for use by customers with hearing or speech impairment;</li> <li>– interpreter services for account, payment and general enquiries;</li> <li>– a large-print version of any of the licensee's publicly available documents.</li> <li>▪ We reviewed CKB's Customer Service Charter, Financial Hardship Policy and the rates notice template and observed that the specified services related to facilities for customer with hearing or speech impairment and interpreter services are only included in the Financial Hardship policy. Large print versions of any of CKB's available documents are not advertised although CKB can provide on request.</li> </ul>	<p>Customer Service Charter – March 2011</p> <ul style="list-style-type: none"> <li>▪ CKB Financial Hardship Policy for Water Services, April 2014</li> <li>▪ Examples of Rates Notices</li> </ul>	
152	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 48(2)	The licensee must make available to each customer, at no charge, the customer's personal account information including information about bills previously issued to the customer and about the quantity of water supplied to, or wastewater discharged by, the customer in previous billing periods.	<ul style="list-style-type: none"> <li>▪ We reviewed a sample of CKB's rate notices and confirmed that customers' personal account information was disclosed on the document during the audit period. The quantity of wastewater discharged is not relevant to CKB as it does not charge volumetrically.</li> <li>▪ CKB Rates Notices don't include any information relating to previous rate charges for the wastewater service and there is no intention for CKB to change this in the future.</li> <li>▪ However, CKB does make previous rates information available to customers on request. This service is advertised on the CKB website. Typically customers request previous rates notices for tax and refinance purposes.</li> <li>▪ We consider that it has been compliant with this obligation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interviews with licensee staff</li> <li>▪ Examples of Rates Notices</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
153	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1)	The licensee must make the prescribed information available on the licensee's website and a hardcopy provided to a customer upon request at no charge.	<ul style="list-style-type: none"> <li>CKB makes the required information publically available as follows: <ul style="list-style-type: none"> <li>a) Current fees and charges are publically available on the CKB's website.</li> <li>b) Bill payment methods are available on the Rates Notices and Tax Invoices for non-potable water customers. No additional charges are incurred by customers for any of the available payment methods.</li> <li>c) Concessions that are available to CKB's rate payers are provided on the back of its Rates Notices and also in the Financial Hardship Policy.</li> <li>d) CKB does not advertise all of the services provided under clause 48(1) of the Code.</li> <li>e) Authorised person powers are not applicable as the licensee has not authorised any persons under the <i>Water Services Act</i>.</li> <li>f) This is not applicable to CKB's customers.</li> <li>g) This is not applicable to CKB's customers.</li> <li>h) This is not applicable to CKB's customers.</li> <li>i) This information is not applicable as the licensee does not potable supply dwellings.</li> <li>j) This is not applicable to CKB's customers.</li> <li>k) This is not applicable to CKB's customers.</li> </ul> </li> <li>As noted previously, CKB provides confirmation of planned interruption via a formal notice at least 48 hours in advance. CKB informs customers of</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>Examples of Rates Notices</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>unplanned interruptions as soon as they eventuate.</p> <p><b>Recommendation A20/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB provides all the specified services required under Clause 48(1).</li> <li>We also recommend that CKB includes all of the specified services required under the clause in its Customer Service Charter and on its rate notice templates.</li> </ul>		
154	Clause 3.1.1	Water Services Code of Conduct (Customer Service Standards) 2013 Clause 49(2)	The licensee must ensure that the specified information about bills may be obtained from its website.	<ul style="list-style-type: none"> <li>Under Clause 4(2)(a), CKB's non-potable water supply is not covered by the Water Services Code of Conduct (Customer Service Standards) 2018. Therefore, the majority of requirements under this obligation (those related to metered services, estimated bills, meter reading, meter testing) are not applicable.</li> <li>Customers are able to have their Rates Notices reviewed in accordance with CKB's objections and appeals process, as set out on the back of the Rates Notice template. This information is available on the Rates FAQ section of CKB's website</li> <li>Complaints about the provision of a water service or a failure to provide a water service can be made in accordance with the CKB's complaints procedure mentioned in clause 46. This information is available on CKB's website.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>City of Kalgoorlie-Boulder - Wastewater Collection &amp; Treatment Service – Customer Service Charter – March 2011</li> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>CKB website</li> </ul>	1
154A	Clause 3.1.1	Water Services Code of Conduct (Customer Service	The licensee must ensure that its website contains a link to the current version of this code appearing on the website that is maintained by or on behalf of the	<ul style="list-style-type: none"> <li>We confirmed that CKB's website contains a link to the current version of the Water Services Code of Conduct (Customer Service Standards). The</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>CKB website</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
		Standards) 2018 Clause 49(3)	Western Australian Government and that provides public access to electronic versions of Western Australian legislation.	link is included in the Sewerage and Waste Water section of CKB's website.		
155	Clause 3.2.1	Water Services Act Section 12	The licensee must pay the applicable fees and charges in accordance with the applicable regulations.	<ul style="list-style-type: none"> <li>CKB advised that it paid the following fees during the Audit Period: <ul style="list-style-type: none"> <li>Annual licence charge in relation to the ERA (Licensing Funding) Regulations 2014</li> <li>Energy and Water Ombudsman (Western Australia)</li> </ul> </li> <li>We confirmed payments had been made through invoices that had been issued and receipts for payments by CKB during the audit period.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Correspondence with ERA</li> <li>Correspondence with Energy and Water Ombudsman (Western Australia)</li> </ul>	1
156	Clause 3.1.1	Water Services Act Section 12	Subject to any modifications or exemptions granted pursuant to the Act and this licence, the licensee must comply with any applicable legislation.	<ul style="list-style-type: none"> <li>CKB's compliance during the Audit Period, with the following is specifically addressed within this Report: <ul style="list-style-type: none"> <li>Water Services Act 2012</li> <li>Water Services Regulations 2013</li> <li>Water Services Code of Conduct (Customer Service Standards) 2018</li> <li>Water Services Licence, WL4, Version 6, 1 July 2016.</li> </ul> </li> <li>CKB's draft Wastewater and Treated Wastewater Asset management Plan, Version 3, October 2018 assigns the Manager Infrastructure Services as being "Responsible for all the operations related to Infrastructure, Environment, Environment Making Legislations &amp; changing legislations".</li> <li>CKB's Waste and Compliance Services SOP Manual states that "It is the Responsibility of the TLWC to monitor and manage all amendments to and or the introduction of, relevant legislation. Any changes to the legislative frameworks relevant to Waste and</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Wastewater and Treated Wastewater Asset management Plan, Version 3, October 2018</li> <li>Waste and Compliance Services SOP Manual, v10, 2017</li> <li>Annual compliance reports</li> <li>This audit report</li> </ul>	2

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p><i>Compliance Services that may result in change to operating procedures and associated processes will be communicated and actioned through toolbox meetings. The TLCW is responsible for the compliance and monitoring of the Waste relevant State and Federal Government Legislation".</i></p> <ul style="list-style-type: none"> <li>▪ We observed that the CKB AMP and SOP documents have not yet been updated to include all of the legislation relevant to the CKB and the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work. We have included a number of recommendations related to this issue (refer to A1/2019 and R6/2019).</li> <li>▪ We have identified a small number of non-compliances with applicable legislation as follows: <ul style="list-style-type: none"> <li>– Water Services Act Section 27 – Compliance with Code of Conduct (Obligation 11)</li> <li>– Section 29 – Duties of the Licensee (Obligation 12) Section 29 – Duties of the Licensee (Obligation 12)</li> <li>– Water Services Code of Conduct (Customer Service Standards) 2018 Clause 13(6) – Information on Bills (Obligation 102A)</li> <li>– Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(2) – Review of Bills (Obligation 114)</li> <li>– Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) &amp; (6) – Review of Bills (Obligation 115)</li> </ul> </li> </ul>		

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(4) - Review of Bills (Obligation 116)</li> <li>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c) - Assistance for customers experiencing financial hardship (Obligation 131C)</li> <li>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 49(1) - Information to be publicly available (Obligation 153)</li> <li>Water Services Act Section 12 – Conditions of Licence (Obligation 156)</li> </ul>		
159	Clause 3.1.2	Water Services Act Section 12	The licensee must comply with a direction from the ERA in relation to a breach of applicable legislation.	<ul style="list-style-type: none"> <li>CKB has not received any direction from the ERA in relation to a breach of applicable legislation during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Annual compliance reports 2016/17 and 2017/18</li> <li>Correspondence with the ERA</li> </ul>	NR
160	Clause 3.6.1	Water Services Act Section 12	The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	<ul style="list-style-type: none"> <li>Accounting records are prepared in accordance with AASB standards.</li> <li>Financial records are included in CKB's annual reports and are published on its website.</li> <li>The financial statement includes a sign-off from the independent auditor and CKB CEO that the financial report complies with the Australian Accounting Standards and the provisions of the <i>Local Government Act 1995</i></li> <li>CKB also makes available its annual budget information available on its website.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Review of financial statements in annual reports</li> </ul>	1
162	Clause 4.3.4	Water Services Act Section 12	The licensee must cooperate with the independent expert and comply with the ERA's standard	<ul style="list-style-type: none"> <li>The current operational audit follows the ERA Audit Guidelines – 2014 Audit</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
			audit guidelines dealing with the operational audit.	<p>and Review Guidelines - Water Licences – July 2014.</p> <ul style="list-style-type: none"> <li>The audit has been conducted following the audit plan prepared in accordance with the guidelines and approved by the Authority.</li> <li>CKB has complied with all requests for information made by the auditor and has made its staff and resources freely available to assist the conduct of this audit.</li> <li>CKB's staff have acted in a professional and helpful manner throughout this audit.</li> </ul>		
163	Clause 3.7.1(a), (b), (c)	Water Services Act Section 12	The licensee must report to the ERA, in the manner prescribed, if a licensee is under external administration or there is a material change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	<ul style="list-style-type: none"> <li>CKB is not under external administration and there has been no material change of circumstances upon which the licence was granted which may affect CKB's ability to meet its obligations. Therefore, this clause has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
165	Clause 3.8.1	Water Services Act Section 12	The licensee must provide the ERA specified information relevant to the operation of the licence or the licensing scheme, or the performance of the ERA's function under the Act in the manner and form specified by the ERA.	<ul style="list-style-type: none"> <li>CKB has provided the required information to the Authority.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>2016/17 and 2017/18 Annual Compliance Reports</li> <li>2016/17 and 2017/18 Annual Performance Reports</li> </ul>	1
166	Clause 3.8.2	Water Services Act Section 12	The licensee must comply with any information reporting requirements prescribed by the ERA, including but not limited to the provisions of the Water Compliance Reporting Manual that apply to the licensee.	<ul style="list-style-type: none"> <li>We reviewed the following compliance reports at audit: <ul style="list-style-type: none"> <li>2016/17 compliance report dated 31 August 2017</li> <li>2017/18 compliance report dated 31 August 2018</li> </ul> </li> <li>We confirmed that the licensee reported non-compliances in both the</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>2016/17 and 2017/18 Annual Compliance Reports</li> <li>2016/17 and 2017/18 Annual Performance Reports</li> </ul>	1



2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>2016/17 and 2017/18 annual compliance reports submitted to the ERA. Generally these related to non-compliances that were identified at the 2017 audit.</p> <ul style="list-style-type: none"> <li>CKB has implemented a compliance reporting register to show all reports to be completed and their due date to ensure that this does not happen in the future. This was a recommendation from the previous audit.</li> </ul>	<ul style="list-style-type: none"> <li>Correspondence with ERA</li> </ul>	
167	Clause 3.8.3	Water Services Act Section 12	The licensee must provide the ERA with the data required for performance reporting purposes that is specified in the Water, Sewerage and Irrigation Licence Performance Reporting Handbook, and the National Performance Framework that apply to the licensee.	<ul style="list-style-type: none"> <li>CKB provided the ERA with the required performance reporting data</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>2016/17 and 2017/18 Annual Performance Reports</li> </ul>	1
168	Clauses 2.8.1 and 2.8.2	Water Services Act Section 12	Subject to clause 2.8.3, the licensee must publish within the specified timeframe any information that the ERA has directed the licensee to publish under clause 2.8.1.	<ul style="list-style-type: none"> <li>The ERA has not directed the licensee to publish information related to this obligation. Therefore the obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with CKB staff</li> <li>Correspondence with ERA</li> </ul>	NR
169	Clause 2.7.1	Water Services Act Section 12	Unless otherwise specified, all notices must be in writing.	<ul style="list-style-type: none"> <li>CKB issues all formal correspondence in writing.</li> <li>We reviewed a sample of correspondence at audit</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Annual Compliance Reports</li> <li>Correspondence with ERA file</li> </ul>	1
171	Clause 4.1.2	Water Services Act Section 12	The licensee must notify the ERA of any material change to the asset management system within 10 business days of the change.	<ul style="list-style-type: none"> <li>CKB advised that no material change has been made to the Asset Management System during the audit period. Although RAMM was being considered as the AMS, this has not taken place and CKB has continued to use the Excel-based AMS that has been observed at previous audits.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<p>Therefore, this obligation has not been rated.</p> <ul style="list-style-type: none"> <li>As CKB does not have any controls to notify the ERA should this event occur, this obligation should be added to its Compliance Reporting Register. This is covered by the further action has been identified to resolve Recommendation A2/2015.</li> </ul>		
172	Clause 4.1.6	Water Services Act Section 12	The licensee must cooperate with the independent expert and comply with the ERA's standard guidelines dealing with the asset management system review.	<ul style="list-style-type: none"> <li>The asset management system review is being conducted in accordance with the ERA's <i>Audit and Review Guidelines: Water Licences (2014)</i></li> <li>An audit plan consistent with these guidelines has been prepared prior to this audit. CKB has been consulted with respect to the audit plan and the audit plan has been approved by the ERA.</li> <li>The outcomes of the asset management system review are in a later section of this report.</li> </ul>	<ul style="list-style-type: none"> <li>Audit and review plan</li> <li>Audit and review guidelines</li> <li>Interviews with licensee staff</li> </ul>	1
173	Clause 5.5.1	Water Services Act Section 12	The licensee must not supply water services to customers unless the licensee is a member of and bound by the water services ombudsman scheme.	<ul style="list-style-type: none"> <li>The Energy and Water Ombudsman of Western Australia became responsible for the water services ombudsman scheme referred to in Part 4 of the Act on 1 January 2014.</li> <li>CKB is a member of this scheme.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Payment receipts to Ombudsman</li> </ul>	1
175	Clause 5.1.1	Water Services Act Section 12	If directed by the ERA, the licensee must submit a draft customer contract for approval.	<ul style="list-style-type: none"> <li>The CKB has not been directed by the ERA to submit a draft customer contract for approval. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Correspondence with ERA</li> </ul>	NR
176	Clause 5.1.2	Water Services Act Section 12	The licensee must comply with any Customer Contract Guidelines that apply to the licensee.	<ul style="list-style-type: none"> <li>The CKB has not been directed by the ERA to submit a draft customer contract for approval. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Correspondence with ERA</li> </ul>	NR

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
177	Clause 5.1.3	Water Services Act Section 12	The licensee may only amend the customer contract with the ERA's approval.	<ul style="list-style-type: none"> <li>The CKB has not been directed by the ERA to submit a draft customer contract for approval. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Correspondence with ERA</li> </ul>	NR
178	Clause 5.1.5	Water Services Act Section 12	The licensee must comply with any direction by the ERA to amend the customer contract.	<ul style="list-style-type: none"> <li>The CKB has not been directed by the ERA to submit a draft customer contract for approval. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Correspondence with ERA</li> </ul>	NR
179	Clauses 5.3.1 and 5.3.2	Water Services Act Section 12	Unless clause 5.3.3 applies, the licensee cannot enter into an agreement with a customer to provide water services that exclude, modify or restrict the terms and conditions of the licence or the requirements of the Code of Conduct without the prior approval of the ERA.	<ul style="list-style-type: none"> <li>CKB has not entered into any agreements with customers to provide water services that exclude, modify or restrict the terms and conditions of the licence or the requirements of the Customer Services Code. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
180	Clause 5.3.4	Water Services Act Section 12	If the licensee enters into an agreement that excludes, modifies or restricts the terms and conditions of the licence or the requirements of the Code of Conduct, the licensee must publish an annual report containing the information specified.	<ul style="list-style-type: none"> <li>CKB has not entered into any agreements with customers to provide water services that exclude, modify or restrict the terms and conditions of the licence or the requirements of the Customer Services Code. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> </ul>	NR
182	Clause 3.4.1(b)	Water Services Act Section 12	If the licensee provides a water service outside of the operating area the licensee must apply to amend the licence unless otherwise notified by the ERA.	<ul style="list-style-type: none"> <li>CKB has not provided a water service outside of the operating area during the audit period. Therefore, this obligation has not been rated.</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with licensee staff</li> <li>Review of operating area map</li> <li>Inspection of assets</li> </ul>	NR
183	Clause 5.4.3	Water Services Act Section 12	The licensee must comply with the ERA's Financial Hardship Policy Guidelines as they apply to the licensee.	<ul style="list-style-type: none"> <li>The licensee prepared a Financial Hardship Policy with reference to the ERA's guideline.</li> <li>The ERA approved the version of CKB's Financial Hardship Policy that was in place during the audit period on 16 May 2014.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Financial Hardship Policy for Water Services, April 2014</li> <li>ERA Financial Hardship Policy Guidelines</li> </ul>	1

2018 No.	Licence Condition	Obligations under Condition	Description	Observations	Evidence	Compliance Rating
				<ul style="list-style-type: none"> <li>CKB reviewed and updated the Financial Hardship Policy during the audit period. An updated version of the Financial Hardship Policy was approved by the ERA on 25 January 2019, after the end of the audit period.</li> </ul>		

## 5.2 Asset Management System Review

Table 5-2 provides detailed commentary based on the findings observed during the audit process.

Table 5-2 Asset Management System Review Observations

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<b>Asset Planning – Overall Rating: C2</b>		
<ul style="list-style-type: none"> <li>Asset management plan covers key requirements</li> <li>Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning</li> <li>Service levels are defined</li> <li>Non-asset options (e.g., demand management) are considered</li> <li>Lifecycle costs of owning and operating assets are assessed</li> <li>Funding options are evaluated</li> <li>Costs are justified and cost drivers identified</li> <li>Likelihood and consequences of asset failure are predicted</li> <li>Plans are regularly reviewed and updated</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Although CKB's Asset Management Plan (AMP) generally covers the key requirements, the document is still being developed to meet an expected deadline of 30 June 2019. As a result, there is still considerable work to bring the document up to the required standard. As commented on previously, a considerable number of recommendations from the last audit are dependent on the AMP being finalised. We have made some additional recommendations for the AMP in this section.</li> </ul> <p><b>Asset Management Policy</b></p> <ul style="list-style-type: none"> <li>CKB has an Asset Management Policy (CORP-AP-003) that provides a framework for the CKB to undertake the long-term sustainable management of its infrastructure and other associated assets. The policy sets out CKB's overall objectives and is applied to all CKB's activities, including the wastewater and non-potable water assets.</li> </ul> <p><b>Asset Management Planning</b></p> <ul style="list-style-type: none"> <li>The Planning department within the Council is responsible for overall planning and develop the Planning Scheme document that identifies what infrastructure and facilities are required.</li> <li>CKB's Planning Scheme was issued in 1997. CKB are currently in the process of working on the second version of the Planning Scheme. The project is considered to be 75%, with community consultation required before sign-off.</li> <li>Changes to CKB's planning have been identified as a result of the wastewater coming under local planning legislation.</li> <li>CKB's Strategic Community Plan takes into account current and expected changes in community demographics, social issues and local, national and global influences. The Plan is due for review in 2019.</li> <li>CKB adopted its Corporate Business Plan in 2017. This is a four-year plan that translates the City's strategies into priorities and actions which support the achievement of the Strategic Community Plan. It is an internal business planning tool that informs the annual planning and budgeting process. It outlines specific operating activities and capital works programs that are to be delivered.</li> <li>CKB has a corporate budgeting process to review and approve any new works that have been identified.</li> </ul>	<ul style="list-style-type: none"> <li>City of Kalgoorlie-Boulder Town Planning Scheme No. 01, 1997 (as amended 2010)</li> <li>CKB Strategic Community Plan 2015 - 2025</li> <li>CKB Long Term Financial Plan 2017 - 2027</li> <li>CKB Corporate Business Plan 2017 – 2021</li> <li>CKB Kalgoorlie-Boulder Growth Plan</li> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ The AMP includes a 20 year capital works program. These are based on renewals of assets as they reach the end of their asset life. New works have also been included in the current planning projections.</li> <li>▪ CKB's funding strategy is included in Section 6.2 the AMP. The only options available to fund its sewerage service are typically income from rates, reserves and loans.</li> <li>▪ CKB has to prepare Business Cases under Section 3.59 of the Local Government Act for new assets that are identified but not for renewal of current assets.</li> <li>▪ CKB is currently working on a trade waste policy and this is expected to be presented to Council shortly for adoption.</li> </ul> <p><b>Asset Management System</b></p> <ul style="list-style-type: none"> <li>▪ CKB has been using RAMM as its operational asset register. There is also a financial asset register in Synergy Soft. There is linkage from the RAMM system to the financial system through inclusion of financial system asset codes.</li> <li>▪ However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years.</li> <li>▪ As a result, CKB has continued to use the series of linked Excel spreadsheets that it previously used as its AMS. The AMS is simplistic and was developed by GHD under ERA instruction for use by small service providers.</li> <li>▪ This asset management system consists of: <ul style="list-style-type: none"> <li>– An Asset Register</li> <li>– Inventory Control</li> <li>– Condition &amp; Performance Monitoring</li> <li>– Risk Assessment</li> <li>– Maintenance Management</li> <li>– Financial Budget</li> </ul> </li> <li>▪ The AMS is used as the key tool for future asset predictions that are included into CKB's asset planning.</li> </ul> <p><b>Water Utility Services Plan</b></p> <ul style="list-style-type: none"> <li>▪ CKB has developed a Water Utility Services Plan. The Plan outlines the strategic intent for the delivery of wastewater and recycled water services. The Water Utility Services Plan was adopted by Council in January 2019 (after the end of the current review period).</li> </ul>	<ul style="list-style-type: none"> <li>▪ City of Kalgoorlie-Boulder Customer Service Charter, March 2011</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ The Water Utility Services Plan sets out CKB's water and wastewater objectives as being: <ul style="list-style-type: none"> <li>– Provide wastewater services</li> <li>– Reuse water to benefit the community</li> <li>– Provide exceptional customer service</li> <li>– Optimise infrastructure maintenance</li> <li>– Operate responsibly</li> </ul> </li> <li>▪ The Water Utility Services Plan provides information on the CKB's assets, regulatory environment, organisational structure, asset management, operational and budgeting practices, and performance measures, including customer service measures.</li> </ul> <p><b>Asset Management Plan</b></p> <ul style="list-style-type: none"> <li>▪ CKB is currently in the process of updating its Asset Management Plan (AMP). This is an outstanding recommendation that as included in the previous review report. CKB has set a target date of 30 June 2019 to complete the AMP. As a result, the version of the AMP that was observed at audit still requires significant work to bring it up to the required level.</li> <li>▪ Applicable legislation is listed in Section 2.1 of the AMP. However, this list is still to be completed.</li> <li>▪ The asset covered by the AMP are set out in Table 2.1, together with the current replacement value.</li> <li>▪ Key stakeholders are listed in Table 2.1.1, together with the role that they have in the AMP.</li> <li>▪ CKB's overall asset management framework is described in Section 2.4. This is based on the Institute of Public Works Engineering Australasia (IPWEA) framework.</li> <li>▪ CKB conducted its last Customer Satisfaction Survey in 2015, with the results shown in Table 3.1. This information has been used in developing CKB's Strategic Plan and in the allocation of resources in the budget.</li> <li>▪ Levels of Service are set out in Section 3 of the AMP. These include Strategic and Corporate Goals, Organisational Goals and how these are addressed in this Plan, Legislative Requirements, Community Levels of Service and Technical Levels of Service.</li> <li>▪ Demand forecasting is included in Section 4 of the AMP. This includes consideration of non-asset solutions. In addition, there is a separate section for considering non-asset options in the planning phase included in Part G, Section 3 of the Waste and Compliance Services Standard Operating Procedure (SOP).</li> <li>▪ We note that although the AMP identifies demand issues, their impact on services and assets, and demand management plan actions related to how CKB will need to address the demand drivers, it does not set out any numerical or graphical forecasts or look to compare them to current capacity in the sewer system or at the WWTP. The AMP includes forecasts out to 2037 for the estimated expenditure on upgrading and new assets to meet the demand but the linkages between the demand forecasts and the financial forecasts are not included.</li> </ul>	

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ The most recent re-valuation of CKB's wastewater assets was conducted in 2015. Useful lives were last reviewed by CKB staff in 2016.</li> <li>▪ CKB's Infrastructure Risk Management Plan is included in Section 5.2 of the AMP. The tables set out the identified risks related to organisational risks and operational risks. CKB is still drafting the Risk Management section to be finalised by 30 June 2019.</li> <li>▪ CKB has included a section for its Operations and Maintenance Plan in Section 5.3 of the AMP. Expenditure trends and forecasts have not yet been completed. Critical assets only include the wastewater assets and do not include any of the non-potable water assets.</li> <li>▪ Useful asset lives are set out in Table 5.4.1 of the AMP. These are consistent with industry standards for the assets listed.</li> <li>▪ Projected operations and maintenance expenditure out to 2037 is set out in Figure 4. This shows expenditure as being relatively stable across the period although no detail as to inclusions in the expenditure have been listed. The capital works that CKB is currently planning would expect to have an impact on the forecast operations and maintenance budget estimates.</li> <li>▪ CKB's asset renewal and replacement strategies are set out in Section 5.4.2 of the AMP. Renewal and Replacement Priority Ranking Criteria used to determine the priority of identified renewal and replacement proposals is detailed in Table 5.4.2.</li> <li>▪ Projected Capital Renewal Expenditure is shown in Figure 5. However, this data does not split out the overall expenditure for each year into wastewater or recycled water (or into any other split). In addition, no details of the works included in these forecast are listed in this section.</li> <li>▪ Long-term life cycle costs have been calculated and the analysis and results are included in Section 6.1.1.</li> <li>▪ CKB's AMP is reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.</li> <li>▪ The AMP is updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into Council's long term financial plan.</li> <li>▪ CKB's AMP has a life of 4 years.</li> </ul> <p><b>Standard Operating Procedures</b></p> <ul style="list-style-type: none"> <li>▪ The AMP is supported by a two Standard Operations Manual (SOP), one for the wastewater service, one for the recycled water service. The SOPs detail CKB's requirements, procedures and practises to be implemented in response to the overall requirements of the Licence and the operation and maintenance of the system</li> </ul> <p><b>Recommendation R1/2019</b></p>	



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>The AMP does not include forecasts for the anticipated increase in demand for CKB's non-potable water supply service. We recommend that CKB considers these items in the final AMP that is due to be completed by 30 June 2019.</li> </ul> <p><b>Recommendation R2/2019</b></p> <ul style="list-style-type: none"> <li>The AMP does not include asset age profiles, asset condition profiles or any plans of the assets and we recommend that CKB considers these for the final AMP that is due to be completed by 30 June 2019.</li> </ul> <p><b>Recommendation R3/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB reviews its non-potable water assets to consider the criticality of the assets and includes these items in the final AMP that is due to be completed by 30 June 2019.</li> </ul> <p><b>Recommendation R4/2019</b></p> <ul style="list-style-type: none"> <li>We recommend that CKB provides additional clarification for the projected operations and maintenance expenditure in the AMP as no detail as to inclusions/exclusions (e.g. non-infrastructure) have been provided. We note that the capital works that CKB is currently planning would expect to have an impact on the forecast operations and maintenance budget estimates.</li> </ul> <p><b>Recommendation R5/2019</b></p> <ul style="list-style-type: none"> <li>We note that the graph of expenditure in the AMP does not appear to align with CKB's capital works program out to 2023/24 that has been endorsed by Council. We recommend that CKB addresses these issues in the preparation of the final AMP due for completion by 30 June 2019.</li> </ul>	
<b>Asset Creation and Acquisition – Overall Rating: B1</b>		
<ul style="list-style-type: none"> <li>Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions</li> <li>Evaluations include all life-cycle costs</li> <li>Projects reflect sound engineering and business decisions</li> <li>Commissioning tests are documented and completed</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>We consider that CKB has adequate policies and procedures in place to undertake full project evaluations for new assets and that the evaluations include all life-cycle costs and projects reflect sound engineering and business decisions. Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood.</li> <li>We have reached our conclusion through a detailed review of the relevant policies and procedures, the information provided in the AMP and the capital program. Further evidence was obtained from observations made during a site visit to the South Boulder WWTP, where the issues with the plant and CKB's proposed solutions were discussed in detail.</li> </ul> <p><b>Overview of CKB's Asset Creation and Acquisition Processes</b></p> <ul style="list-style-type: none"> <li>CKB's Creation/Acquisition/Upgrade Plan is set out in Section 5.5 of its AMP.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<ul style="list-style-type: none"> <li>Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</li> </ul>	<ul style="list-style-type: none"> <li>Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programs in accordance with the priority ranking criteria set out in Table 5.5.1 of the AMP.</li> <li>The Capital threshold is \$5,000 for Infrastructure as per CKB's Accounting Policy (CORP-F-004).</li> <li>As noted previously, full project evaluations are completed as part of the Business Case process required for new assets and include all life-cycle costs. This includes assessment of non-asset solutions.</li> <li>Business Cases are submitted through CKB's budgeting process for review and approval.</li> <li>The need / requirement for new sewer assets are identified from the 10-year capital expenditure program.</li> <li>Headworks charges are applied by CKB against every new premise as per Water Corporation's approach.</li> <li>CKB does not inspect every new develop asset but requires engineer sign-off before they are transferred to the City's asset base. There is a requirement for the developer to provide As Constructed drawings of the new sewer pipework connecting to the CKB's existing infrastructure.</li> <li>Requirements for testing and commissioning for sewer pipes is included in Section 5.5 of CKB's Requirements for Sub-Divisions Policy.</li> <li>CKB does not have specific testing and commissioning procedures for its active assets but would expect to include these in the conditions of contract when tendering any work at the WWTP.</li> <li>Mechanical and Electrical (M&amp;E) assets would be expected to have a three month warranty for labour and a minimum of 3 months for the assets themselves. CKB would expect to specify any requirements in the contract documentation.</li> <li>Legal, environmental and safety obligations are documented in the AMP and in the SOP Manuals. However, we observed that the there are some key legislation that are not listed and some references are out of date.</li> <li>The SOP Manuals also outlines specific operational procedures in detail. CKB has checklist procedures for specific operations at the WWTP and in the sewer and non-potable water networks.</li> <li>Legal, environmental and safety obligations related to the recycled water scheme are documented in the Recycled Water Quality Management Plan (RWQMP). There is also a separate O&amp;M Manual for the recycled water scheme.</li> <li>CKB has recently constructed new tanks at Finnerty Park and Boulder Oval to replace the old tanks. This also allowed CKB to increase the size of the tanks with a smaller footprint. We reviewed CKB's documentation related to the new Finnerty Park tank and confirmed that: <ul style="list-style-type: none"> <li>The Tank Inspection Report carried out by an external water tank contractor provided condition assessment information, provided options for rectification and provided a recommendation to replace the tanks.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Accounting Policy (Corp-F-004)</li> <li>CKB Purchasing Policy (CORP-AP-001)</li> <li>Tank Inspection Report DS130116-1, Pioneer Water Tanks, January 2016</li> <li>Quotes and purchase order for replacement Finnerty Park tank</li> <li>Asset register showing new asset additions during audit period</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB complied with its procurement policy to obtain three quotes for the work, with a purchase order issued to the winning tenderer.</li> <li>CKB's asset register was updated to take account of the new tank construction date and costs.</li> </ul> <p><b>Recommendation R6/2019</b></p> <ul style="list-style-type: none"> <li>We note that the Water Services Code of Conduct (Customer Service Standards) is not referenced in the legislation included in the AMP. Although the Code of Conduct is specifically included in the list of "State and Federal Government Acts &amp; Regulations" contained in the Waste and Compliance Services SOP Manual, the reference is for the 2013 version of the Code. We recommend that CKB adds the Code of Conduct to the list of legislation in the AMP and updates the reference in the SOP Manual to the most recent 2018 version.</li> </ul>	
<b>Asset Disposal – Overall Rating: A1</b>		
<ul style="list-style-type: none"> <li>Under-utilised and under-performing assets are identified as part of a regular systematic review process</li> <li>The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken</li> <li>Disposal alternatives are evaluated</li> <li>There is a replacement strategy for assets</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Based on the observations and findings we made during the review, we consider that CKB meets the required criteria for asset disposal. Although there is no formal process in place for assessing under-utilised or under-performing assets, such assets are identified using knowledge gained from site and historical information such as asset performance, failures and age. Assets are continually reviewed for performance and condition. Disposal alternatives are considered in accordance with CKB's Disposal Policy. CKB has replacement strategies for its assets. We discuss CKB's asset planning strategies more fully under the Asset Acquisition and Capital Expenditure Planning elements.</li> </ul> <p><b>Overview of CKB's Asset Disposal Processes</b></p> <ul style="list-style-type: none"> <li>CKB has an Asset Disposal Policy (CORP-AP-002) that establishes a policy for the City to openly and transparently dispose of its assets surplus to Council's needs that have a maximum written down value of \$5,000.</li> <li>CKB's Disposal Plan is set out in Section 5.6 of the AMP. Assets identified for possible decommissioning and disposal are shown in Table 5.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. Any revenue gained from asset disposals is accommodated in Council's long term financial plan</li> <li>Disposal of sewerage assets are undertaken in accordance with Section 3.58 of the <i>Local Government Act 1995</i>. No asset that has been in contact with raw sewage is disposed of into the public environment for reuse. These assets are scrapped.</li> <li>Disposal of pipeline assets left in-situ are backfilled with cement stabilised sand.</li> <li>There is no formal process in place for assessing under-utilised or under-performing assets. Such assets are identified using knowledge gained from site and historical information such as</li> </ul>	<ul style="list-style-type: none"> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Asset Disposal Policy (CORP-AP-002)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<p>asset performance, failures and age. Assets are continually reviewed for performance and condition.</p> <ul style="list-style-type: none"> <li>Retired / decommissioned assets are also notated in the City's GIS using as-constructed / survey drawings and in the AMS.</li> <li>CKB's asset replacement strategy is based on investigation of assets associated with emergencies/incidents leading straight replacement of a failed asset and use of the AMS to review assets for renewals based on age, condition and performance.</li> <li>During the review period, no assets were disposed of.</li> </ul>	
<b>Environmental Analysis – Overall Rating: B1</b>		
<ul style="list-style-type: none"> <li>Opportunities and threats in the system environment are assessed</li> <li>Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved</li> <li>Compliance with statutory and regulatory requirements</li> <li>Achievement of customer service levels</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Based on the evidence provided to us and the interviews with key staff, we consider that CKB assesses opportunities and threat in its system environment. We confirmed that performance standards are measured and achieved and that CKB has achieved its customer service levels and generally complied with its statutory and regulatory requirements. Non-compliance has been reported to the appropriate regulatory entity when they have occurred.</li> </ul> <p><b>Assessment of Opportunities and Threats in the System Environment</b></p> <ul style="list-style-type: none"> <li>Risk assessment is undertaken within the AMS.</li> <li>CKB's draft AMP document contains an adequate statement of the physical and cultural environment of the services, together with details of their service, legislative and licensing requirements.</li> <li>Opportunities and threats to the system are addressed as inputs to planning, asset creation and risk analysis procedures.</li> <li>CKB's Infrastructure Risk Management Plan is included in Section 5.2 of the AMP. The tables set out the identified risks related to organisational risks and operational risks.</li> <li>CKB is still drafting the Risk Management section to be finalised by 30 June 2019.</li> <li>The RWQMP includes a number of specific management plans in the appendices, including Mosquito Management Plan and Algae Management Plan. The Odour Management Plan provides a reference to appropriate section of the WTPP SOP Manual.</li> <li>A separate health risk assessment for the recycled water scheme is included in Appendix E of the Recycled Water Quality Management Plan.</li> <li>There is growing industry interest in the recycled water that CKB has available. CKB is currently in discussions with a number industrial clients to provide them with a non-potable water supply. This would be supplied at the same quality of recycled water as CKB currently provides, with any additional treatment to improve the class being undertaken on site by the customer.</li> <li>Any additional infrastructure that would need to be provided by CKB (e.g. delivery pipe work) would need to go through Council's business case process.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Asset Disposal Policy (CORP-AP-002)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Recycled Water Quality Management Plan.</li> <li>CKB Compliance Report to ERA 2016/17, 2017/18</li> <li>CKB Water Licence Performance Report 2016/17, 2017/18</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB has also identified that more non-potable water storage is needed. One additional dam in the City is currently being considered. In addition, CKB is looking at options for additional treatment to improve the water quality being used as the non-potable water supply.</li> </ul> <p><b>Performance Standards</b></p> <ul style="list-style-type: none"> <li>Performance standards are reported to the ERA annually but the CKB does not have a formal regular internal reporting of performance to the CEO or the Board.</li> <li>The Board are provided with details of the information submitted to the National Performance Report but generally are only reported to when there are significant problems/issues with the sewerage service.</li> <li>Performance targets and standards are not included in CKB's public Annual Report.</li> <li>CKB submitted annual performance reports to ERA for 2016/17 and 2017/18. These reports were provided within the required timeframe.</li> <li>We observed that in 2017/16, CKB reported a total of 69 customer complaints, all of which were resolved within the 15 days target. In 2017/18, CKB reported a total of 86 customer complaints, all of which were resolved within the 15 days target.</li> </ul> <p><b>Compliance with Regulatory Requirements</b></p> <ul style="list-style-type: none"> <li>The treatment of sewage has complied with CKB's licensed treatment standards during the review period.</li> <li>Reports to the Department of Environmental Regulation (DER) set out the overall results, highlighted and explained the reasons for non-compliances together with details of actions taken for their future mitigation.</li> <li>Monthly recycled water quality test results for the non-potable supply are provided to the WA Health Department. However, CKB failed to submit the relevant annual report for 2017/18 in accordance with the Department's conditions of approval.</li> <li>Sewer spills to the general environment are reported to the Department of Health. Spills to creek are reported to DER.</li> </ul> <p><b>Levels of Service</b></p> <ul style="list-style-type: none"> <li>Levels of Service are set out in Section 3 of the AMP. These include Strategic and Corporate Goals, Organisational Goals and how these are addressed in this Plan, Legislative Requirements, Community Levels of Service and Technical Levels of Service.</li> <li>CKB records details of all the sewer blockages and overflows it attends in a spreadsheet and uses this to report against its performance standards.</li> <li>CKB has a current target to achieve &lt;82 sewer blockages in a year to achieve the measure of fewer than 40 blockages per 100 km of sewer main. We confirmed that CKB achieved this in 2016/17 and 2017/18.</li> </ul>	<ul style="list-style-type: none"> <li>Water quality test reports</li> <li>CKB water quality database</li> <li>Annual Reports to DER 2016, 2017</li> <li>CKB Complaints Database</li> <li>CKB Blockage Database</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB also has a service standard to advise 90% of customers within one hour of reporting an emergency of the nature and timing of the action to be taken by the City.</li> </ul>	
<b>Asset Operations – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>Operational policies and procedures are documented and linked to service levels required</li> <li>Risk management is applied to prioritise operations tasks</li> <li>Assets are documented in an Asset Register, including asset assessment of assets' physical, structural condition and accounting data</li> <li>Operational costs are measured and monitored</li> <li>Staff receive training commensurate with their responsibilities</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>During our review we confirmed that CKB has documented operational policies and procedures that are linked to service levels required. Risk management is applied to prioritise operations and maintenance tasks. Assets are documented in an Asset Register, with CKB reverting back to the linked Excel spreadsheet register it previously used during the audit period, after using the RAMM Asset Management System. We confirmed that staff receive training commensurate with their responsibilities</li> <li>We have arrived at our conclusion based on review of key operational documentation, including operating policies and procedures, interviews with key personnel, and a site visit to the South Boulder WWTP.</li> </ul> <p><b>CKB Assets</b></p> <ul style="list-style-type: none"> <li>CKB's sewer network, treatment plant and recycled water service comprises assets with an estimated replacement value of \$79M.</li> <li>CKB engages an electrical contractors and a mechanical contractor to undertaken maintenance of its wastewater and recycled water assets.</li> <li>CKB has a generator on a trailer that can be used in emergencies if power is lost at the pumping stations.</li> </ul> <p><b>Old Boulder WWTP</b></p> <ul style="list-style-type: none"> <li>CKB's wastewater treatment facilities at South Boulder comprise a series of lagoons constructed in December 1989, and an aeration (IDEA) treatment plant constructed in 2001. More specifically, the installations comprise: <ul style="list-style-type: none"> <li>Intermittent Decant Extended Aeration (IDEA), activated sludge plant incorporating <ul style="list-style-type: none"> <li>1x Aerobic tank</li> <li>2x intermittent aeration tanks</li> <li>1x treated effluent balance tank</li> </ul> </li> <li>Four waste activated sludge drying lagoons</li> <li>Treated wastewater pump stations</li> <li>Chlorine disinfection system</li> <li>3x wastewater treatment lagoons.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Recycled Water Quality Management Plan</li> <li>WWTP Operations Manual</li> <li>South Boulder WWTP DER licence (June 2016)</li> <li>CKB's On Call Procedures</li> <li>Process Optimisation and Descriptions Manual</li> <li>Chlorine Emergency Response Plan.</li> <li>CKB Compliance Report to ERA 2016/17, 2017/18</li> <li>CKB Water Licence Performance Report 2016/17, 2017/18</li> <li>Water quality test reports</li> </ul>



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ The inlet works is able to divert flow straight into the lagoon system if maintenance work is needed or during a storm event. Flow into the plant is measured at the flume at the inlet works. The meter had a back-up battery to record the flow in the case of a power outage.</li> <li>▪ The treated effluent can be pumped up to the Old Boulder lagoon system for transfer into CKB's non-potable water system or discharged to Hannan's Lake, which is adjacent to the plant, through a sluice gate. The plant discharges for 6-7 months of the year outside of the hotter months when demand for the non-potable water supply is low. A v-notch weir with an ultrasonic meter is used to measure the outflow from the plant to Hannan's Lake.</li> <li>▪ The chlorine treatment plant located at the WWTP is currently mothballed. This was previously used to provide additional treatment to non-potable water being supplied to the KCGM (Kalgoorlie Consolidated Gold Mines) but the contract for the water that CKB provided expired and was not renewed. KCGM no longer the recycled water from CKB as it sourced a different supply of water. As a result, the chlorine plant has not been used in the last 12 months.</li> <li>▪ Septic tank waste is transferred to the WWTP via private tankers and discharged into a separate area that transfers the waste straight into the lagoon system. Septage is received at the WWTP from areas in West Kalgoorlie that are not sewered and also from mine sites outside of the city.</li> <li>▪ A log book is kept on site for tankers to record the volumes they are transferring to the WWTP. Tankers also have to record details of what they are transferring on the Department of Water and Environmental Regulation (DWER) website. Tankers pay an annual card fee to CKB to be able to swipe into the WWTP and discharge their septic tank waste.</li> </ul> <p><b>Operational Issues at the Old Boulder WWTP</b></p> <ul style="list-style-type: none"> <li>▪ CKB consider that there were fundamental design issues with the WWTP which have caused operational and maintenance issues. The design of the plant means that it is not possible to isolate flows to undertake maintenance activities. In addition, running the plant requires close operator involvement to make daily compensations and adjustments in the treatment process operations.</li> <li>▪ These problems have been evident throughout the operation of the plant. However, these issues do not impact on the quality of the effluent discharged from the plant. CKB conducts water quality sampling at the plant twice a week and there have been no breaches during the review period.</li> <li>▪ The facilities have been run perpetually since construction and CKB has identified that the WWTP requires substantial renewal works. In addition, CKB are experiencing issues with aging infrastructure at the WWTP.</li> <li>▪ Analysis of flows into and out of the plant have indicated that there is significant leakage occurring, much more than can be attributed to evaporation.</li> <li>▪ CKB is looking to decommission the lagoon system and replace baffles to improve the detention and flow through the system. After this has been completed, CKB are expected to assess the remaining treatment processes at the plant.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CKB water quality database</li> <li>▪ Annual Reports to DER 2016, 2017</li> <li>▪ CKB Complaints Database</li> <li>▪ CKB Blockage Database</li> <li>▪ Examples of monthly budget reports</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB has identified that it does not have sufficient sludge lagoon capacity and is looking at improving the drainage at these lagoons in order to reduce the sludge drying times.</li> <li>CKB experiences some issues from bulking sludges and considers that these are from industrial customer discharges into the sewer network.</li> </ul> <p><b>Wastewater Network</b></p> <ul style="list-style-type: none"> <li>CKB currently has 14,358 service connections (private homes, commercial operations and institutional facilities) across the City. The sewer pipe network extends 219 kilometres and is accessed via 2,945 manholes. Installations date back to January 1940.</li> <li>The two sewer pumping stations (SPSs) are not connected to the SCADA system but both are fitted with sim cards to send text messages if there are any issues or if the level in the wet well gets too high.</li> <li>Pump run times from the SPSs are not recorded but the SPSs each only serve a small number of properties. The majority of CKB's sewer network runs on gravity.</li> <li>CKB consider that there are currently no major issues with the sewer network. No major issues are experienced from blockages in the sewer and preventative jetting is carried out to ensure no issues.</li> </ul> <p><b>Recycled Water Supply Infrastructure</b></p> <ul style="list-style-type: none"> <li>CKB's recycled water scheme commenced in 1990 and has been progressively expanded to optimise the use of recycled water across public and institutional open space. Water is also used for dust suppression in conjunction with engineering works and is also supplied to industry.</li> <li>CKB's non-potable water service draws treated wastewater from the Old Boulder Wastewater Treatment Plant and distributes the recycled water through a reticulation pipe network totalling approximately 50km.</li> <li>In addition, storm water is captured at Piccadilly dam and Racecourse dam for use through the network.</li> <li>The recycled water is stored in 27 storage reservoirs (a combination of dams and tanks) across the City for parks and gardens irrigation (approximately 65 hectares excluding school playing fields and industrial processes).</li> <li>Multiple pump facilities are utilised with micron filters and chlorine injectors further treating prior to irrigation. The recycled water supply system is chlorinated at the Old Boulder lagoons, the Racecourse dam, Piccadilly Dam and the Golf Course. The chlorination system uses chlorine gas, with the bottles transported from Perth.</li> <li>The recycled water network is completely controlled by a Supervisory Control and Data Acquisition (SCADA) system. The system controls water movement through the network and irrigation to all the parks and ovals. The system is used to monitor and control chlorine levels, flow rates, flow levels and low/high alarm levels.</li> </ul>	



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<p><b>Operational Policies</b></p> <ul style="list-style-type: none"> <li>▪ CKB has an overall Council Asset Management Policy (CORP-AP-003) which provides a broad framework for the whole lifecycle, including asset operations.</li> <li>▪ The Executive Summary included in Section 1 of the AMP also provides an outline of the CKB's overall objectives in its provision of the sewerage service.</li> <li>▪ CKB's policy for recycled water is included in Section 2 of its Recycled Water Quality Management Plan.</li> <li>▪ CKB has included a section for its Operations and Maintenance Plan in Section 5.3 of the AMP. Expenditure trends and forecasts have not yet been completed. Critical assets only include the wastewater assets and do not include any of the non-potable water assets.</li> </ul> <p><b>Operational / Maintenance Procedures and Tasks</b></p> <ul style="list-style-type: none"> <li>▪ Operational/maintenance procedures for the sewerage scheme are included in the Waste and Compliance Services SOP Manual. These include procedures for: <ul style="list-style-type: none"> <li>– planning and building applications</li> <li>– sewer maintenance</li> <li>– sewer jetting</li> <li>– sewer overflows and blockages (including containment and clean up procedures)</li> <li>– WWTP procedures (including the contracts pertaining to the plant for mechanical, electrical and SCADA support services)</li> <li>– groundwater bore monitoring</li> <li>– Alarms</li> <li>– Power Failure</li> <li>– WWTP Emergency Procedure Manuals</li> <li>– sampling and testing procedures</li> <li>– Controlled waste tracking</li> <li>– General asset management procedures</li> </ul> </li> <li>▪ Operational/maintenance procedures for the non-potable water supply scheme are included in the Treated Wastewater for Reuse SOP and Maintenance Manual. These include procedures for: <ul style="list-style-type: none"> <li>– recycled water sampling</li> <li>– warning protocols</li> <li>– irrigation compliance</li> <li>– system maintenance</li> </ul> </li> </ul>	

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ Documents stored at the WWTP include the WWTP Operations Manual, the DER licence (June 2016 version), the Standard Operating Procedure Manual, CKB's On Call Procedures, Process Optimisation and Descriptions Manual and the Chlorine Emergency Response Plan.</li> <li>▪ Specific checklists are located at the WWTP together with the pro-formas used to record operational data and wastewater test parameters.</li> <li>▪ A spreadsheet used as a running diary of tasks to be completed is maintained on the City's server and updated by the Technical Officers located at the WWTP.</li> <li>▪ CITEC is used to control the WWTP and set the duty/standby levels. The trends page is used to prepare a daily report. The data recorded in the WWTP Operational Database spreadsheet includes monthly totalisers. In addition, CKB uses the spreadsheet to record water quality sampling data results. Samples taken at different points within the plant twice a week include, pH, ammonia, total dissolved solids, phosphate, nitrate, total suspended solids and settle testing. CKB undertakes the testing of the samples in the laboratory located at the WWTP.</li> <li>▪ Samples taken at the WWTP outlet are carried out by CKB staff and sent to a NATA-accredited laboratory in Perth for analysis. These samples are required to be taken every quarter but if the discharge point into Hannan's Lake is used, the effluent is required to be sampled within five days of the plant starting to discharge to the watercourse and every month after that if the plant continues to flow.</li> <li>▪ Maintenance work on the recycled scheme is predominantly reactive at the present time</li> <li>▪ The Recycled Water Quality Management Plan includes details of the operational and verification monitoring plans. The sampling plan is included in Appendix H of the document.</li> <li>▪ A monthly recycled water quality sample for Department of Health (DoH) compliance is taken and couriered to a NATA-accredited laboratory in Perth. No issues have been experienced with the quality of the non-potable water during the review period. There has been an occasional re-test but these have come back with negative test results.</li> <li>▪ Recycled water customers provided with the non-potable water have their meters read and are invoiced monthly. CKB's checklists in the Treated Wastewater for Reuse SOP include an audit sheet to check compliance items each month. Meter reads are taken from the data recorded in CITEC for invoicing.</li> <li>▪ The recycled water meters were calibrated during 2018.</li> </ul> <p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>▪ CKB's Infrastructure Risk Management Plan is included in Section 5.2 of the AMP. The tables set out the identified risks related to organisational risks and operational risks.</li> <li>▪ The operational risks that have been included in the most recent (October 2018) version of the AMP are: <ul style="list-style-type: none"> <li>– Critical infrastructure failure</li> <li>– Sewerage /effluent networks - risk of infection, health issues</li> </ul> </li> </ul>	

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>– Pumping stations – build-up of dangerous gases</li> <li>– Spill to waterways system overflow</li> <li>– Service levels not being met</li> <li>– Lack of maintenance /renewal</li> <li>– System capacity – treatment plant, flooding, damage to property</li> </ul> <ul style="list-style-type: none"> <li>▪ CKB is still drafting the Risk Management section to be finalised by 30 June 2019.</li> <li>▪ The key mitigation strategies to minimise operational risks are the operational SOPs included in the City's SOP Manual.</li> <li>▪ Risk management related to the non-potable water supply are included in the Recycled Water Quality Management Plan. The Health Risk Assessment is included in Appendix E of the document.</li> </ul> <p><b>Asset Register</b></p> <ul style="list-style-type: none"> <li>▪ CKB has been using RAMM as its operational asset register. There is also a financial asset register in Synergy Soft. There is linkage from the RAMM system to the financial system through inclusion of financial system asset codes.</li> <li>▪ However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. CKB has not yet budgeted for a new AMS as it is looking to recruit a Senior Asset Officer and have them contribute to the associated decision-making processes.</li> <li>▪ As a result, CKB has continued to use the series of linked Excel spreadsheets that it previously used as its AMS. The AMS is simplistic and was developed by GHD under ERA instruction for use by small service providers.</li> <li>▪ This asset management system consists of: <ul style="list-style-type: none"> <li>– Asset Register</li> <li>– Inventory Control</li> <li>– Condition &amp; Performance Monitoring</li> <li>– Risk Assessment</li> <li>– Maintenance Management</li> <li>– Financial Budget</li> </ul> </li> <li>▪ There are considered to have been issues related to the level of rigour related to the asset condition data that is recorded. This is considered to be due to the reactive approach that has previously been taken to asset maintenance, meaning asset condition is only identified when performance issues are experienced.</li> </ul>	

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB started to improve in this area and has mapped the areas in the sewer network where issues have been experienced and is using this to develop the replacement/renewal pipe program.</li> <li>CKB is currently looking to consolidate the asset register with the CCTV data that it has been analysing.</li> </ul> <p><b>Asset Costs</b></p> <ul style="list-style-type: none"> <li>Invoices from maintenance contractors are received monthly and tracked against work required to be completed. Energy bills and other invoices go through the City's corporate system and are forwarded to the Manager Infrastructure Services for sign-off. All costs are recorded against the ongoing annual operations budget.</li> <li>The operational budget is developed by the Manager Infrastructure Services with input from other members of the department. The previous year's budget is the starting point, with any new expenditure needing to be approved by the CEO and the Board.</li> <li>Projected operations and maintenance expenditure out to 2037 is set out in Figure 4 in the AMP. This shows expenditure as being relatively stable across the period although no detail as to inclusions in the expenditure have been listed (Refer to Recommendation R4/2019).</li> <li>Financial/accounting costs associated with the assets are recorded in CKB's main finance system (Synergy).</li> <li>Replacement costs for the sewer network are based on unit rates.</li> <li>Actual expenditure on pipe renewals is used to update the replacement cost for those assets.</li> <li>A monthly report from Synergy issued to compare actual operating expenditure against the budget.</li> <li>Previously a separate annual operations and maintenance budget was prepared by the Parks and Reserves group for the recycled water system. With the restructure, the budgets for the wastewater and recycled non-potable water services are now being prepared by the Infrastructure Services division.</li> </ul> <p><b>Staff Training</b></p> <ul style="list-style-type: none"> <li>Field staff are trained to meet their position responsibilities.</li> <li>Training requirements are identified through the annual staff performance review process.</li> <li>Specialist training (e.g. breathing apparatus) is arranged within the department and the information forwarded to the HR department to record.</li> <li>CKB's staff have undertaken chlorine handling safety training.</li> </ul> <p><b>Recommendation R7/2019</b></p> <ul style="list-style-type: none"> <li>As noted above, although CKB was using RAMM as its operational asset register, it was decided to not continue to use the system for the sewer and treated water assets as the software was</li> </ul>	

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<p>designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years.</p> <ul style="list-style-type: none"> <li>We recommend that CKB develops a Roadmap/Action Plan to assist it in making a decision on its AMS. This document should set out the requirements that CKB requires for its AMS, with timelines to complete research for potential options and costs and undertake implementation. The options analysis should also include maintaining the current Excel-based system.</li> </ul>	
<b>Asset Maintenance – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>Maintenance policies and procedures are documented and linked to service levels required</li> <li>Regular inspections are undertaken of asset performance and condition</li> <li>Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule</li> <li>Failures are analysed and operational / maintenance plans adjusted where necessary</li> <li>Risk management is applied to prioritise maintenance tasks</li> <li>Maintenance costs are measured and monitored</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Based on our review of the associated documentation and interviews with key staff, we consider that CKB's maintenance policies and procedures are documented and linked to service levels required. We confirmed that CKB undertakes regular inspections of its assets for performance and condition. Maintenance plans are documented and completed, with checklists stored at the WWTP. Asset failures are analysed in accordance with the procedure included in CKB's SOP and operational / maintenance plans adjusted where necessary. Risk management is applied to prioritise operations and maintenance tasks and maintenance costs are measured and monitored.</li> </ul> <p><b>Policies and Procedures</b></p> <ul style="list-style-type: none"> <li>Refer to previous section for details of policies and procedures.</li> <li>Based on recommendations included in the previous review report, CKB has been undertaking monthly maintenance on its two sewer pumping stations (SPSs). However, CKB consider that the maintenance regime is too frequent and there are difficulties associated with undertaking full M&amp;E maintenance each month. As a result, CKB is looking to extend the maintenance cycle for the two SPSs.</li> </ul> <p><b>Asset Inspections</b></p> <ul style="list-style-type: none"> <li>CKB has maintenance schedules and procedures. These are provided to CKB's electrical, maintenance and plumbing contractors. Test results are recorded on field report checklists.</li> <li>CKB's mechanical contractors provide day sheets of what work they have worked on during the day.</li> <li>For the SPSs, CKB has separate maintenance files that include the schedules and the test results.</li> <li>CKB is currently tendering for a new contract for jetting the sewer network. The objective of the contract is to procure more proactive jetting rather than only undertaking this work when blockages in the pipes are experienced. Previously the contract that CKB had in place incentivised its plumbing contractor for carrying out reactive work.</li> </ul>	<ul style="list-style-type: none"> <li>Asset Management Policy (CORP-AP-003)</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Recycled Water Quality Management Plan</li> <li>WWTP Operations Manual</li> <li>South Boulder WWTP DER licence (June 2016)</li> <li>CKB's On Call Procedures</li> <li>Process Optimisation and Descriptions Manual</li> <li>Chlorine Emergency Response Plan.</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB also has a plumbing contractor for its sewer network maintenance work.</li> <li>CCTV inspection work is also contracted out. Previously CKB were completing about 5 km/year of inspections but has not doubled this rate to look to achieve 10 km/year. Previously CKB has concentrated on problem areas within the network but it is now looking to sample more comprehensively through the sewer network to gain better information as to the overall condition of its pipes.</li> <li>Although CKB has been conducting CCTV sewer inspection work in recent years, this information has not been amalgamated into reports to use to identify and justify work programs on the sewer network. CKB is undertaking this exercise at the current time.</li> <li>The previous review report identified the need for CKB to undertake manhole lid inspections but a program of works has not yet been developed. CKB is including this work as part of a new contract to develop standard drawings to be supplied to developers.</li> </ul> <p><b>Maintenance Plans</b></p> <ul style="list-style-type: none"> <li>CKB has included a section for its Operations and Maintenance Plan in Section 5.3 of the AMP. Expenditure trends and forecasts have not yet been completed. Critical assets only include the wastewater assets and do not include any of the non-potable water assets.</li> <li>CKB's sewer network maintenance strategy is to maintain the serviceability of the network (i.e. minimise sewer overflows caused by blockages) to undertake a programmed assessment of the network condition for the purposes of informing preventative maintenance works requirements. Reactive maintenance (clearing blockages and undertaking repair work) is required from time to time. When this occurs, inspection and diagnosis is required to inform ongoing preventative maintenance works.</li> <li>CKB undertakes renewal work in accordance with Water Corp Design Standards and Aus. Spec Work Sections. These are listed in Section 5.4.2.</li> <li>Emergency and contingency plans are included in the Waste and Compliance Services SOP for sewer main overflows, sewer main blockages, alarms, power failure, WWTP faults and emergencies.</li> <li>In addition, the Waste and Compliance Services SOP manual also references and hyperlinks the separate Critical Incident Response Plan and Chlorine Emergency Response Plan documents.</li> </ul> <p><b>Asset Failure Analysis</b></p> <ul style="list-style-type: none"> <li>The procedures for system failure analysis are outlined in Section 4 of the Waste and Compliance Services SOP Manual.</li> <li>Asset failure analysis is the primary tool used by CKB to develop its inspection, maintenance and renewals programs. Sewer blockages and overflows are investigated through CCTV work and the results of the surveys used to program maintenance and pipe renewals where applicable.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Compliance Report to ERA 2016/17, 2017/18</li> <li>CKB Water Licence Performance Report 2016/17, 2017/18</li> <li>Water quality test reports</li> <li>CKB water quality database</li> <li>Annual Reports to DER 2016, 2017</li> <li>CKB Annual Reports 2016/17, 2017/18</li> <li>CKB Complaints Database</li> <li>CKB Blockage Database</li> <li>Examples of monthly budget reports</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>Refer to previous section for details of risk management applied to operations and maintenance activities.</li> </ul> <p><b>Maintenance Costs</b></p> <ul style="list-style-type: none"> <li>Mechanical, electrical and plumbing companies under contract to CKB undertake the maintenance on the sewer, WWTP and recycled water assets.</li> <li>Sewer maintenance is signed off and recorded by the on-call officer. The Mechanical and Electrical contractors at the WWTP submit their accounts to CKB for discussion and approval for payment.</li> <li>Scheduled and reactive maintenance is recorded and costed in Synergy.</li> <li>At present, the starting point for the maintenance budget for the sewer network is based on the previous year's expenditure for jetting and blockages. Renewals expenditure forecasts are already captured in the budget.</li> <li>Actual O&amp;M expenditure vs budget is regularly reviewed. A monthly report is produced from the finance system and is reviewed by the Manager Infrastructure Services. The report also includes the actual capital spend against the proposed budget. A quarterly report is also produced by the finance system for review.</li> </ul> <p><b>Recommendation R8/2019</b></p> <ul style="list-style-type: none"> <li>We note that although the Treated Wastewater for Reuse SOP references "contingency measures, no details are provided as to what measures are available or need to be taken. We recommend that additional details be included in the SOP to address these issues.</li> </ul>	
<b>Asset Management Information System – Overall Rating: A1</b>		
<ul style="list-style-type: none"> <li>Adequate system documentation for users and IT operators</li> <li>Input controls include appropriate verification and validation of data entered into the system</li> <li>Logical security access controls appear adequate, such as passwords and that appropriate system access and functionality is provided to users</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Based on the information reviewed, we are satisfied that CKB has in place sufficient documentation for users and system operators. CKB has in place logical and adequate access controls to its information systems. In addition, physical security access controls are considered to be adequate. CKB's data is backed up and the procedures appear to be adequate. Based on the recorded and reported data, CKB's licensee performance reporting appears to be materially accurate and the management reports appear adequate for the licensee to monitor the licence obligations.</li> </ul> <p><b>Overview of CKB's Asset Management Information Systems</b></p> <ul style="list-style-type: none"> <li>CKB utilises the following asset information systems:</li> </ul>	<ul style="list-style-type: none"> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>CKB WWTP SCADA</li> <li>EMC Core</li> <li>Synergy Soft</li> <li>IntraMaps</li> <li>SCADA Manual</li> </ul>



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<ul style="list-style-type: none"> <li>Physical security access controls appear adequate</li> <li>Data backup procedures appear adequate</li> <li>Key computations related to licensee performance reporting are materially accurate</li> <li>Management reports appear adequate for the licensee to monitor licence obligations</li> </ul>	<ul style="list-style-type: none"> <li>AMS – the City's Asset Management System, for the sewerage assets, consisting of the asset register, inventory control, condition and performance monitoring, maintenance management, risk assessment and financial planning.</li> <li>SCADA – utilised to monitor and store operating data from the WWTP.</li> <li>EMC Core - the CKB's corporate records and document management system</li> <li>Synergy Soft – corporate financial system.</li> <li>MapInfo – CKB's GIS software</li> <li>IntraMaps – the public mapping system</li> <li>Manuals and other documentation are maintained for the City's corporate systems.</li> <li>The SCADA manual is located at the WWTP.</li> <li>A full set of operations manuals were provided by Water Corporation when the WWTP was transferred into the City's ownership.</li> <li>CKB has been using RAMM as its operational asset register. There is also a financial asset register in Synergy Soft. There is linkage from the RAMM system to the financial system through inclusion of financial system asset codes.</li> <li>However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years.</li> <li>As a result, CKB has continued to use the series of linked Excel spreadsheets that it previously used as its AMS. The AMS is simplistic and was developed by GHD under ERA instruction for use by small service providers.</li> <li>This asset management system consists of: <ul style="list-style-type: none"> <li>An Asset Register</li> <li>Inventory Control</li> <li>Condition &amp; Performance Monitoring</li> <li>Risk Assessment</li> <li>Maintenance Management</li> <li>Financial Budget</li> </ul> </li> </ul> <p><b>Data Entry</b></p> <ul style="list-style-type: none"> <li>Data entry procedures into each area of CKB's asset management system are covered in the Waste and Compliance SOP Manual.</li> <li>Data is only generally verified and validated on input, although ad hoc reporting is used to identify and rectify any errors in the input information.</li> </ul>	<ul style="list-style-type: none"> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Recycled Water Quality Management Plan</li> <li>WWTP Operations Manual</li> <li>South Boulder WWTP DER licence (June 2016)</li> <li>CKB's On Call Procedures</li> <li>Process Optimisation and Descriptions Manual</li> <li>Chlorine Emergency Response Plan.</li> <li>CKB Compliance Report to ERA 2016/17, 2017/18</li> <li>CKB Water Licence Performance Report 2016/17, 2017/18</li> <li>Water quality test reports</li> <li>CKB water quality database</li> <li>Annual Reports to DER 2016, 2017</li> <li>CKB Annual Reports 2016/17, 2017/18</li> <li>CKB Complaints Database</li> <li>CKB Blockage Database</li> <li>Examples of monthly budget reports</li> </ul>



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>Synergy Soft, the corporate financial system is maintained by the Corporate Services department.</li> <li>CKB works under Australian Accounting Standards, State Legislation/Regulations and Directives issued by the Local Government Department. All systems are in accordance with the <i>Local Government Financial Management Regs 1996</i>, and <i>Reg 5. (2)(c)</i>.</li> </ul> <p><b>Management Reports</b></p> <ul style="list-style-type: none"> <li>There is no regular internal management reporting related to the sewerage system. Licence obligations are continually monitored by the Manager Infrastructure Services but only reported upwards in Council when issues are experienced.</li> <li>CKB has a Compliance Register to ensure that it meets all the legislative reporting it is required to compete by the relevant due date.</li> <li>Performance standards are reported to the ERA annually but CKB does not have a formal regular internal reporting of performance to the CEO or the Board.</li> <li>The Board are provided with details of the information submitted to the National Performance Report but generally are only reported to when there are significant problems/issues with the sewerage service.</li> <li>Performance targets and standards are not included in CKB's public Annual Report.</li> <li>Sewer spills to the general environment are reported to the Department of Health. Spills to creek are reported to DER.</li> </ul> <p><b>Security Access of System and Physical Security</b></p> <ul style="list-style-type: none"> <li>All systems require a password to log on.</li> <li>Access to the AMS server is password restricted to the appropriate staff.</li> <li>All members of the Waste and Compliance Services team have read access but some areas of the system (e.g. the finance information) are write-access restricted to Manager Infrastructure Services.</li> <li>All systems are backed up daily by the IT department onto backup tapes. Tapes are stored offsite at a local bank.</li> <li>Physical security access controls are adequate. Entry to the WWTP is controlled through swipe card access and the plant has CCTV monitoring. Tankers delivering septage to the WWTP pay an annual card fee to CKB to be able to swipe into the plant and discharge their septic tank waste.</li> </ul>	
<b>Risk Management – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>Risk management policies and procedures exist and are being applied to minimise internal</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>We confirmed that CKB has risk management policies and procedures in place and these are applied to minimise internal and external risks associated with the asset management system.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Wastewater &amp; Treated Wastewater – Asset</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<p>and external risks associated with the asset management system</p> <ul style="list-style-type: none"> <li>▪ Risks are documented in a risk register and treatment plans are actioned and monitored</li> <li>▪ The probability and consequence of risk failure are regularly assessed</li> </ul>	<p>CKB is still developing the risk management included in its AMP and we have made some recommendations below related to this. CKB's risks are documented in a risk register and the probability and consequence of risk failure are regularly assessed.</p> <p><b>Overview of CKB's Risk Management</b></p> <ul style="list-style-type: none"> <li>▪ CKB's Infrastructure Risk Management Plan is included in Section 5.2 of the AMP. This has been developed in accordance with the City of Kalgoorlie Boulder Infrastructure Risk Management Plan 2018</li> <li>▪ The tables in the AMP set out the identified risks related to organisational risks and operational risks.</li> <li>▪ The organisational risks that have been included in the most recent (October 2018) version of the AMP are: <ul style="list-style-type: none"> <li>– Feasibility studies</li> <li>– Design</li> <li>– Tender evaluation</li> <li>– Quality of construction and commission work</li> <li>– Finding funds for capita and maintenance work</li> </ul> </li> <li>▪ The operational risks that have been included in the most recent (October 2018) version of the AMP are: <ul style="list-style-type: none"> <li>– Critical infrastructure failure</li> <li>– Sewerage /effluent networks - risk of infection, health issues</li> <li>– Pumping stations – build-up of dangerous gases</li> <li>– Spill to waterways system overflow</li> <li>– Service levels not being met</li> <li>– Lack of maintenance /renewal</li> <li>– System capacity – treatment plant, flooding, damage to property</li> </ul> </li> <li>▪ Risk management related to the non-potable water supply are included in the Recycled Water Quality Management Plan. The Health Risk Assessment is included in Appendix E of the document.</li> <li>▪ The risk consequences related to customers, community, the water licence, financial impact, the environment and OHS are assessed and used to derive an overall consequence score based on the maximum individual score. Likelihood scores are used to assign inherent risk scores to each element in the assessment. The adequacies of existing controls are also assigned and risk mitigation and minimisation strategies listed against each identified risk.</li> <li>▪ An overview and the procedures related to managing the risk assessment tool within the AMS is outlined in the overall Waste and Compliance SOP Manual.</li> </ul>	<p>Management Plan – Version 3 – October 2018</p> <ul style="list-style-type: none"> <li>▪ Excel-based Asset Management System</li> <li>▪ RAMM Asset Management System</li> <li>▪ CKB WWTP SCADA</li> <li>▪ EMC Core</li> <li>▪ Synergy Soft</li> <li>▪ IntraMaps</li> <li>▪ SCADA Manual</li> <li>▪ Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>▪ Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>▪ CKB Recycled Water Quality Management Plan</li> <li>▪ WWTP Operations Manual</li> <li>▪ South Boulder WWTP DER licence (June 2016)</li> <li>▪ CKB's On Call Procedures</li> <li>▪ Process Optimisation and Descriptions Manual</li> <li>▪ Chlorine Emergency Response Plan.</li> <li>▪ CKB Compliance Report to ERA 2016/17, 2017/18</li> <li>▪ CKB Water Licence Performance Report 2016/17, 2017/18</li> <li>▪ Water quality test reports</li> <li>▪ CKB water quality database</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>Asset failure is considered to be a relatively rare event due to CKB's on-going preventive maintenance and inspections. If failure occurs, the cause and implications are reviewed and necessary action determined e.g., asset repair or replacement, consequent effects on other or similar assets, amendments to processes, maintenance regime and risk analysis. As noted previously, procedures for system failure analysis are outlined in Section 4 of the Waste and Compliance Services SOP Manual.</li> </ul> <p><b>Recommendation R9/2019</b></p> <ul style="list-style-type: none"> <li>CKB is still drafting the Risk Management section to be finalised by 30 June 2019. We note that at present no risk evaluation is included in the AMP for the treated effluent distribution system. We recommend that CKB reviews and updates its risk assessment against the licence obligations and requirements to ensure that all potential risk hazards and events have been considered and addressed.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Reports to DER 2016, 2017</li> <li>CKB Annual Reports 2016/17, 2017/18</li> <li>CKB Complaints Database</li> <li>CKB Blockage Database</li> <li>Examples of monthly budget reports</li> </ul>
<b>Contingency Planning – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>We confirmed that CKB has contingency plans are documented and understood to cover the risks associated with operating the wastewater systems. Although CKB has a separate Incident Management Plan in its Recycled Water Quality Management Plan, the Treated Wastewater for Reuse SOP only references "contingency measures and no details are provided as to what measures are available or need to be taken. We recommend that additional details be included in the SOP to address these issues. The plans themselves are not specifically tested via emergency incident scenario exercises but are considered to be tested under normal operating conditions. Given CKB's asset base and provided services, we consider that this is sufficient.</li> </ul> <p><b>Overview of CKB's Contingency Planning</b></p> <ul style="list-style-type: none"> <li>Emergency and contingency plans are included in the Waste and Compliance Services SOP for sewer main overflows, sewer main blockages, alarms, power failure, WWTP faults and emergencies.</li> <li>We note that although the Treated Wastewater for Reuse SOP references "contingency measures, no details are provided as to what measures are available or need to be taken. We recommend that additional details be included in the SOP to address these issues (refer to Recommendation R8/2019)</li> <li>The Waste and Compliance Services SOP manual also references and hyperlinks the separate Critical Incident Response Plan and Chlorine Emergency Response Plan documents.</li> <li>The Chlorine Emergency Response Plan is for the chlorine treatment process at the WWTP. These assets are currently mothballed although chlorine gas cylinders are still in place should the assets need to be brought back into operation.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Recycled Water Quality Management Plan</li> <li>WWTP Operations Manual</li> <li>South Boulder WWTP DER licence (June 2016)</li> <li>CKB's On Call Procedures</li> <li>Process Optimisation and Descriptions Manual</li> <li>Chlorine Emergency Response Plan.</li> <li>Critical Incident Response Plan</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB is currently reviewing its processes and procedures. The two positions that CKB are looking to recruit, the Project manager and Water Engineer) are expected to provide input into this and to be involved in any changes that are identified to CKB's documentation.</li> <li>The Incident Management Plan for the non-potable water supply is included in Appendix L of the Recycled Water Quality Management Plan. This sets out the contents, including incident classification, notification processes, emergency response and communications, containment and remediation procedures and incident cause and investigation procedures</li> <li>The Plans themselves are not specifically tested via emergency incident scenario exercises but are considered to be tested under normal operating conditions. Overflows are experienced and managed regularly and the power supply to the WWTP is considered to fail several times each year. Diversion of flows at the WWTP is also carried out during heavy rain events.</li> <li>The two sewer pumping stations in the network only serve a small number of properties and eductor trucks can be called on during any emergencies if required. In addition, CKB has an emergency portable generator that can be used to manage issues in the piped network.</li> <li>CKB also has City of Kalgoorlie-Boulder Emergency Management Arrangements that have been prepared and endorsed by the City of Kalgoorlie-Boulder Local Emergency Management Committee in accordance with the requirements of the <i>Emergency Management Act 2005</i>.</li> <li>CKB has Council-wide Emergency Risk Strategies to manage events such as bush fires, severe storms, hazardous materials incidents/chemical spills, and earthquakes. These strategies set out the risk statement, responsible agencies/individuals, prevention strategies, preparedness strategies, response strategies and recovery strategies.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Emergency Management Arrangements</li> <li>CKB Emergency Risk Strategies</li> </ul>
<b>Financial Planning – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>The financial plan states the financial objectives and strategies and actions to achieve the objectives</li> <li>The financial plan identifies the source of funds for capital expenditure and recurrent costs</li> <li>The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)</li> <li>The financial plan provides firm predictions on income for the next five years and</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Based on our observations and review of documentation provided, overall we consider that CKB's financial planning is generally sound and practical. We have included recommendations at the end of this section where CKB's financial plan for its wastewater and non-potable water services does not meet the required effectiveness criteria.</li> </ul> <p><b>Overall Financial Management</b></p> <ul style="list-style-type: none"> <li>Financial planning is carried out in accordance with the requirements of the <i>Local Government Act</i>. The overall responsibility for financial planning lies with the Financial Services department within the Council.</li> <li>CKB undertakes its financial planning for its sewerage service in accordance with the City's Integrated Planning Framework used to develop a ten year Corporate Business Plan. The Corporate Business Plan provide the detailed implementation outline for services, key projects, capital investment and areas of advocacy over the next four financial years.</li> <li>CKB has a number of policies that relate to financial management, including the Investment Policy, Accounting Policy and Purchasing Policy. The Accounting Policy provides the overall framework for the financial management of CKB.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Strategic Community Plan 2015 - 2025</li> <li>CKB Long Term Financial Plan 2017 - 2027</li> <li>CKB Corporate Business Plan 2017 – 2021</li> <li>CKB Kalgoorlie-Boulder Growth Plan</li> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<p>reasonable indicative predictions beyond this period</p> <ul style="list-style-type: none"> <li>The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services</li> <li>Significant variances in actual / budget income and expenses are identified and corrective action taken where necessary</li> </ul>	<ul style="list-style-type: none"> <li>Council has an overall Long Term Financial Plan (LTFP). This ten year financial projection takes into consideration income, operational and capital expenditure. The financial estimates of projects and initiatives outlined in the Corporate Business Plan have been included in the financial projection.</li> </ul> <p><b>Wastewater and Non-Potable Water Financial Planning</b></p> <ul style="list-style-type: none"> <li>CKB's Financial Summary is set out in Section 6 of the AMP. This section contains the financial requirements resulting from all the information presented in the AMP. CKB will improve the financial projections as further information becomes available on desired levels of service and current and projected future asset performance.</li> <li>The financial projections are shown in Fig 7 for CKB's projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). The current projections go out to 2037.</li> <li>CKB is currently forecasting that it will have an Asset Renewal Funding Ratio of 87% for the funds required the optimal renewal and replacement of its assets.</li> <li>Long-term life cycle costs have been calculated and the analysis and results are included in Section 6.1.1.</li> <li>CKB's funding strategy is included in Section 6.2 the AMP. The only options available to fund its sewerage service are typically income from rates, reserves and loans.</li> <li>The AMP also identifies the projected operations, maintenance and capital renewal expenditure required to provide an agreed level of service to the community over a 10 year period. This provides input into CKB's ten year financial and funding plans aimed at providing the required services in a sustainable manner. CKB's current analysis indicates that it expects to have 96% of the projected expenditure needed to provide the services documented in AMP over the ten year period.</li> <li>Figure 8 in CKB's AMP shows the projected asset renewal and replacement expenditure over the 20 years of the AMP out to 2037.</li> <li>A gap between projected asset renewal/replacement expenditure and amounts accommodated in CKB's Long term Financial Plan (LTFP) currently indicates that further work is required on reviewing service levels in the AMP (including possibly revising the LTFP) before finalising the AMP to manage required service levels and funding to eliminate any funding gap.</li> <li>CKB intends to manage the funding gap by developing the AMP to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.</li> <li>After reviewing service levels, as appropriate to ensure ongoing financial sustainability, CKB's projected expenditures will be accommodated in the Council's 10 year long term financial plan for funding.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> <li>CKB Annual Reports 2016/17, 2017/18</li> <li>Examples of monthly budget reports</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB's asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council.</li> <li>CKB's forecast asset values, depreciation expenses and depreciated replacement costs out to 2037 are shown in Figures 9, 10 and 11.</li> <li>Variances in expenditure are identified and tracked typically monthly for operating expenditure and as needed for capital expenditure. We witnessed evidence of variance tracking and analysis in monthly reports. Where required, corrective action can be taken.</li> <li>We also confirmed that the sewerage service and non-potable water supply service budgets and expenditure are included in Council's overall financial planning.</li> </ul> <p><b>Recommendation R10/2019</b></p> <ul style="list-style-type: none"> <li>The financial plan include in the AMP does not provides projections of operating statements (profit and loss) and statement of financial position (balance sheets. Additionally, the financial plan does not provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period. We recommend that CKB addresses these omissions when completing the AMP. The document is due to be completed by 30 June 2019.</li> </ul>	
<b>Capital Expenditure Planning – Overall Rating: A1</b>		
<ul style="list-style-type: none"> <li>There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates</li> <li>The plan provides reasons for capital expenditure and timing of expenditure</li> <li>The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan</li> <li>There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned</li> </ul>	<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>CKB's capital planning processes is considered competent and practical. The capital expenditure plan for the wastewater assets covers the issues to be addressed, the actions proposed and the dates. Reasons for the expenditure and the timing of works is included. CKB's capital works program is expected to increase significantly in the next few years from the current base levels to address the issues that have been identified at the WWTP.</li> </ul> <p><b>Overview of CKB's Capital Expenditure Planning</b></p> <ul style="list-style-type: none"> <li>A rolling five years Capital Expenditure Plan is prepared by the Waste and Compliance department. Capital expenditure items are derived from assessment of the current performance and forthcoming requirements of existing assets and lifetime replacement timing contained in the financial planning module of the AMIS.</li> <li>The procedures related to the Financial Planning module included in the AMS are outlined in the Waste and Compliance SOP Manual.</li> <li>CKB has a Water Utility Services Strategy and Capital Works Program which sets the broad strategy and management framework for the delivery of the City's water services.</li> <li>Any expenditure on new assets (as opposed to renewals) that is identified needs to go through CKB's business planning process.</li> <li>The capex planning is consistent with asset lives. The asset lives are captured in the AMS against each asset and form the basis of the future works program.</li> </ul>	<ul style="list-style-type: none"> <li>CKB Strategic Community Plan 2015 - 2025</li> <li>CKB Long Term Financial Plan 2017 - 2027</li> <li>CKB Corporate Business Plan 2017 – 2021</li> <li>CKB Kalgoorlie-Boulder Growth Plan</li> <li>CKB Asset Management Policy (CORP-AP-003)</li> <li>CKB Water Utility Services Plan, January 2019</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> </ul>



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>CKB also captures asset condition data and takes account of this in renewals planning. We saw this particularly applied to mains renewals, where CCTV is used to identify and prioritise pipes for relining.</li> <li>CKB does not use deterioration models or renewals planning models. However, given the fairly small size of the asset base, models like these are unlikely to greatly improve the renewals planning process.</li> <li>The capital works program is submitted to Council annually.</li> <li>The capital works budget submitted for review and approval includes a justification for the proposed expenditure and details of the previous spend for each item.</li> <li>Reports of budgeted and current expenditure are prepared and circulated monthly – or weekly in cases where the rate of expenditure is significant. Unexpected or over budget expenditure is highlighted for explanation by the appropriate division.</li> <li>We confirmed that high level budgets for capital works are included in the whole-of-Council budget.</li> </ul> <p><b>CKB's Capital Expenditure Plan</b></p> <ul style="list-style-type: none"> <li>Council has approved CKB's Capita Works Program for 2018/19. This totals \$1.085M and includes renewal, replacement and upgrade works for the sewer network, treatment plant and recycled water system. The proposed works also include design and approvals projects for the treatment plant and recycled water system.</li> <li>CKB has established a capital works program through to 2023/24 which will facilitate: <ul style="list-style-type: none"> <li>Progressive renewal of the sewer network</li> <li>Construction of an additional water treatment facility that will deliver combined benefits of: <ul style="list-style-type: none"> <li>Enabling the existing treatment facility to be de-commissioned for refurbishment or replacement with updated processing technology, if appropriate</li> <li>Substantially increasing water treatment capacity to accommodate long term growth</li> <li>Reducing water loss - presently calculated to be in the order of 30%, increasing saleable/re-useable treated water for community and industry purposes</li> <li>Providing long term water treatment processing contingency in event a portion of a facility requires shut-down for repair</li> </ul> </li> <li>Progressive renewal of the reticulated treated wastewater network.</li> </ul> </li> <li>The total sum required to fund CKB's Capital Works Program over the five years from 2019/20 to 2023/24 has been estimated at \$12.498 million. CKB has identified that this sum can be fully funded from cash reserves and budget allocations.</li> <li>Council has endorsed the proposed capital spend on the wastewater and non-potable water services for the next five years as a guide to future budget allocations.</li> </ul>	<ul style="list-style-type: none"> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>

Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
	<ul style="list-style-type: none"> <li>▪ CKB's capital works priorities have been set according to importance in order to ensure uninterrupted water treatment and to provide for the progressive renewal of pipework so as to maintain serviceability.</li> <li>▪ CKB's proposed capital works costs are refined following detailed asset condition assessment, design work and market testing of construction works. Costs estimations are reviewed ahead of each annual budget preparation.</li> <li>▪ Capital work cost estimates have been developed from historic cost information and from estimates prepared by external consultants who are assisting CKB in the development of the works.</li> <li>▪ CKB's capital works allocation for the sewer network provides for progressive renewal of the network to remedy damage caused by material deterioration, subsidence and root invasion.</li> <li>▪ CKB has also identified funds in its capital works program for the installation of pre-treatment devices at Council owned facilities and to provide subsidies to commercial grade premises as a means to encourage installation. This is to prevent unwanted substances entering the sewer network - mostly grease and fats from commercial kitchens which cause blockages resulting in sewer overflows. This is expected to improve the overall performance of the network. CKB intends to roll out this program as long as is needed.</li> </ul> <p><b>WWTP Remediation</b></p> <ul style="list-style-type: none"> <li>▪ CKB has developed a high level strategy to plan to undertake the remedial work and renew/replace the assets at the WWTP.</li> <li>▪ In order to carry out the investigative works, CKB has identified that it needs to decommission the existing plant. In order to decommission the existing WWTP, it needs an alternative standalone treatment facility to complete the works.</li> <li>▪ These works are required due to a number of reasons: <ul style="list-style-type: none"> <li>– There are concerns related to the durability of the walls of the IDEA plant</li> <li>– There is known leakage through the WWTP far in excess of losses that could be attributed to evaporation.</li> <li>– The condition at the bottom of the tanks and ponds is not known.</li> <li>– If the investigations show that CKB need to rebuild the WWTP, it will need to have the finances in place to be able to complete the required works.</li> </ul> </li> </ul>	
<b>Review of Asset Management System – Overall Rating: B2</b>		
<ul style="list-style-type: none"> <li>▪ A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Waste and Compliance Services SOP Manual includes the review processes, both internal and external, to ensure that the AMP is kept current.</li> <li>▪ CKB's AMP is reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ CKB Asset Management Policy (CORP-AP-003)</li> <li>▪ CKB Water Utility Services Plan, January 2019</li> </ul>



Asset Management Process / Effectiveness Criteria	Observations	Evidence reviewed
<ul style="list-style-type: none"> <li>Independent reviews (e.g., internal audit) are performed of the asset management system</li> </ul>	<ul style="list-style-type: none"> <li>The AMP is updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into Council's long term financial plan.</li> <li>CKB's AMP has a life of 4 years.</li> <li>Although CKB's AMP generally covers the key requirements, the document is still being developed to meet an expected deadline of 30 June 2019. As a result, there is still considerable work to bring the document up to the required standard. As commented on previously, a considerable number of recommendations from the last audit are dependent on the AMP being finalised. Where applicable, we have included recommendations related to updating the AMP throughout this section of the report.</li> <li>The AMP Improvement Plan is included in Section 2.7. The current tasks that CKB have identified and have assigned responsibilities, resources and timelines to include:               <ul style="list-style-type: none"> <li>Further develop community and technical levels of service using surveys/workshops</li> <li>Improve Condition Data across all networks, manhole data</li> <li>Develop plans to ensure that the adopted levels of service are funded and link desired budget allocation to desired LOS</li> <li>Produce Capacity/Utilisation surveys/investigation to be completed. Particularly for Waste treatment plant and Sewerage network.</li> <li>Refine existing condition data and upload data to RAMM</li> <li>Implement a review process to ensure the Asset Database is maintained and accurate</li> <li>Further develop and implement 10 year renewal program</li> <li>Update valuation data</li> </ul> </li> <li>In addition, CKB has started developing improvement activities related to improving asset knowledge data, strategic asset planning processes, operations and maintenance work practices, information systems, and organisational context. These actions have been drafted into the current version of the AMP but need to be finalised.</li> </ul>	<ul style="list-style-type: none"> <li>Excel-based Asset Management System</li> <li>RAMM Asset Management System</li> <li>CKB Wastewater &amp; Treated Wastewater – Asset Management Plan – Version 3 – October 2018</li> <li>Waste and Compliance Services Standard Operating Procedure Manual, Version 10, 2017</li> <li>Treated Wastewater for Reuse Standard Operating Procedure and Maintenance Manual, September 2017</li> </ul>

## 6 Recommendations

### 6.1 Performance Audit

Table 6-1 Table of Current Non Audit Compliances and Recommendations

A. Resolved during current Audit period			
Manual Ref.	Non-Compliance / Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Date Resolved (& management action taken)	Auditors' comments
B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
<b>2011 Operational Audit</b>			
2011-2012	<p>CR: 4 LO: Clause 5.1</p> <ul style="list-style-type: none"> <li>The City has identified legislation and regulations applicable to the operation of their organisation and provision of the services and these are listed in Section 5 - Regulatory Requirements of the Asset Management Plan; and</li> <li>In addition, Federal, State and Local acts, laws and policies related to the City's sustainability and waste services are listed (and hyperlinked) in Section 7 of its Standard Operating Procedures (SOP) Manual, August 2012.</li> </ul>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>Although relevant legislation is listed in the AMP and in the SOP Manual, a reference in these sections to the officer/department responsible for monitoring applicable legislation and the workflow process/procedure for identifying / implementing / seeking exemption is recommended.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>	
<b>2015 Operational Audit</b>			
A2/2015	<p><b>4:</b> NR D LO: Act: 22 and WSOL - Version 5: 28.I.</p> <p>Paxon has noted that the CKB's Reporting Matrix does not provide for compliance with this stipulation (provision of water services outside of the operating area of the license) and only lists some compliance obligations and the calendar month it is to be performed.</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>The CKB Reporting Matrix should list all compliance obligations that originate from its Water Services Operating Licence (WSOL).</li> <li>The CKB should maintain a list of reportable events and incidents of a non-repetitive nature ("once-off" or "specific event" reporting obligations). This list should be added as an attachment to the Reporting Matrix</li> <li>The Reporting Matrix should also be changed to include the following information: <ul style="list-style-type: none"> <li>Operating Licence reference;</li> </ul> </li> </ul>	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	Paxon has noted that the CKB Reporting Matrix does not list any reporting obligation in respect of changes to CKB's asset management system.	<ul style="list-style-type: none"> <li>– Compliance requirement;</li> <li>– Frequency of action specified;</li> <li>– (Next) due date;</li> <li>– Responsible officer; and</li> <li>– Notes.</li> </ul>	
	<b>7:</b> NR D LO: Act: 24(1)(b) and WSOL - Version 5: 20.2.	<ul style="list-style-type: none"> <li>▪ A specific person should be allocated responsibility for: <ul style="list-style-type: none"> <li>– Ensuring compliance with the dates disclosed in the Reporting Matrix; and</li> </ul> </li> <li>▪ Continually updating the Reporting Matrix.</li> </ul>	
	<b>156:</b> 2D LO: Act: 12 and WSOL - Version 5: 5.1.	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>▪ The CKB AMP and SOP documents have not yet been updated to include all of the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work. CKB should ensure that the requirements to notify the ERA under Obligations 4, 7 and 171 are included in this update.</li> </ul>	
	<b>163,171 and 182:</b> NR D LO: Act: 12 and WSOL - Version 5: 15.1(a), (b) and (c), 20.2 and 28.1(b)	<ul style="list-style-type: none"> <li>▪ The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>	
A3/2015	<b>6:</b> 2C LO: Act: 24(1)(a) & 24(2) and WSOL - Version 5: 20.1.  CKB has stated that it does not have any specific asset management documentation for the non-potable water supply services it provides, nor a standard operating procedures manual.	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>▪ An appropriate asset management system should be documented for the non-potable water supply services being provided by CKB. Alternatively, the current asset management system for the sewerage services should be appropriately updated to include those services.</li> <li>▪ An operating procedures manual for the non-potable water supply services that CKB provides should be documented. Alternatively, the current SOP Manual for the sewerage services should be appropriately updated to include those services.</li> </ul>	
	<b>96 &amp; 97:</b> 1D LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clauses 10(3), 10(4) and WSOL -Version 5: 5.3	<p><b>Further action required</b></p> <p>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</p>	
	<b>98, 103, 104 &amp; 105:</b> NR D LO: Code of Conduct: clauses 10(5), 13(1), (13(2) and 14(1) and WSOL - Version 5: 5.3.		
	<b>106:</b> 2B		

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	LO: Code of Conduct: clause 15 and WSOL - Version 5: 5.3.		
	<b>175, 177, 178, 179 &amp; 180:</b> NRD LO: Act: 12 and WSOL -Version 5: 23.1, 23.3, 23.6, 24.1-2 and 24.4.		
	<b>176:</b> 1D LO: Act: 12 and WSOL - Version 5: 23.2		
2017 Operational Audit			
A7/2017	<p>2D</p> <p>LO: clause 12 and WSOL-Version 6: 3.1.1</p> <ul style="list-style-type: none"><li>Paxon has noted that, regarding some identified pieces of legislation, the Asset Management Plan does refer to who is responsible for:<ul style="list-style-type: none"><li>"Monitoring changes in the legislation"; and</li><li>Implementing relevant changes in the legislation".</li></ul></li></ul> <p>Furthermore, these references only focus on changes in legislation without allocating specific responsibility for compliance with legislation, or monitoring such compliance.</p>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"><li>It is recommended that both the Asset Management Plan and the SOP Manual explicitly indicate, in respect of all individual pieces of legislation relevant to the CKB, who is responsible for:<ul style="list-style-type: none"><li>Actual compliance; and</li><li>Monitoring compliance therewith.</li></ul></li></ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"><li>The CKB AMP and SOP documents have not yet been updated to include all of the legislation relevant to the CKB and the compliance obligations that originate from the Water Services Licence. CKB has a deadline of 30 June 2019 for completing this work.</li><li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li></ul>	
2019 Operational Audit			
A1/2019	<p>A1</p> <p>Clause 4.1.1</p> <p>Water Services Act Sections 24(1)(a) &amp; 24(2) (Obligation 6)</p> <p>The operating licence reference included in the Standard Operating Procedure Manual is out of date and we recommend that it is updated. We also note that the Code of Conduct reference also needs to be updated.</p>	Update the SOP Manual to take account of the changes in legislative documents	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
A2/2019	<p>A1</p> <p><i>Clause 3.1.1</i> <i>Water Services Act Section 129(5)</i> <i>(Obligation 32)</i></p> <p>We note that the Customer Service Charter informs customers that "For planned work within a property, the City shall advise the occupier in advance." However, the Charter does not inform that at least 48 hours advance notice must be given.</p>	We recommend that CKB updates the information in its Customer Charter specify the notice it is required to provide.	
A3/2019	<p>B2</p> <p><i>Clause 3.1.1</i> <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> <i>Clause 13(6) (Obligation 102A)</i></p> <p>The rates notices used for billing customers for sewerage services do not include:</p> <ul style="list-style-type: none"> <li>▪ the telephone number of the 24 hour information line provided in accordance with clause 45</li> <li>▪ contact details for account, payment and general enquiries for use by customers with hearing or speech impairment</li> </ul> <p>for a residential customer, the telephone number for interpreter services together with the National Interpreter Symbol and the words "Interpreter Services".</p>	We recommend that CKB updates its rates notice templates to include the omissions that have been listed above.	
A4/2019	<p>NP/NR</p> <p><i>Clause 3.1.1</i> <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> <i>Clause 18(2) (Obligation 107)</i></p> <ul style="list-style-type: none"> <li>▪ The text in the Customer Service Charter does not specify that CKB can only recover undercharged amounts in the 12 month period ending on the day on which the licensee informed the customer of the undercharging.</li> </ul>	We recommend that CKB adds this disclaimer to the text include in the Customer Service Charter.	
A5/2019	<p>NP/NR</p> <p><i>Clause 3.1.1</i> <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> <i>Clause 18(4) (Obligation 109)</i></p>	We recommend that CKB adds this to the text include in the Customer Service Charter.	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	The text in the Customer Service Charter does not specify that CKB must not charge interest or late payment fees on an undercharged amount.		
A6/2019	<p>NP/NR</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 18(5) (Obligation 110)</p> <p>Although the text in the Customer Service Charter informs customers that "The City of Kalgoorlie-Boulder can make special financial arrangements to assist customers experiencing hardship in the payment of their accounts." this text does not specify that CKB must allow a customer to pay an undercharged amount by way of a repayment plan that has effect for the duration of the shorter of the prescribed periods starting on the day that the bill in clause 18(3) is issued.</p>	We recommend that CKB adds additional text to the Customer Service Charter to inform the customers of the requirements under this obligation.	
A7/2019	<p>NP/NR</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 19(2) (Obligation 111A)</p> <p>The Customer Service Charter informs customers that "If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer." However, the text does not specify the requirement to undertake this within 15 business days.</p>	We recommend that CKB adds text to the Customer Service Charter to specify the requirement to credit the overcharged amount to the customer's account or send the customer a notice informing the customer of the overcharging and recommending options for how the overcharged amount may be refunded or credited to the customer's account within 15 business days.	
A8/2019	<p>NP/NR</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018</i></p> <p>Clause 19(3) (Obligation 112A)</p> <p>The Customer Service Charter informs customers that "If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or</p>	We recommend that CKB add text to the Customer Service Charter to inform customers that it must refund any overcharged amount, or credit the overcharged amount to the customer's account within 15 business days of the licensee receiving the instructions.	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	refunded, at the discretion of the customer.” However, the text does not specify that requirement to undertake this within 15 business days.		
A9/2019	<p>NR/NP</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 19(4) (Obligation 112B)</i></p> <p>The Customer Service Charter informs customers that “If an error is made resulting in the customer paying more than the correct amount, the excess amount shall be held in credit for a future charge, or refunded, at the discretion of the customer.” However, the text does not specify the requirements under this obligation.</p>	We recommend that CKB adds to the text included in the Customer Service Charter to specify that it must credit the overcharged amount to the customer's account before the end of the period of the next 15 business days if instructions from the customer about the refunding or crediting of the overcharged amount have not been received at the end of the period of 10 business days starting on the day an overcharging notice is sent.	
A10/2019	<p>B2</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(2) (Obligation 114)</i></p> <p>At the time of the audit, CKB were not able to provide a written procedure for the review of a bill at the customer's request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</p>	<p>We recommend that CKB develops a written procedure for the review of a bill on the customer's request.</p> <p>We note that a procedure has been added to the CKB website since the audit.</p>	
A11/2019	<p>B2</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clauses 20(3) &amp; (6) (Obligation 115)</i></p> <p>At the time of the audit, CKB's bill review procedure was not available on its website. As a result, we consider that CKB was non-compliant with this obligation during the audit period.</p> <p>We note that procedure has been added to the CKB website since the audit.</p>	<p>We recommend that CKB develops a written procedure for the review of a bill on the customer's request that includes the specified information and is available on CKB's website and a hardcopy provided to a customer upon request at no charge</p> <p>We note that a procedure has been added to the CKB website since the audit.</p>	
A12/2019	<p>B2</p> <p>Clause 3.1.1</p> <p><i>Water Services Code of Conduct (Customer Service Standards) 2018 Clause 20(4) (Obligation 116)</i></p>	We recommend that CKB develops a written procedure for the review of a bill that meets the requirements of this obligation.	



B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	At the time of the audit, CKB were not able to provide a written procedure for the review of a bill at the customer's request. As a result, we consider that CKB was non-compliant with this obligation during the audit period.	We note that a procedure that meets the requirements of the obligation has been added to the CKB website since the audit.	
A13/2019	<p>B2 Clause 3.1.1 Water Services Code of Conduct (Customer Service Standards) 2018 Clause 30(4)(c) (Obligation 131C)</p> <p>CKB's Financial Hardship Policy (16 May 2014) does not provide written information to the customer about:</p> <ul style="list-style-type: none"> <li>the bill payment methods provided by the licensee</li> <li>applying for any other financial assistance to which the customer may be entitled including from Government-funded grant schemes.</li> </ul>	<p>We recommend that CKB updates its Financial Hardship Policy to provide all of the written information required under this obligation.</p> <p>We note that the 2019 update of CKB's Financial Hardship Policy includes information about payment methods that rectifies the non-compliance observed in the version of the document that was in place during the audit period.</p> <p>CKB has confirmed that other than concession card holders, there are no other government-funded grant schemes that ratepayers can access to assist them with their rates payments.</p>	
A14/2019	<p>A1 Clause 3.1.1 Water Services Code of Conduct (Customer Service Standards) 2018 Clause 32 (Obligation 133A)</p> <p>CKB's Financial Hardship Policy to inform customers does not inform customers that it does not charge interest or fees for late payment of a bill by a customer:</p> <ul style="list-style-type: none"> <li>if a complaint made by the customer to the licensee that directly relates to the non-payment of the bill is not resolved</li> <li>if a complaint made by the customer to the water services ombudsman that directly relates to the non-payment of the bill is not determined or is upheld by the water services ombudsman.</li> </ul>	<p>We recommend that the additional two dot points be added to CKB's Financial Hardship Policy to inform customers of the obligations under this clause.</p> <p>We note that this information has also not been added to the updated January 2019 version of the Financial Hardship Policy.</p>	
A15/2019	<p>A1 Clause 3.1.1 Water Services Code of Conduct (Customer Service Standards) 2018 Clause 33(1)(d)-(e) (Obligation 134A)</p> <ul style="list-style-type: none"> <li>CKB does not make its customers aware of its obligations under this clause in</li> </ul>	We recommend that CKB updates its Financial Hardship Policy and its Customer Service Charter to make its customers aware of the obligations under this clause.	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	the Financial Hardship Policy. We also note that this information is not included in CKB's Customer Service Charter.		
A16/2019	<p><i>NR</i> <i>Clause 3.1.1</i> <i>Water Services Code of Conduct</i> <i>(Customer Service Standards) 2018</i> <i>Clause 43(2) (Obligation 144B)</i></p> <p>CKB's Customer Service Charter informs customers that "Unless interruptions are limited to a few minutes, notification shall be given to domestic customers at least twenty four (24) hours prior and for commercial and industrial customers at least five (5) days prior or by agreement.</p> <p>We note that this does not comply with Clause 43(2)(a) to provide "not less than 48 hours before the start of the service interruption". Although CKB's notice complies with clause 43(2)(b), "if it is not reasonably practicable to comply with paragraph (a), at the earliest practicable time before the start of the service interruption", we consider that CKB is non-compliant against this obligation.</p>	We recommend that CKB revises the information in the Customer Service Charter to inform customers that it will provide at least 48 hours' notice for planned service interruptions.	
A17/2019	<p><i>A1</i> <i>Clause 3.1.1</i> <i>Water Services Code of Conduct</i> <i>(Customer Service Standards) 2018</i> <i>Clause 46(1) (Obligation 145)</i></p> <p>We note that the Customer Service Charter references the Department of Water for escalating complaints. This reference is out of date.</p>	We recommend that the details included in the Customer Service Charter be updated to reference the water services ombudsman.	
A18/2019	<p><i>A1</i> <i>Clause 3.1.1</i> <i>Water Services Code of Conduct</i> <i>(Customer Service Standards) 2018</i> <i>Clause 46(3) (Obligation 147)</i></p> <p>We observed that CKB's Complaints Handling Policy does not set out any dispute resolution arrangements.</p>	We recommend that the documents is revised to include the policies related to these matters.	
A19/2019	<p><i>D2</i> <i>Clause 3.1.1</i> <i>Water Services Code of Conduct</i> <i>(Customer Service Standards) 2018</i> <i>Clause 47 (Obligation 149A)</i></p>	We recommend that this information is recorded against each complaint in the complaints register together with the details of the complaint and CKB's response and any documentation sent to them.	

B. Unresolved during current Audit period			
Reference (no./year)	Non Compliance/Controls improvement (Rating / Legislative Obligation / Details of Non-Compliance or inadequacy of controls)	Auditor's recommendation	Management action taken by end of Audit period
	<p>CKB does not record any confirmation that it has advised the customer they have a right to apply to the water services ombudsman for a review of the complaint.</p> <p>In addition, although CKB informs customers of the right to apply to water services ombudsman for a review of the complaint, CKB's Complaint Handling Policy (EXEC-OD-001) does not include any specific information regarding the management of water service complaints, including that the customer has the right to apply to the water services ombudsman for a review of the complaint.</p>	<p>We recommend that CKB adds a section on water service complaints into its Complaints Handling Policy to outline the policies and procedures relating to these complaint types.</p>	
A20/2019	<p><i>B2</i> <i>Clause 3.1.1</i> <i>Water Services Code of Conduct (Customer Service Standards) 2018</i> <i>Clause 48(1) (Obligation 153)</i></p> <p>We reviewed CKB's Customer Service Charter, Financial Hardship Policy and the rates notice template and observed that the specified services related to facilities for customer with hearing or speech impairment and interpreter services are only included in the Financial Hardship policy. Large print versions of any of CKB's available documents are not advertised.</p>	<p>We recommend that CKB provides all the specified services required under Clause 48(1).</p> <p>We also recommend that CKB includes all of the specified services required under the clause in its Customer Service Charter and on its rate notice templates.</p>	

## 6.2 Asset Management Review

Table 6-2 Table of Current Review Asset System Deficiencies/Recommendations

A. Resolved during current audit period			
Ref.	Asset System Deficiency  (Rating / Asset Management System Component & Effectiveness Criteria / Details of Asset System Deficiency)	Date Resolved (& management action taken)	Auditor's Comments
B. Unresolved at end of current Audit period			
Reference (no./year)	Asset System Deficiency (Rating / Asset Management System Component & Effectiveness Criteria / Details of Asset System Deficiency)	Auditor's recommendation	Management action taken by end of Audit Period
<b>2015 Asset Management System Effectiveness Review</b>			
R2/2015	<p><i>Rating: C2</i> <i>Component: Asset Planning</i></p> <ul style="list-style-type: none"> <li>The AMP combined with CKB's Standard Operating Procedures Manual (SOP) addresses the twelve items of Table 22 of the ERA Guidelines 2014. However, many of the sections of the SOP either: <ul style="list-style-type: none"> <li>Include items which should, but are not addressed in the AMP</li> <li>Overlap items dealt with in the AMP but not cross reference; or</li> <li>Provide more detailed management information/ procedures than the AMP.</li> </ul> </li> </ul>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>The content of both the AMP and SOP documents should be reviewed and edited to ensure that all twelve items of Table 22 of ERA's Guidelines 2013 are addressed in the AMP and cross referenced to sections of the SOP where the items concerned are subject to specific staff procedures.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March 2019 and this work will be completed after the training.</li> </ul>	
R4/2015	<p><i>Rating: C2</i> <i>Component: Asset Planning</i></p> <p>The AMP does not contain an organisation chart, a statement of staff position responsibilities or written procedures for recording, reviewing and response action as currently undertaken.</p>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>The AMP should contain a staff organisation chart and an accompanying description of the responsibilities of each staff position.</li> <li>Written procedures should be prepared for recording test and performance results, maintenance,</li> </ul>	

## B. Unresolved at end of current Audit period

emergencies etc. together with review and response action as currently undertaken.

- A basic schematic of the scheme should be added to the AMP to clarify the collection, treatment and disposal processes.

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.
- The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March 2019 and this work will be completed after the training.

Rating: B1

Component: Environmental Analysis

R6/2015

- An analysis of the environment in which the sewerage system operates is addressed in various sections of the AMP as follows:
  - Section 2 -The physical environment. (first paragraph);
  - Section 3 - Levels of Service (availability, capacity, continuity, odour, emergency response and complaints); and
  - Section 4 - Legislation and licensing environment. Together with the regulatory requirements for independent audits of compliance with CKB's WSOL and review of the adequacy of the management of the systems assets.

The 2017 Audit Report included the following recommendation:

- The above AMP sections should be combined as appropriate and titled "Environmental Assessment" in accordance with item 4 of Table 22 of ERA Guidelines 2013.

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

Rating: B1

Component: Environmental Analysis

R7/2015

- Reviewer notes that the cultural environment in which the system operates is not addressed in the AMP. A brief statement is required which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.), together with the current population and growth trends and projections to say 2033.

The 2017 Audit Report included the following recommendation:

- The section of the AMP related to Environmental Assessment should include a brief statement which outlines prime industries in the area (mining, exploration, agriculture) commercial / industrial / social services in the city (banking, manufacturing, churches, clubs etc.) together with current population, growth trends, and projections to say 2033.

### Further action required

## B. Unresolved at end of current Audit period

		<ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work</li> </ul>
R8/2015	<p><i>Rating: B1</i> <i>Component: Asset Operations</i></p> <p>CCTV examination is taken before and after clearance of blockages and lining works, plus older areas of the system not previously inspected. At the rate of CCTV inspection currently proposed, a period of some nineteen years will elapse before completion. Similarly, CCTV inspection of manholes (which is not satisfactory in deep sections of the system) will also require a period of nineteen years.</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>CKB should significantly increase the annual amount of CCTV inspection of its collection system so that the task can be completed in ten or fewer years.</li> <li>CKB should undertake an inspection program for all manholes that will allow completion in five to seven years. Such inspections should involve removal, inspection and greasing of covers and a check on the condition of concrete in walls, base and underside of cover support slabs.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is continuing to invest in its CCTV inspections. These are currently budgeted at \$120,000/year. The CCTV footage is currently being reviewed and will be used to develop a forward works program. This will be integrated into the AMP.</li> <li>CKB is currently reviewing its AMP document. As part of the AMP development, CKB is developing a program of inspection works</li> <li>The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R10/2015	<p><i>Rating: B1</i> <i>Component: Asset Operations</i></p> <p>Details of the waste water treatment plant operations and service provision are dealt with partially in the AMP and in more detail in the SOP. Both documents - particularly the AMP should be reviewed and edited.</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>The AMP should include details of the companies contracted to provide services. Reference to staff entering manholes etc. should be deleted from the AMP and inserted in the SOP. Procedures in the AMP - for dealing with blockages, overflows, pump, treatment plant and equipment failures should be included in a separate section of the AMP titled "Contingency Planning".</li> <li>The more specific details in the SOP - of implementing the above</li> </ul>

## B. Unresolved at end of current Audit period

procedures should be cross referenced in the AMP.

- Information regarding the existence and location of operation and management manuals should be included in both the AMP and SOP.

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

Rating: B1

Component: Asset Operations

- R12/2015
- CKB's Health Division on behalf of Parks and Reserves, arranges the monthly sampling and testing of the treated effluent being supplied to users and advises the DOH of the results.
  - However, although holding a Licence from the DOH for the disposal of treated effluent, CKB has no statement of the separate responsibilities of the Sustainability & Waste Services Division and the Parks & Reserves Division for reporting associated with the licence. As a consequence, an annual report to the DOH as required by CKB's licence has never been submitted. As the treated effluent is being managed, and (in effect) tested by Parks and Reserves division prior to supply, it is considered that in future, all reporting in accordance with the DOH licence should be undertaken by the Parks & Reserves division.

The 2017 Audit Report included the following recommendation:

- In future, all reporting in accordance with CKB's DOH licence should be undertaken by the Parks & Reserves division.

### Further action required

- To address this recommendation, CKB developed a compliance register with the required reporting due dates and responsibilities. As a result of the restructure of the responsibilities, CKB will need to update its Compliance Register to take account of the changes.

Rating: B1

Component: Asset Maintenance

- R13/2015
- The planned maintenance schedule for each year has been entered into the maintenance module of the AMS. But at present there is no provision for recording whether maintenance has actually been undertaken, or the date.

The 2017 Audit Report included the following recommendation:

- Confirmation that work has been undertaken and the date of completion should be overtyped in a different colour in the box representing the maintenance item of the AMIS maintenance module.

### Further action required

- CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was



## B. Unresolved at end of current Audit period

		<p>designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R14/2015	<p><i>Rating: B1</i> <i>Component: Asset Maintenance</i></p> <p>The AMP, Section 6 - Maintenance Planning contains a basic schedule of maintenance duties for the sewerage system and is considered adequate - as detailed maintenance requirements are contained in contract documents as discussed in Item 5 - Asset Operations. The maintenance program in Section 4 of the SOP is not considered adequate and should be replaced with that in the AMP.</p>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>The maintenance program in Section 4 of the SOP should be deleted and replaced with cross references to Section 6 of the AMP and the Maintenance module of the AMIS.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R15/2015	<p><i>Rating: C3</i> <i>Component: Asset Management Information System</i></p> <p>Microsoft advised Reviewer that, although 1997 Excel software is no longer supported by the company, data captured in Excel 1997 programs should be readily transferable to versions of Excel contained in Windows 2007 or later.</p>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>CBK should establish whether or not the existing AMIS can be converted to a more recent version of Excel (in Windows 2007 or later) before considering purchase and setting up a new asset management system. If conversion is indeed possible, CKB should mount the converted version on its system and complete populating / customising modules as discussed below. Also, a staff member should be selected or appointed and trained with a view to completing and operating the system.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was</li> </ul>

## B. Unresolved at end of current Audit period

		<p>designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
		<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>The asset Register should be edited to remove or correct generic column headings and that completion of the necessary detail is achieved as soon as possible.</li> </ul>
	<p><i>Rating: C3</i> <i>Component: Asset Management Information System</i></p>	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.</li> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
R16/2015	<p>Each asset in the Asset Register is assigned an identifying number and its name, location, installation date, expected life and replacement date, pipe size and material etc. are noted. The register has separate worksheets for Pipelines, Manholes, Pumping Stations, the WWTP and Old Boulder holding ponds</p> <p>A total of 6670 assets are registered. In many cases detail under some headings is missing. In other cases - due to the software being generic, headings are not applicable.</p>	
	<p><i>Rating: C3</i> <i>Component: Asset Management Information System</i></p>	<p>The 2017 Audit Report included the following recommendation:</p> <ul style="list-style-type: none"> <li>The asset material should be noted in the both the asset and condition registers.</li> </ul>
R17/2015	<p><b>CONDITION AND PERFORMANCE -</b> This series of worksheets addresses the condition of all assets i.e., Manholes, Pipes, Pumping Stations, WWTP and the Old Boulder Holding ponds. Headings include asset number, installation date, inspection date, condition and priority for</p>	<p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project.</li> </ul>

## B. Unresolved at end of current Audit period

attention if relevant. It is noted that there is no heading for material type in the listing for manholes and pipes. It should not be necessary to refer to other spread sheets or drawings to determine the material when reviewing asset conditions.

However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

The 2017 Audit Report included the following recommendation:

- Maintenance of the treated effluent distribution system should be included in the Asset Management spread sheet of the AMIS.

### Further action required

- CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.
- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

*Rating: C3*

*Component: Asset Management Information System*

R18/2015

While Reviewer is aware that maintenance is undertaken on the treated water distribution system, it is not scheduled in the maintenance module.

*Rating: C2*

*Component: Risk Management*

R19/2015

- The AMP contains a satisfactory description of the risk assessment procedures leading to the development of the assessment

The 2017 Audit Report included the following recommendations:

- The Risk Analysis / Management sections of the AMP and SOP should be reviewed and consolidated into a single document within the AMP.

## B. Unresolved at end of current Audit period

model described in Item 7 above - as does the SOP. However, the overlap is not total. A better approach would be to review and consolidate both into one document for inclusion in both the AMP and SOP. Reference is made in the AMP to the formulation of Risk Management plans. However, these do not appear to have been prepared. Reviewer notes that the "Mitigation and Management Strategies" of the spread sheets mainly refer to "AMP" or more frequently "SOP." These references do not indicate what in fact the mitigating strategies are. Either the strategies should be listed as a series of written plans and referred to directly in the appropriate strategy column - or, explained fully in the column for each occurrence classified as "Significant" or "Major";

- Reviewer also notes that the occurrence of earthquake, lightning strike - although highly unlikely to occur, are not evaluated in the assessment. Earthquake could cause damage to gravity and - in particular, pressurised rising mains of both the sewerage and re-use systems. Power failure occurrences also, need to be evaluated for the WWTP and treated effluent distribution systems; and
- No risk evaluation is included for the treated effluent distribution system.

- EITHER, a set of Risk Management Plans (as referred to in the AMP) for risks assessed as "Significant or Major" should be prepared and referenced in the Mitigation and Management Strategies column of the Risk Analysis - OR, the Mitigation and Management Strategy proposed should be set out in the Mitigation and Management column for each occurrence.
- Existing reference to AMP and SOP in the Mitigation and Management column should be replaced with a reference to the actual item of the documents to which they allude.
- A risk analysis should be included for the treated effluent distribution system.

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

Rating: B1

Component: Capital Expenditure Planning

R21/2015

- CAPEX plans for the forward budget periods for the financial years 2012/2013, 2013/2014 and 2014/2015 (for rolling ten, five and five years respectively) were provided by the Sustainability and Waste Services division. These plans represent the division's anticipated requirements and expectations, which are subsequently inserted into the budget process via the Development Services Directorate. The CAPEX estimates are derived from asset replacement items set out in the financial module of the AMIS together with other works indicated by asset condition / failures and necessary system upgrades; and
- Reviewer notes that CAPEX expenditure is not included for the treated effluent disposal system, despite income from the sale of the water (treated effluent) being included in the accompanying Financial Plan for the sewerage system. Such

The 2017 Audit Report included the following recommendations:

- Estimates based on escalated 1997 estimates from the Financial Planning module should be reviewed and if necessary upgraded in both Financial and CAPEX planning; and
- The CAPEX estimates should include expenditure on the treated effluent disposal scheme.

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.

## B. Unresolved at end of current Audit period

inclusion should be made in order to maintain consistency of approach.

R22/2015	<p><i>Rating: C4</i> <i>Component: Review of the Asset Management System</i></p> <p>Review of the Asset Management System is not mentioned in the AMP. Reviewer was advised that revisions are usually made in response to asset management reviews and significant changes of practice or procedure. Copies of the AMP were provided for November 2010, July 2012 and Version 141110, denoting its preparation as 10th November 2014. There is no record of any changes made from the previous version, or whether or not a review was conducted of previous versions.</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>A procedure should be introduced to undertake and record a review the Asset Management system on a formal regular basis.</li> <li>The review should be undertaken at intervals not exceeding two years, by a person with a sound knowledge of the sewerage system and the procedures of its operation, maintenance and financing.</li> <li>The review date, reviewer's signature and any section amendments should be listed on the page following the cover sheet - which should be updated for all subsequent reviews.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> </ul>
----------	---	---

## 2017 Asset Management System Effectiveness Review

R1/2017	<p><i>Rating: B2</i> <i>Component: Asset Planning</i></p> <p>In order to allow ready navigation between the AMP and SOP documents, Reviewer considers that both should be subject to additional cross-referencing</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>Additional cross- references should be included in the AMP and SOP to improve navigation between the documents.</li> </ul> <p><b>Further action required</b></p> <ul style="list-style-type: none"> <li>CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.</li> <li>The incorporation of the ProMapp process mapping across the various respective organisational units into the AMP has not yet been completed. CKB is conducting ProMapps training in March 2019 and this work will be completed after the training.</li> </ul>
R2/2017	<p><i>Rating: B2</i> <i>Component: Asset Planning</i></p> <p>CKB has engaged a consultant to prepare an overarching AMP for the</p>	<p>The 2017 Audit Report included the following recommendations:</p> <ul style="list-style-type: none"> <li>Consideration should be given to the preparation of a single AMP (and supporting SOP) that incorporates information and</li> </ul>

## B. Unresolved at end of current Audit period

CKB's operations – and that the AMP for the water Services Licence will become a sub-set.

policies common to both the Sewerage and Recycled Water systems in one section, together with separate sections setting out the differing operations and maintenance, contingency, CAPEX and financial planning etc. of each system.

### Further action required

- As for R1/2019

*Rating: B1*

*Component: Asset Operations*

Pumping Stations (Throssell St and Androvich Way) - procedures are provided for monthly, checks of pumps, power consumption and wash down. Reviewer noted that WTOs are unaware of these procedures, which are therefore not undertaken. The pumping stations are attended only in the event of a fault or failure. The Throssell St station has electronic transfer of alarms to the WTO on call, whereas the Androvich Way has only a visual alarm. Reviewer was advised that this pumping station is fitted with only one pump. Reviewer was prevented from inspecting the Androvich Way pumping station, as the access covers could not be lifted

The 2017 Audit Report included the following recommendations:

- WTOs should be made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Arrangements should be made for existing contractors to assist as necessary.

### Further action required

- CKB to develop an on-call policy and SOP for sewer blockages taking into account Worksafe and EBA conditions of employment.
- People and Culture to develop an organisational policy for on-call duties and responsibilities.
- CKB to implement Regular maintenance Schedules for the WWTW and pumping stations. CKB's electrical and mechanical contractors are also developing their own schedules for work conducted.

R5/2017

*Rating: B1*

*Component: Asset Operations*

A WTO has been given the task and time period in which to prepare a daily list and description of WWTP general operations tasks. Reviewer considers a pro-forma task check-list should also be prepared. Ideally, each sheet should list each day in a given month.

The 2017 Audit Report included the following recommendation:

- A list and description should be prepared of daily operations tasks at the WWTP and be supported by a checklist for recording tasks as undertaken.

### Further action required

Refer to R5/2017

R6/2017

*Rating: B2*

*Component: Asset Maintenance*

The pumping station maintenance checks and inspections should be undertaken monthly rather than "as required" or, "at six monthly intervals"

The 2017 Audit Report included the following recommendations:

- The contract and AMIS maintenance schedules should be compared and, if necessary, corrected.
- As for Recommendation R5/2017 above - WTOs should be made aware of the requirements and arrange for monthly checking and recording at the pumping stations. Also, that arrangements are made for existing contractors to assist as necessary.

R7/2017



## B. Unresolved at end of current Audit period

### Further action required

- Refer to R5/2017
- CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.
- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.
- CKB to implement a maintenance checklist to record the undertaking and completion dates of all maintenance and ad hoc work carried out at the WWTP which is to be verified by the WTOs and recorded in the ECM CORE document management system.

*Rating: B2*

*Component: Asset Maintenance*

R8/2017

The Mechanical and Electrical contractors at the WWTP submit their accounts to the WTO for discussion and approval for payment. Although this allows maintenance and ad hoc works to be verified. Reviewer considers there should be provision for the WTO to sign off on the completion and date of each item of scheduled maintenance or ad hoc operation. Similarly, each WTO should be provided with list of the Maintenance items for the sewerage system, pumping stations and WWTP.

The 2017 Audit Report included the following recommendation:

- A check list confirming the undertaking and completion date of maintenance and ad hoc works at the WWTP should be implemented and signed off by the WTO and recorded in CONFIRM. Also, that a list and details of all scheduled maintenance be provided to each WTO.

*Rating: B1*

*Component: Asset Management Information System*

R9/2017

Completion of four recommendations of the 2015 report

The 2017 Audit Report included the following recommendations:

- Relevant sections of Recommendation Nos. R15, R16, R17 and R18 of the 2015 review should be implemented as follows:
  - R15/2015 - A staff member should be selected (or appointed) and trained with a view to completing and operating the system.



## B. Unresolved at end of current Audit period

- R16/2015 - The Asset Register should be edited to remove or correct generic column headings and completion of the necessary detail is achieved as soon as possible.
- R17/2015 - Asset material should be noted in both the asset and condition registers.
- R18/2015 - Maintenance of the treated effluent distribution system should be included in the Asset Management spread sheet of the AMIS.

### Further action required

- CKB had been looking to transfer its water services AMIS to the RAMM software as part of the City-wide Asset improvement project. However, as a result of a new management decision, it was decided to not continue to use RAMM for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years. In the interim, it has reverted to the previous Excel-based AMS that it previously used.
- As part of the implementation of a new AMIS, CKB will need to ensure that the maintenance for the treated water distribution is included.
- CKB will need to ensure that the asset material should be recorded in the asset register.

*Rating: B2*

*Component: Risk Management*

R10/2017

- Reference is made in Section 11 of the draft AMP to Risk Management Plans. However, such plans do not exist.
- The "Mitigation and Management Strategies" column of the spreadsheets mainly refer only to "AMP" or "SOP" - rather than indicating what the mitigating strategies are. The strategies should either refer to appropriate specific (currently non-existent) Risk Management Plan, or SOP procedure - particularly for risks classified as "Significant" or "Major".
- No risk evaluation is included for the treated effluent distribution system.

The 2017 Audit Report included the following recommendations:

- Recommendation R19/2015 should be replaced and implemented as follows:
  - The "Mitigation and Management Strategies" column of the risk assessment spread sheets should either refer to appropriate specific Risk Management Plans, and/or SOP procedure - particularly for risks classified as "Significant" or "Major";
- Risk Management Plans should either be prepared or reference to such plans be deleted from the documentation.
- A risk analysis should be included for the treated effluent distribution system.

## B. Unresolved at end of current Audit period

### Further action required

- Assets and Procurement to conduct workshops for asset plans with City Presentation & Open Spaces and Waste & Compliance Services for the revisions to the Risk Management Plans.
- CKB is also looking at additional recruitment for a Senior Assets Engineer and an Engineering Technical Officer to assist in the risk analysis and preparation of the Risk Plans.
- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.
- Risk analysis for the treated effluent distribution system will need to be included in the updated risk assessment.

The 2017 Audit Report included the following recommendations:

- A cross reference to Contingency Plans of the SOP should be inserted in the AMP.
- CKB should implement a procedure for periodic desktop team testing of contingency plans and amendment if necessary.

Rating: B2

Component: Contingency Planning

R11/2017

There is no procedure for contingency plans to be periodically team tested and amended if necessary

### Further action required

- CKB is currently reviewing its AMP document. The preparation of the single AMP covering both the wastewater and recycled water systems has not yet been completed. CKB has a deadline of 30 June 2019 for completing this work.
- This will include implementing a procedure for periodic desktop team testing of the contingency plans and amendment if necessary.

Rating: B2

Component: Review of Asset Management System

R14/2017

- The draft SOP document states that an internal review of the AMP should be undertaken annually by the TLWC and WCC.

The 2017 Audit Report included the following recommendations:

- Reviews should be made to the SOP in addition the AMP.
- The abbreviations WCC and SAW should be clarified.
- The risk analysis should be reviewed and updated as for the AMP and SOP;
- As for Recommendation R10/2019, Risk Management Plans should

## B. Unresolved at end of current Audit period

either be prepared, or reference to such plans be deleted from the documentation.

- Reviews should be undertaken in accordance with the documentation and timing recommended above.

### Further action required

Waste and Compliance SOP has not yet been reviewed and updated. This was planned for January 2019 (outside the current audit period) but had not taken place by the timer of the audit.

## 2019 Asset Management System Effectiveness Review

R1/2019	<p><i>Rating: C2</i> <i>Component: Asset Planning - Asset management plan covers key requirements</i></p> <p>The AMP does not include forecasts for the anticipated increase in demand for CKB's non-potable water supply service.</p>	<p>We recommend that CKB considers these items in the final AMP that is due to be completed by 30 June 2019.</p>
R2/2019	<p><i>Rating: C2</i> <i>Component: Asset Planning - Asset management plan covers key requirements</i></p> <p>The AMP does not include asset age profiles, asset condition profiles or any plans of the assets.</p>	<p>We recommend that CKB considers these for the final AMP that is due to be completed by 30 June 2019.</p>
R3/2019	<p><i>Rating: C2</i> <i>Component: Asset Planning - Asset management plan covers key requirements</i></p> <p>Critical assets listed in the AMP only include the wastewater assets and do not include any of the non-potable water assets.</p>	<p>We recommend that CKB reviews its non-potable water assets to consider the criticality of the assets and includes these items in the final AMP that is due to be completed by 30 June 2019.</p>
R4/2019	<p><i>Rating: C2</i> <i>Component: Asset Planning - Asset management plan covers key requirements</i></p> <p>CKB's operations and maintenance expenditure out to 2037 included in the AMP shows expenditure as being relative stable across the period. However, no detail as to inclusions in the expenditure have been listed. The capital works that CKB is currently planning would expect to have an impact on the forecast operations and maintenance budget estimates.</p>	<p>We recommend that CKB provides additional clarification for the projected operations and maintenance expenditure in the AMP as no detail as to inclusions/exclusions (e.g. non-infrastructure) have been provided.</p>
R5/2019	<p><i>Rating: C2</i> <i>Component: Asset Planning - Asset management plan covers key requirements</i></p>	<p>We recommend that CKB addresses these issues in the preparation of the final AMP due for completion by 30 June 2019.</p>

## B. Unresolved at end of current Audit period

We note that the graph of expenditure in the AMP does not appear to align with CKB's capital works program out to 2023/24 that has been endorsed by Council.

*Rating: B1*

*Component: Asset Creation and Acquisition - Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood*

R6/2019

We note that the Water Services Code of Conduct (Customer Service Standards) is not referenced in the legislation included in the AMP. Although the Code of Conduct is specifically included in the list of "State and Federal Government Acts & Regulations" contained in the Waste and Compliance Services SOP Manual, the reference is for the 2013 version of the Code.

We recommend that CKB adds the Code of Conduct to the list of legislation in the AMP and updates the reference in the SOP Manual to the most recent 2018 version.

*Rating: B2*

*Component: Asset Operations - Assets are documented in an Asset Register, including asset assessment of assets' physical, structural condition and accounting data*

R7/2019

Although CKB was using RAMM as its operational asset register, it was decided to not continue to use the system for the sewer and treated water assets as the software was designed for transport assets and has been considered as not being the most suitable option for the water services assets. CKB is planning on deciding on a more suitable software over the next few years.

We recommend that CKB develops a Roadmap/Action Plan to assist it in making a decision on its AMS. This document should set out the requirements that CKB requires for its AMS, with timelines to complete an assessment of the current system, research for potential options and costs and to undertake implementation. The options analysis should also include maintaining the current Excel-based system.

*Rating: B2*

*Component: Asset Maintenance - Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule*

R8/2019

We note that although the Treated Wastewater for Reuse SOP references "contingency measures, no details are provided as to what measures are available or need to be taken.

We recommend that additional details be included in the SOP to address these issues.

*Rating: B2*

*Component: Risk Management - Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system*

R9/2019

CKB is still drafting the Risk Management section to be finalised by 30 June 2019. We note that at present no risk evaluation

We recommend that CKB reviews and updates its risk assessment against the licence obligations and requirements to ensure that all potential risk hazards and events have been considered and addressed.

## B. Unresolved at end of current Audit period

is included in the AMP for the treated effluent distribution system.

*Rating: B2*

*Component: Financial Planning - The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets) / The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period*

R10/2019

The financial plan include in the AMP does not provides projections of operating statements (profit and loss) and statement of financial position (balance sheets. Additionally, the financial plan does not provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.

We recommend that CKB addresses these omissions when completing the AMP. The document is due to be completed by 30 June 2019.

## 7 Confirmation of the Audit/Review

---

I confirm that the audit/review carried out at the City of Kalgoorlie-Boulder on 11-13 February 2019 and recorded in this report is an accurate presentation of our findings and opinions.



---

Justin Edwards PhD MEng  
Cardno (QLD) Pty Ltd  
515 St Paul's Terrace  
Fortitude Valley QLD 4006

11 June 2019

APPENDIX

A

RISK MANAGEMENT FRAMEWORK



## Types of Compliance Risk

Type of Risk	Examples
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

## Risk Assessment Rating Scales

The consequence, likelihood, inherent risk and adequacy of internal controls are assessed using a 3-point rating scale as described below. The rating scale is as per the Economic Regulation Authority's Audit and Review Guidelines: Water Licences, July 2014.

## Consequence Rating

The consequence rating scale is outlined below.

Rating	Supply Quality and Reliability	Consumer Protection	Breaches of Legislation or Other Licence Conditions
1 Minor	Small number of potable water connections were not in accordance with the required standards for pressure and flow. Small number of irrigation customers receiving non-potable water, were not provided with an annual notification that the water supplied is not suitable for drinking.	Customer complaints procedures not followed in a few instances. Small percentage of customers were incorrectly disconnected. Small percentage of bills were issued with incorrect information.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties Compliance framework generally fit for purpose and operating effectively.
2 Moderate	Moderate number of potable water connections were not in accordance with the required standards for pressure and flow. Moderate number of irrigation customers, receiving non-potable water, were not provided with an annual notification that the water supplied is not suitable for drinking.	Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills issued with errors. Significant numbers of wrongful disconnection of potable water supplies.	More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
3 Major	Significant number of potable water connections were not in accordance with the required standards for pressure and flow. Significant number of irrigation customers receiving non-potable water, were not provided with an annual notification that the water supplied is not suitable for drinking. Irrigation water quality did not meet the required standard in the licence.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection of potable water supply.	Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.

## Likelihood Ratings

The likelihood rating scale is described below.

Level	Description
A	Likely Non-compliance is expected to occur at least once or twice a year
B	Probable Non-compliance is expected to occur once every three years
C	Unlikely Non-compliance is expected to occur once every 10 years or longer

## Inherent Risk Assessment Rating and Description

The inherent risk rating is based on the combined consequence and likelihood rating. The inherent risk assessment rating scale and descriptions are outlined below.

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

## Adequacy Ratings for Existing Controls

The adequacy of existing internal controls is also assessed based on a 3-point scale as indicated below.

Level	Description
Strong	Controls that mitigate the identified risks to an appropriate level
Moderate	Controls that only cover significant risks; improvement required
Weak	Controls are weak or non-existent and have minimal impact on the risks

## Assessment of Audit Priority

The assessment of audit priority is used to determine the audit objectives, the nature of audit testing and the extent of audit testing required. It combines the inherent risk and risk control adequacy rating to determine the priority level.

Inherent Risk	Adequacy of Existing Controls		
	Weak	Medium	Strong
High	Audit Priority 1	Audit Priority 2	
Medium	Audit Priority 3	Audit Priority 4	
Low	Audit Priority 5		

## APPENDIX

# B

### ASSET MANAGEMENT PERFORMANCE RATING DEFINITIONS

## Compliance Assessment Rating Scale

In accordance with the Audit Guidelines – Electricity, Gas and Water Licences (ERA, April 2014), a 7-point rating scale has been adopted to assess the licensee's compliance against each licence condition. The rating scale and description of compliance is outlined below.

Compliance Status	Rating	Description of Compliance
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-Compliant	2	Does not meet minimum requirements
Significantly Non-Compliant	1	Significant weaknesses and/or serious action required
Not Applicable	N/A	Determined that the compliance obligation does not apply to the licensee's business operations.
Not Rated	N/R	No relevant activity took place during the audit period therefore it is not possible to assess compliance.

## Asset Management Review Rating Scales

The asset management review utilises a combination of asset management adequacy ratings and asset management performance ratings, which are outlined below. These are based on the Audit Guidelines – Water Licences (ERA, July 2014).

## Asset Management Adequacy Ratings

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none"> <li>Processes and policies are documented.</li> <li>Processes and policies adequately document the required performance of the assets.</li> <li>Processes and policies are subject to regular reviews, and updated where necessary.</li> <li>The asset management information system(s) are adequate in relation to the assets that are being managed</li> </ul>
B	Requires some improvement	<ul style="list-style-type: none"> <li>Process and policy documentation requires improvement.</li> <li>Processes and policies do not adequately document the required performance of the assets.</li> <li>Reviews of processes and policies are not conducted regularly enough.</li> <li>The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed)</li> </ul>
C	Requires significant improvement	<ul style="list-style-type: none"> <li>Process and policy documentation is incomplete or requires significant improvement</li> <li>Processes and policies do not document the required performance of the assets</li> <li>Processes and policies are significantly out of date</li> <li>The asset management improvement system(s) require significant improvements (taking into consideration the assets that are being managed).</li> </ul>
D	Inadequate	<ul style="list-style-type: none"> <li>Processes and policies are not documented.</li> <li>The asset management information system is not fit for purpose (taking into consideration the assets that are being managed).</li> </ul>

## Asset Management Performance Ratings

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> <li>The performance of the process meets or exceeds the required levels of performance</li> <li>Process effectiveness is regularly assessed and corrective action taken when necessary</li> </ul>
2	Opportunity for improvement	<ul style="list-style-type: none"> <li>The performance of the process requires some improvement to meet the required level</li> <li>Process effectiveness reviews are not performed regularly enough</li> <li>Process improvement opportunities are not actioned</li> </ul>
3	Corrective action required	<ul style="list-style-type: none"> <li>The performance of the process requires significant improvement to meet the required level</li> <li>Process effectiveness reviews are performed irregularly or not at all</li> <li>Process improvement opportunities are not actioned</li> </ul>
4	Serious action required	<ul style="list-style-type: none"> <li>Process is not performed or the performance is so poor that the process is considered to be ineffective.</li> </ul>