

Post-Audit Implementation Plan – Operational Audit 2019

Operations Manager (OM) Corporate Services Manager (CSM) Customer Services Officer (CSO) Operational Support Services (OSS)

Water Services Licence v7 (WSL) Water Services Act 2012 (WSA) Water Services Regulations (WSR)

Audit Ref 2019	Licence Condition Reference	Issue	Recommendation	Action Plan	Person Responsible/ Implementation Date
1/2020	<ul style="list-style-type: none"> • WSL 2.7.1 • WSL 2.8.1/2 • WSL 3.1.1 • WSL 3.1.2 • WSL 3.2.1 • WSL 3.4.1 • WSL 3.5 • WSL 3.6.1 • WSL 4.1.1 • WSL 4.1.2 • WSL 4.1.3 • WSL 4.3.1 • WSL 5.1.1 • WSL 5.5.1 • WSA sect 22, 23, 24, 25, 26, 29, 36, 60, 63, 65, 66, 77, 84, 85, 87, 90, 96, 119, 122, 128, 129, 139, 141, 142, 143, 144, 145, 147, 151, 152, 153, 173, 174, 176, 181, 186, 187, 190, 210, 218. 	<p>o Paxon examined the:</p> <ul style="list-style-type: none"> • South West Irrigation Management Cooperative Limited (SWIMCO) “<i>Policy Manual</i>”; • “<i>Company Manual</i>” for RWS; and • Other policy documents, procedure documents, plans and checklists. <p>(Hereinafter referred to as the HW Manuals.)</p> <p>However, Paxon could not find a specific reference to the stipulations of section 22 of the Act in the HW Manuals; and</p> <p>General observation across all compliance obligations:</p> <ul style="list-style-type: none"> • HW was assessed to have had weak controls during the Audit Period to help ensure compliance with its WL obligations. Paxon’s findings regarding the existence of controls for each individual compliance obligation are included within this Table; and <p>Paxon was informed by HW’s Operations Manager that it will compile an implement a compliance schedule, based on the ERA’s: “<i>Water Compliance Reporting Manual – Water Services Act 2012 – May 2018</i>” to help ensure compliance with its obligations in terms of the water services legislation.</p>	<ul style="list-style-type: none"> • HW should implement a compliance register which records all its obligations in terms of the Water services legislation. This register should identify, per individual compliance obligation, appropriate policy and procedure documents and responsible employees. The ERA’s document entitled: “<i>Water Compliance Reporting Manual - Water Services Act 2012 – May 2018</i>” may help HW in developing a framework for its own compliance register. 	<p>Implement the Compliance Register and breakdown into the sections relevant to each business area:</p> <ul style="list-style-type: none"> - Works - Water Services - Administration - Governance <p>Each Harvey Water relevant compliance area will identify relevant policy and procedures, register and responsible personnel.</p> <p>Monitor and review compliance register once per year (July) for:</p> <ul style="list-style-type: none"> - Relevance - Evidence - Reviewed policy/procedures - New requirements 	OM/30/09/2020

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2/2020	<ul style="list-style-type: none"> • WSL 2.7.1 • WSL 2.8.1/2 • WSL 3.1.1 • WSL 3.1.2 • WSL 3.2.1 • WSL 3.4.1 • WSL 3.5 • WSL 3.6.1 • WSL 4.1.1 • WSL 4.1.2 • WSL 4.1.3 • WSL 4.3.1 • WSL 5.1.1 • WSL 5.5.1 • WSA sect 22, 23, 24, 25, 26, 29, 36, 60, 63, 65, 66, 77, 84, 85, 87, 90, 96, 119, 122, 128, 129, 139, 141, 142, 143, 144, 145, 147, 151, 152, 153, 173, 174, 176, 181, 186, 187, 190, 210, 218 	<p>General observation across all compliance obligations:</p> <ul style="list-style-type: none"> ○ HW was assessed to have had weak controls during the Audit Period to help ensure compliance with its WL obligations. Paxon’s findings regarding the existence of controls for each individual compliance obligation are included within this Table; and <p style="padding-left: 40px;">Paxon was informed by HW’s Operations Manager that it will compile an implement a compliance schedule, based on the ERA’s: “<i>Water Compliance Reporting Manual – Water Services Act 2012 – May 2018</i>” to help ensure compliance with its obligations in terms of the water services legislation.</p>	<ul style="list-style-type: none"> • HW should ensure its policy and procedure documents address its compliance obligations in appropriate detail. Thus, reference should be made to the actual legislative instrument(s) which is the source of each individual compliance obligation when assessing the suitability of policy and procedure documents; and <p>In particular, HW should focus on those compliance obligations, as included in its new compliance register, for which no appropriate policy or procedure documents exist (Uncovered Obligations). HW should compile and implement appropriate policy and procedure documents to help ensure compliance with the uncovered obligations included in its compliance register.</p>	<p>Develop appropriate policies and procedures, where required, for compliance obligations identified in the compliance register.</p> <p>Monitor and review compliance register once per year (July) for:</p> <ul style="list-style-type: none"> - Relevance - Evidence - Reviewed policy/procedures - New requirements 	<p>OM/CSC 30/09/2020</p>
3/2020	<p>WSL 3.1.1 WSA 129</p>	<ul style="list-style-type: none"> • Details: <ul style="list-style-type: none"> ○ Paxon examined HW’s “<i>Customer Service Charter</i>” which states in section 3.3: 	<p>HW should update both its “<i>Customer Service Charter</i>” and RWS’s “<i>Customer Service Charter</i>” to record its obligation in</p>	<p>Revise and update the Customer Service Charters to record its obligation in terms of section 129(5) of the Act. Both charters</p>	<p>CSC 30/07/2020 Complete</p>

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		<p><i>"...because of the nature of irrigation operations, and the frequent need to enter onto our customers' properties, we are not always able to advise of entry onto your land for routine operations and maintenance. We will endeavour to contact you in person prior to entry. Should you not be present we will leave a calling card or send an SMS message to advise of our visit.";</i> and</p> <ul style="list-style-type: none"> ○ Paxon examined RWS's "Customer Service Charter" which states in section 4.3: <p><i>"...because of the nature of operations, and the need to enter onto our customers' properties, we are not always able to advise you of entry onto your land for routine operations and maintenance. We will endeavour to contact you in person prior to entry. Should you not be present we will leave a calling card or send an SMS message to advise you of our visit."</i></p> 	<p>terms of section 129(5) of the Act. Both charters should record the obligation to give 48 hours' notice of proposed entry in instances where a routine inspection or maintenance is likely to cause disruption to the occupants of a place.</p>	<p>should record the obligation to give 48 hours' notice of proposed entry in instances where a routine inspection or maintenance is likely to cause disruption to the occupants of a place.</p>	
4/2020	WSL3.1.1 WSA sect 139	<ul style="list-style-type: none"> ○ Paxon examined HW's "Customer Service Charter" which states in section 3.2: <p><i>"We will respect assets and operations of our customers' properties and "leave as found" all gates and fences on private land.";</i></p> ○ Paxon examined RWS's "Customer Service Charter" which states in section 4.2: <p><i>"We will respect assets and operations of our customers' properties and "leave as found" all gates and fences on private land.";</i> and</p> <p>Paxon does not believe these charter provisions acknowledge HW's obligations in terms of section 139(3) of the Act.</p>	<p>HW should update both its "Customer Service Charter" and RWS's "Customer Service Charter" to record its obligations in terms of section 139(3) of the Act. Both charters should record the obligation to take all reasonable steps to give the owner prior notice if the licensee plans to remove or erect a fence or gate when exercising a works power conferred by the Act.</p>	<p>Revise and update the Customer Service Charters to record its obligations in terms of section 139(3) of the Act. Both charters should record the obligation to take all reasonable steps to give the owner prior notice if the licensee plans to remove or erect a fence or gate when exercising a works power conferred by the Act.</p>	CSC 30/07/2020 Complete

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5/2020	WSL3.1.1 WSA sect 173/174	<ul style="list-style-type: none"> ○ Paxon examined HW's "Customer Service Charter" which states in section 3.3: <ul style="list-style-type: none"> ○ "We will provide written notice of entry at least 14 days in advance when it is necessary to enter onto private land for planned major construction works. However, because of the nature of irrigation operations, and the frequent need to enter onto our customers' properties, we are not always able to advise of entry onto your land for routine operations and maintenance. We will endeavour to contact you in person prior to entry. Should you not be present we will leave a calling card or send an SMS message to advise of our visit."; ○ Paxon examined RWS's "Customer Service Charter" which states in section 4.3: <ul style="list-style-type: none"> "We will provide written notice of entry at least 14 days in advance when it is necessary to enter onto private land for planned major construction works. However, because of the nature of operations, and the need to enter onto our customers' properties, we are not always able to advise you of entry onto your land for routine operations and maintenance. We will endeavour to contact you in person prior to entry. Should you not be present we will leave a calling card or send an SMS message to advise you of our visit."; ○ Paxon believes these two Charter references do not comply with the stipulations of either sections 173(4) or 174(1) of the Act; and Paxon confirmed by interview of HW's Operations Manager that, during the Audit Period, HW did not give written notice of proposed entry to a place for the purposes of 	<ul style="list-style-type: none"> ● HW should update both its "Customer Service Charter" and RWS's "Customer Service Charter" to record its obligations in terms of section 173(4) of the Act. Both charters should record the obligations to give 48 hours' written notice of proposed entry to a place for doing works, when it is anticipated such entry would be likely to: <ul style="list-style-type: none"> ○ Cause disruption to the occupants of the place; or ○ Adversely affect the place. <p>HW should update both its "Customer Service Charter" and RWS's "Customer Service Charter" to record its obligations in terms of section 174(1) of the Act. Both charters should record the obligation to provide written notice and to set out the purpose of the entry, including (if applicable) any work proposed to be carried out.</p>	<p>Revise and update the Customer Service Charters to record its obligations in terms of section 173(4) of the Act. Both charters should record the obligations to give 48 hours' written notice of proposed entry to a place for doing works, when it is anticipated such entry would be likely to:</p> <ul style="list-style-type: none"> ○ Cause disruption to the occupants of the place; or ○ Adversely affect the place. <p>And:</p> <p>To record its obligations in terms of section 174(1) of the Act. Both charters should record the obligation to provide written notice and to set out the purpose of the entry, including (if applicable) any work proposed to be carried out.</p>	<p>CSC 30/07/2020</p> <p>Complete</p>

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		<p>maintenance work, but telephoned property owners or occupiers or met them face to face to organise a future date for entry for the purposes of doing works.</p>			
6/2020	WSL3.1.1 WSA sect 174	<ul style="list-style-type: none"> ○ Paxon confirmed by interview of HW's Operations Manager that, during the Audit Period, HW informed property owners or occupiers of proposed entry to a place for doing works (emergencies excluded) by means of: <ul style="list-style-type: none"> ● Telephone conversations; ● Face to face meetings; ● E-mails; ● SMS; or ● Other written notice. Thus, notice was not given in writing in all instances; ○ Paxon was informed by HW's Operations Manager that, during the Audit Period, HW did give 14 days' written notice of proposed entry to a place for purposes of the extension of the Dorsett Road pipe project; and <p>Paxon confirmed the 14 days' written notice against a sample of endorsements by property owners regarding entry onto their properties for purposes of the Dorsett Road extension.</p>	<ul style="list-style-type: none"> ● HW should in all instances give notice of entry to a place in writing. The timing of such notice is dependent on the reason for entry being: <ul style="list-style-type: none"> ○ Section 173(4): in relation to entry to a place for the purposes of doing works, in the circumstances specified - 48 hours' prior to proposed entry to a place to the occupier or owner; and Section 174(3): entry of a place without having to give notice - when practicable, and when it will not compromise the reason for entry. 	<p>Revise and update Land Access procedure and develop document for landowner notices.</p> <p>Notice of Entry document to be updated to incorporate references to WSA:</p> <p>Section 173(4): in relation to entry to a place for the purposes of doing works, in the circumstances specified - 48 hours' prior to proposed entry to a place to the occupier or owner; and</p> <p>Section 174(3): entry of a place without having to give notice - when practicable, and when it will not compromise the reason for entry.</p>	<p>OM/OSS 30/07/2020</p> <p>Complete</p>
7/2020	WSL3.1.1 WSA sect 218	<ul style="list-style-type: none"> ○ Paxon examined a sample of "Notice of Entry" forms (Entry Forms) issued by HW to owners or occupiers of properties, regarding the Dorsett Road pipe project. Paxon found the Entry Forms states: "It is our intention to create minimum disturbance to yourself and your property"; and 	<ul style="list-style-type: none"> ● HW should update its "Notice of Entry" forms to refer appropriately to its obligations regarding causing as little damage and harm as is possible during the exercise of a power under the Act, as stipulated in section 218(2) of the Act. 	<p>Revise and update Land Access procedure and develop document for landowner notices to incorporate references to WSA:</p> <p>Section 218(2) to cause as little damage and harm as is possible during the exercise of a power under the Act</p>	

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		<p>However, Paxon could not find any direct references to 'damage or harm' as stipulated in section 218(2) of the Act in the HW Manuals.</p>			
8/2020	WSL3.1.1 WSA sect 218	<p>o Paxon examined a sample of "Notice of Entry" forms (Entry Forms) issued by HW to owners or occupiers of properties, regarding the Dorsett Road pipe project. Paxon found the Entry Forms states: <i>"We will reinstate any affected area to as near original condition as is reasonably practical. Upon completion of the works you will be asked to sign an acknowledgement that all work in the affected area has been reinstated satisfactorily."</i>; and However, Paxon could not find any direct references to 'pay compensation to the extent that it is not practicable to make good the damage' as stipulated in section 218(3) of the Act in the HW Manuals.</p>	<p>HW should update its "Notice of Entry" forms to refer appropriately to its obligations regarding paying compensation to the extent that it is not practicable to make good physical damage caused during exercising a works power or a power of entry.</p>	<p>The Land Access procedure is to include reference to Section 218(3). This will be an internal document only so as not to create unreasonable expectations or opportunistic demands. Where Harvey Water has not been able to remedy any damage we would discuss covering costs of repair.</p>	OM 30/07/2020
9/2020	WSL3.1.1 WSR p4 div2 r26	<p>o See the controls observations for obligation 67 above regarding RWS's "Customer Service Charter". Paxon could not find any specific references to adjusting the:</p> <ul style="list-style-type: none"> • Meter reading with which the owner or occupier is dissatisfied; and • Water service charges based on that meter reading. <p>Paxon examined HW's "Customer Service Charter" but could not find any direct reference to the stipulations of regulation 26(5) of the 2013 Regulations.</p>	<ul style="list-style-type: none"> • Both HW and RWS should update their "Customer Service Charters" to refer appropriately to their obligations regarding water meter tests findings. Their "Customer Service Charters" should specifically refer to the obligations, in cases where meters are found to be faulty, to adjust: <ul style="list-style-type: none"> o Meter reading with which the owner or occupier is dissatisfied; and o Water service charges based on that meter reading. 	<p>Revise and update the Customer Service Charters to reflect reference to the stipulations of regulation 26(5) of the 2013 Regulations for cases where meters are found to be faulty, to adjust:</p> <ul style="list-style-type: none"> o Meter reading with which the owner or occupier is dissatisfied; and o Water service charges based on that meter reading 	CSC 30/07/2020

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10/2020	WSL 3.2.1	Paxon examined a sample of ERA tax invoices against HW's payment records. Paxon found several tax invoices were not paid within 30 days from the date of issue (in compliance with regulation 4 (4) of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	HW should ensure that it pays the ERA's fees and charges within 30 days from the date of the notice containing those liabilities.	Accounts payable to ensure on time payment either by: <ul style="list-style-type: none"> 1. MYOB process immediately tag; or 2. If possible a Direct Debit arrangement 	CSM/30/08/2020