
Shire of Brookton

**2005 Operational Audit and
Asset Management System Review**

Final Report



January 2006

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Executive Summary

Background

The Shire of Brookton (SOB) has been issued an Operating Licence for the provision of sewerage and non-potable water supplies in the town of Brookton until 29th April 2021.

The Licence permits SOB to provide non-potable water supply services and sewerage services in the operating areas that are centred on the township of Brookton, in the Great Southern Region of the State of Western Australia. The Economic Regulation Authority (Authority/ERA) monitors the operational performance of SOB against its Operating Licence.

The Brookton sewerage system consists of 4686 metres of sewerage reticulation, a single pumping station with a single oxidation pond serving 212 properties. The volume of wastewater treated is approximately 46,000 kL/annum. The system consists of a limited effluent disposal system which utilises septic tanks on each property and directs the effluent from these into the oxidation pond for treatment before discharging into the Avon River. There is also an effluent reuse system that is owned and operated by the Education Department; however they are in negotiations with SOB to transfer ownership to them.

In accordance with Section 37 (1) of the *Water Services Licensing Act 1995*, operational audits are required to be undertaken not less than once in every 36 month period, or more frequently if the Authority so directs the Licensee. The primary role of this audit is to provide the Authority with an assessment of the effectiveness of measures taken by SOB to maintain those quality and performance standards that are referred to in SOB's Operating Licence.

Section 36 of the *Water Services Licensing Act 1995* and Clause 6 of SOB's Operating Licence, require SOB to provide and maintain an asset management system in respect of its assets. The system must set out the measures to be taken by SOB for the proper maintenance of its assets and for the undertaking, maintenance and monitoring of its water services works.

The Act further requires SOB to provide the Authority with a report by an independent expert on the effectiveness of the asset management system.

SOB, with the approval of the Authority, commissioned SMEC Australia to conduct the 2005 operational audit and review of their asset management system. This report documents the findings of the audit/review.

Objectives and Scope of Audit and Review

The primary objective of the operational audit is to determine the effectiveness of measures taken by the Shire of Brookton (SOB) to maintain those quality and performance standards which are referred to in SOB's Operating Licence. Specifically, the audit considered the systems and effectiveness of processes used by SOB to ensure compliance with the standards, outputs and outcomes required by the Licence.

The *Water Services Licensing Act 1995* also requires that SOB provide for and maintain an asset management system. The system must set out the measures to be taken by SOB for the proper maintenance of its assets and for the undertaking, maintenance and monitoring of its water services works. The Act further requires SOB to provide the Authority with a report by an independent expert on the effectiveness of the system.

The asset management system review will provide an opinion to the Authority on whether SOB has in place the appropriate systems for the planning, construction, operation and maintenance of its water services works. In reaching this opinion, the review examined;

- the adequacy of the asset management system by considering the outputs of the system, such as the operations and maintenance plans, asset registers and financial plans;
- the effectiveness of the asset management system by considering the systems established for the planning, construction, operation and maintenance of works;
- whether the system provides for the identification, development and implementation of strategic initiatives to improve the effectiveness of asset management;
- the Licensee's response to the recommendations made in previous reviews (if any have been conducted).

The review will also focus on identifying those aspects of the asset management system which may be further strengthened, with the view to providing feedback to SOB on the adequacy and effectiveness of the system.

Time Frame of the Audit and Review

The audit and review covered the period from 1 December 2002 to 30 November 2005.

Operational Audit Conclusion

Since the audit in 2003, SOB has responded positively to the recommendations made, with most of the previous recommendations having been addressed. The Operational Audit Risk Assessment identified the key risks and hence areas the auditors needed to concentrate their efforts on during the audit. The audit identified no elements of high inherent risk. The results of the assessment of the relevant standards, outputs and outcomes are summarised in the following table.

Three non-compliances were found, with two of these being in Clause 6 (Asset Management System), and the other being for failure to submit a Schedule 3 within the required period.

Summary Level of Compliance

Clause/Schedule	Standard	Compliance Scale
Clause 2(b)	Operating Area Schedule	Good
Clause 6	Asset Management	Inadequate
Clause 8	Technical Standards	Largely adequate
Clause 9	Industry Standards	Good
Clause 10	Accounts	Good
Clause 11	Prices or charges	Good
Clause 12	Methods or principles to be applied in the provision of Water Services	Good
Clause 14	Specific information to be provided	Inadequate
Clause 15/Sched 2	Performance Standards	Largely adequate
Charter	Overflows	Good
Charter	Blockages	Good
Charter	Emergency response	Good
Charter	Responsiveness to Customer Complaints	Largely adequate

Clause/Schedule	Standard	Compliance Scale
Clause 16	Terms and conditions of customer contracts	Good
Clause 17	Obligations to public authorities and other Licensees	Largely adequate
Clause 18	Consumer Consultation	Largely adequate
Clause 19	Customer Service Charter	Good
Clause 20	Dispute Resolution	Good

Excellent: Exceeds requirement
 Good: Meets requirements
 Largely adequate: Meets requirements – improvement suggested
 Inadequate: Does not meet minimum requirement
 N/A : Not applicable

Asset Management System Review Conclusion

The 2005 Asset Management System audit is the third external assessment undertaken on SOB's asset management system. The purpose of this review was to examine the Asset Management System in light of the recommendations made in the audit of 2003.

The Asset Management Plan has not been updated since 1999 and is thus out of date. As a result of this there has been no review of the entire wastewater treatment system, including financial and capital expenditure planning, undertaken.

This is a serious short coming, especially since the system has been changed since then. An extension to the sewerage network was completed and an effluent reuse scheme was installed supplying treated effluent to irrigate the town oval as well as to the Education Department to irrigate the school oval. Consultation was undertaken with both the Water Corporation and Department of Health for these projects.

The current wastewater treatment system discharges effluent into the Avon River, especially in winter. The DoE have indicated that this practice must cease by February 2007. The Council have acknowledged this and are in the process of preparing a project brief to accomplish this.

The Shire must update the AMP as soon as possible. As part of this, a maintenance schedule and register needs to be developed, preferably in conjunction with the Principal Works Supervisor, and implemented. A regular maintenance regime needs to be implemented to ensure the customers in the Shire of Brookton continue to receive the high level of service they currently do and to ensure the Shire receives maximum value from its assets.

The Asset Management System that was prepared in 1999 was adequate for the size of the SOB's wastewater treatment system because the system is small and simple. The SOB is fortunate that the system is simple and robust enough not to have had any failures, as indicated by the lack of customer complaints and breakdowns. This is especially so given the fact that, apart from regular pump servicing, no regular maintenance is undertaken.

The Shire has a Utilities Committee which consists of Councillors and staff members. The Environmental Health Officer (EHO) has indicated that they will be made aware of all the technical requirements, including the obligations of the Water Services Licence as issued by the Authority. This will help prevent the loss of knowledge when staff move on.

Summary of System Effectiveness

Activity	Description	Effectiveness Scale
Asset Planning/Creation /Acquisition	Asset creation/acquisition means the provision or improvement of an asset where the outlay can be expected to provide benefits beyond the year of outlay	Largely adequate
Environmental Analysis	Environmental analysis examines the asset system environment and assesses all external factors affecting the asset system.	Largely adequate
Asset System Analysis	<p>Asset system analysis examines and documents the system and process for its effective operations.</p> <p>Operation Plans document the knowledge of staff in the operation of assets.</p> <p>Maintenance Plans cover the scheduling and matching of resources to the maintenance task so that work can be done on time and on cost. The Maintenance Plans should cover preventative and corrective maintenance.</p> <p>Assessment of the asset system analysis components included examination of the asset register.</p>	Inadequate
Risk Analysis and Contingency Planning	<p>Risk analysis involves the identification of risks and management to reduce the level of risk.</p> <p>Contingency plans document the steps to deal with an unexpected failure of a process, procedure or the asset management system itself.</p>	Largely adequate
Financial Planning	The financial planning component of the asset management plan brings together the financial elements of the scheme to ensure its financial viability over the long term.	Largely adequate
Capital Expenditure Planning	The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure on each over the next five or more years.	Inadequate
Review	Review of the asset management plan assists to ensure the effective development and operation of asset management plans.	Inadequate

Statement of Declaration

This report has been prepared in accordance with the Scope and Guidelines for Water Service Licence: Operational Audit and Asset Management Reviews issued by the Economic Regulation Authority. The audit and review findings reflect the professional opinion of the Lead Auditor.

It is the Auditors' view that the Shire of Brookton is achieving a good level of compliance with the requirements of the Operating Licence. This report has identified three instances (mainly with regard to Asset Management Systems) in which SOB's compliance with Licence requirements needs to be improved.

The review revealed that the AMP is way out of date and that, other than regular pump servicing, maintenance is done on a reactive, rather than proactive basis. Capital expenditure planning has not been done since 1999 although there is a sewerage reserve fund which gets added to annually. Performance of the wastewater treatment system has been good, which indicates an appropriate level of assets for the customers.

The Asset Management Plan needs immediate attention, with particular reference given to the asset register and the development of a maintenance schedule and register. This is the main area of non-compliance and once the AMP is updated and approved by the Authority, the licence compliance will be significantly improved.

Mark Warner

Lead Auditor

1 Introduction

In August 2005 SMEC Australia was awarded a consultancy by SOB, with the approval of the Authority, to undertake the 2005 Operational Audit and Asset Management System Review. The audit/review assessed:

- the adequacy and effectiveness of measures taken by SOB to maintain those quality and performance standards referred to in the Licence, and
- the effectiveness of processes implemented by SOB to maintain assets used in the provision of water services and for the undertaking, maintenance and operation of water service works.

Following acceptance of the Audit and Review Plan by SOB and the Authority, Mark Warner undertook the on-site component of the audit and review on 8th December 2005.

This report summarises the findings of the Operational Audit and Asset Management Review and identifies areas of the asset management system that could be improved or enhanced.

2 Objectives and Scope

2.1 Operational Audit

In accordance with Section 37 (1) of the *Water Services Licensing Act 1995* operational audits are required to be undertaken not less than once in every 36 month period, or more frequently if the Authority so directs the Licensee.

The primary objective of this audit is to determine the effectiveness of measures taken by SOB to maintain those quality and performance standards which are referred to in SOB's Operating Licence.

Specifically, the audit considered the systems and effectiveness of processes used by SOB to ensure compliance with the following standards, outputs and outcomes required by the current Licence.

To assist the audit process, a risk assessment was undertaken of non-compliance with licence standards, and the adequacy of internal controls. The assessments made for each process were used to determine the nature and extent of the audit tests to be carried out. Section 3 summarises the results of this risk assessment.

2.2 Asset Management System Review

The *Water Services Licensing Act 1995* also requires that SOB provide for and maintain an asset management system. The system must set out the measures to be taken by SOB for the proper maintenance of its assets and for the undertaking, maintenance and monitoring of its water services works.

This review provides an opinion to the Authority on whether SOB has in place the appropriate systems for the planning, construction, operation and maintenance of its assets. In reaching this opinion, the review examined:

- the adequacy of the asset management system by considering the outputs of the system, such as the operations and maintenance plans, asset registers and financial plans;
- the effectiveness of the asset management system by considering the systems established for the planning, construction, operation and maintenance of works;
- whether the system provides for the identification, development and implementation of strategic initiatives to improve the effectiveness of asset management;

- the Licensee's response to the recommendations made in previous reviews (if any have been conducted).

The review also focused on identifying those aspects of the asset management system which may be further strengthened, with the view to providing feedback to SOB on the adequacy and effectiveness of the system.

3 Risk Assessment

Operating Licence Compliance Element	Operating Licence Reference	Failure during period audited				Likelihood (2)	Inherent Risk (3)	Adequacy of Existing Controls (4)	Priority (5)
		Consequence (1)							
		C 1	C 2	C 3	O				
OPERATING AREAS									
Water Services in designated operating area	<i>Sched 1</i>	1	1	2	1	E	Nil	Strong	≥ 5
CUSTOMER COMPLAINTS									
Recorded	<i>Clause 20(a), (b)</i>	2	1	1	1	B	Low	Strong	≥ 5
Investigation, conciliation & arbitration	<i>Clause 20</i>	3	2	2	2	C	Low	Strong	≥ 5
Responsiveness (eg solution within 21 days)	<i>Sched 2 sec 4</i>	3	2	2	3	C	Medium	Strong	4
CUSTOMERS									
Charter in place, reviewed and followed	<i>Clause 19</i>	1	3	2	3	D	Medium	Weak	3
Ongoing consultation and feedback established	<i>Clause 18</i>	1	3	2	2	C	Low	Strong	≥ 5
WATER SERVICES PROVISION									
Conditions for connection followed	<i>Clause 4</i>	2	2	2	2	D	Low	Strong	≥ 5
Availability	<i>Clause 12(b)</i>	2	2	2	2	E	Low	Strong	≥ 5
Discontinuance	<i>n.a.</i>								
Billing	<i>n.a.</i>								
INFO PROVIDED TO AUTHORITY									
Customer complaints (12 monthly)	<i>Sched 3</i>	1	1	2	1	D	Nil	Weak	≥ 5
Quarterly reports	<i>n.a.</i>								
Annual Benchmarking report	<i>Sched 3</i>	1	1	3	2	D	Low	Strong	≥ 5
Incidents (reported within 5 days)	<i>Clause 14</i>	2	2	3	2	C	Low	Weak	≥ 5
CONTRACTING OF SERVICES									
Maintenance of Licence Standards	<i>Clause 12</i>	3	3	3	3	D	Medium	Strong	4
STANDARDS									
Adherence to Regulation	<i>Clause 5</i>	3	3	3	3	C	Medium	Strong	4
Adherence to technical standards	<i>Clause 8</i>	2	2	3	3	E	Low	Strong	≥ 5
Adherence to industry codes	<i>Clause 9</i>	2	2	3	3	E	Low	Strong	≥ 5
Accounting records – prepared to standard	<i>Clause 10</i>	2	2	3	3	D	Medium		4
Pricing and charges – approval of ERA	<i>Clause 11</i>	2	2	2	2	D	Low	Strong	≥ 5
Services provided by agreement documented	<i>Clause 12</i>	3	3	3	3	D	Medium	Strong	≥ 5
Obligations to other licensees adhered to	<i>n.a.</i>								
Customers advised re planned disruptions	<i>As per charter</i>	3	3	3	3	C	Medium	Strong	4
Customers contacted re emergency shutdowns	<i>As per charter</i>	3	3	3	3	C	Medium	Strong	4
Emergency telephone service operational	<i>Clause 15(c)</i>	3	3	3	3	C	Medium	Strong	4
STANDARDS SPECIFIC TO:									
DRINKING WATER									
Quality	<i>n.a.</i>								
Pressure and flow	<i>n.a.</i>								
Interruptions	<i>n.a.</i>								
Drought response	<i>n.a.</i>								
Leaks and bursts	<i>n.a.</i>								
NON-POTABLE WATER									
Annual notification water not safe for drinking	<i>Clause 15(b)</i>	3	3	3	3	D	Medium	Strong	4
SEWERAGE									
Overflows	<i>Clause 15(b), Sched 2</i>	3	3	3	3	C	Medium	Weak	3
Blockages	<i>Clause 15(e), Sched 2</i>	3	3	3	3	C	Medium	Weak	3
IRRIGATION									
Quality	<i>n.a.</i>								
Supplied when required	<i>n.a.</i>								
Monitoring of consumption is accurate	<i>n.a.</i>								

4 Methodology

4.1 Approach

The audit and review was undertaken in accordance with the *'Scope and Guidelines for Water Service Licence: Operational Audit, and Asset Management Reviews for the Shire of Brookton'* issued by the Economic Regulation Authority.

The work involved was divided into four distinct phases each with specific tasks, these being;

- risk assessment;
- develop Audit and Review Plan;
- site visit;
- reporting and follow-up.

This audit and review focused on the development of the SOB's systems and procedures since receiving their initial licence.

4.2 Task 1 - Risk Assessment

Assess the risk posed by non-compliance with licence standards and the adequacy of internal controls by completing the Audit Risk Calculation Proforma. This completed proforma was forwarded and then discussed with the Authority and the Licensee before finalising the areas to focus in on during the audit.

4.3 Task 2 – Develop Audit and Review Plan

This task involved the development of an Audit and Review Plan.

4.4 Task 3 – Site Visit

Key documents reviewed during this Task included (a full list is included in Section 12 - References);

- SOB's Customer Service Charter;
- relevant Policies and Procedures established by SOB for the provision of water services, the management of customer services and management of its performance reporting requirements;
- relevant work instructions for the provision of water services;

- SOB's customer complaints handling processes, procedures and reporting mechanisms (including the receipt, handling, resolution and reporting of customer complaints);
- Business Performance Management reports;
- any relevant Service Agreements or Memorandum of Understanding with other agencies; and
- any relevant correspondence between SOB and the Authority relating to Operating Licence requirements.

This Task required discussions with key operational and administrative staff, and observation of processes, procedures and operations.

A short Closing Meeting was held at the end of the audit to provide an initial assessment of the audit and asset system review.

4.5 Task 4 - Reporting and Follow Up

Operational Audit AND Asset Management Review

This task involved the preparation of an audit/review report that will contain;

- the audit findings, including a discussion of compliance addressing each compliance issue identified by the Authority for the audit;
- a risk assessment
- an assessment of the degree of compliance with high risk licence requirements;
- a description of the audit scope, objectives, criteria, methodology and audit key;
- the period covered by the audit and the dates on which the audit was conducted;
- the list of audit team members and an account of time spent on the audit by each member of the team;
- a list of reference documents against which the audit was conducted;
- a description of the systems and procedures which have been established to comply with each obligation, including the identification of relevant documentation;
- a list of SOB representatives participating in the audit;

Operational Audit ONLY

- Where significant non-compliance has been detected and SOB has a compliance plan, the report will contain a description and evaluation of the adequacy of the plan;
- a summary of findings.

Asset Management Review ONLY

- An assessment of the effectiveness of the asset management system;
- Where the effectiveness of a key output/area is assessed as inadequate, the report is to contain a description of the inadequacy and make recommendations on how the shortcoming might be overcome;
- Comments on obstacles to performing the review and comment on where the scope definition could be improved.

4.6 Compliance Key

For the Operational Audit, the Licensee was assessed for compliance with the Licence requirements against the following scale:

- a. Exceeds requirements
- b. Meets requirements
- c. Meets requirements – improvement suggested
- d. Does not meet the requirement

In cases of non-compliance or where the auditor suggests an improvement (or a rating of (c) to (d)), then a comment has been provided on actions required.

For the Asset Management Review, an asset management adequacy matrix was used to assess the effectiveness of the Licensee's asset management system.

5 Period Covered by the Audit/Review

The audit and review covered the period from 1st December 2002 to 30 November 2005.

6 Staff Resources

6.1 SOB Representatives

The following representatives of SOB participated in the audit and review:

Michelle Stewart Environmental Health Officer/Building Surveyor

Geoff Forward Principal Works Supervisor

6.2 Audit and Review Team

The Team comprised:

Mark Warner Lead Auditor

The following table provides a break up of hours spent on the review:

Task no.	Audit and Review Task	Hours
1	Risk Assessment	1
2	Development and approval of Audit and Review Plan	4
3	Site Visit	5
4	Reporting and Follow-up	5
	Total Hours	15

7 Review of Previous Audit Recommendations

7.1 Aquaterra Consulting Audit – April 2003

Item No.	Recommendation	Action Taken
1	Future Schedule 3 forms to be submitted to OWR within 30 days of the end of the financial year.	Not done for 2004/05 until 20/12/05. Assessment: Inadequate . Closeout not recommended.
2	In Schedule 3 the volume of wastewater receiving primary treatment should be the same as that receiving secondary treatment.	Done. Shire operates a limited wastewater treatment system with primary treatment being carried out on individual properties through the use of septic tanks. Assessment: Good . Closeout recommended
3	The energy cost in providing sewerage service (kWh) should be completed in Schedule 3 prior to being sent to the Authority.	Done. Assessment: Good . Closeout recommended.
4	SOB should apply to DEP for Category 54 Licence for WWTP.	Done. Assessment: Good . Closeout recommended.
5	Additions to be made to Customer Charter.	Done. Assessment: Good . Closeout recommended.
6	SOB to display Customer Charter in its foyer and Customers to be notified of its availability on an annual basis.	Done. Located behind front counter at Council. Recommended moving the public display. Assessment: Largely adequate . Closeout recommended.
7	SOB should set up formalised complaints system.	Done. Assessment: Largely adequate . Closeout recommended.
8	AMP to be reviewed annually at same time as Annual Budget.	Not done. Assessment: Inadequate . Closeout not recommended.

Item No.	Recommendation	Action Taken
9	The Maintenance Schedule should be filled in and kept up to date by appropriate staff.	Not done. Assessment: Inadequate . Closeout not recommended.
10	The re-use scheme and, possibly, second oxidation pond should be implemented.	Reuse scheme done, second oxidation pond will be done as part of upgrade. Assessment: Good . Closeout recommended.
11	Asset Register in AMP to be improved.	Not done. Assessment: Inadequate . Closeout not recommended.
12	Asset Register and Capital Expenditure Plan in AMP should be updated to reflect Forward Plan.	Not done. Assessment: Inadequate . Closeout not recommended.

8 Operational Audit – Specific Compliance Issues Examined

8.1 Compliance Key

For the Operational Audit, the Licensee was assessed for compliance with the Licence requirements against the following scale:

Excellent:	Exceeds requirements
Good:	Meets requirements
Largely Adequate:	Meets requirements – improvement suggested
Inadequate:	Does not meet the requirement
N/A:	Not applicable

8.2 Shire of Brookton Operational Audit Checklist

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
Clause 2(b) Operating Area Schedule 1	Does the operating area identified in Schedule 1 correspond to the area in which Shire of Brookton provides its water services?	Michelle Stewart	Good		None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
Clause 6 Asset Management System	Is there an Asset Management System in place for the water service assets of the Shire of Brookton?	Michelle Stewart	Inadequate	Not updated since 1999.	Update AMP ASAP and forward to Authority for approval
	Have the details of the system, and any changes, been forwarded to the Authority?		Inadequate	System extended in March 2004, before current EHO commenced employment. Health Dept and Water Corp were notified, but no evidence of Authority being notified. The Health Dept was notified about the effluent reuse system.	Update AMP, with particular emphasis on Asset Register, ASAP and forward to Authority for approval
	Does the system set out the measures to be taken by the Shire of Brookton for the proper maintenance of its assets and the undertaking, maintenance and operation of water service works?		Largely adequate	Not updated since 1999.	Update AMP ASAP and forward to Authority for approval
	Has the information on maintenance activities been collected and recorded in accordance with documented procedures?		Largely adequate	Regular 6 monthly pump servicing evidence sighted. Other maintenance work is undertaken, but there is no record of it.	Prepare and implement a maintenance schedule and register

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	Are the procedures understood by staff?		Good	EHO and Principal Works Supervisor.	None
Clause 8 Technical Standards	Does the Shire of Brookton comply with the technical standards for the provision of and the undertaking, maintenance and operation of Water Services works as published in the Government Gazette?	Michelle Stewart	Good	Sewer extension was carried out in accordance with the Health Act 1911, AS 3500 and the Water Corp's Sewerage Manual Volume 1.	None
	Is the Government Gazette readily available and reviewed?		Largely adequate	Electronic notification received by admin officer, then forwarded through to entire staff. Not occurred for the last month.	Renew subscription to Gazette website
Clause 9 Industry Standards	Does the Shire of Brookton observe the <i>Sewerage Code of Australia WSA 02 1999</i> when designing/constructing works?	Michelle Stewart	Good	Designed in accordance to Water Corporation's Sewerage Manual Volume 1.	None
Clause 10 Accounts	Are the Shire of Brookton's accounts consistent with the requirements of the <i>Local Government Act 1995</i> ?	Michelle Stewart	Good	Independent auditor's report sighted.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	Does the Shire of Brookton prepare its accounts in a way which enables it to issue an operating statement which accurately describes its income and expenditure in relation to the Water Services provided under the Licence on an accruals basis?		Good	Operating account details for sewerage sighted. Annual report signed off by independent auditor.	None
Clause 11 Prices or charges	Do the prices and charges set by the Shire of Brookton comply with the <i>Health Act 1911</i> and the <i>Local Government Act 1995</i> ?	Michelle Stewart	Good	Sewerage rates are charged on a cost recovery basis, and the EHO says they comply with the relevant legislation.	None
Clause 12 Methods or principles to be applied in the provision of Water Services	How does the Shire of Brookton ensure that water services provided on its behalf comply with the terms and conditions of the Licence and relevant legislation?	Michelle Stewart	Good	All sewerage services are provided by Council. Pumps are serviced by ITT Flygt and a contract plumber is available.	None
	How does the Shire of Brookton ensure that its water services are available for connection on request to any land within the Operating Area?		Good	If it's available, householders can connect to deep sewerage at any time, subject to Septic tank application being completed and approved.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	How does the Shire of Brookton ensure that the services it supplies are safe, reliable and financially viable?		Good	<p>Safe: Locked fence around ponds and pump station. Pump station has a documented alarm operating procedure.</p> <p>Reliable: 1 complaint received, and a pump station operates as duty/standby.</p> <p>Financially viable: Allowances are made in annual budget for income and expenditure, and there is a reserve fund.</p>	None
Clause 14 Specific information to be provided	Has the Shire of Brookton informed the Authority within five days of any overflows from wastewater/sewerage infrastructure?	Michelle Stewart	Good	No overflows into the street. The sewerage system is designed to overflow into the river and this happens during winter. Council is required by DoE to upgrade the system to remove regular overflows.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	If the Authority requested any detailed reports on overflow events, have they been provided within 14 days of the request?		N/A		
	Has the Shire of Brookton provided the information in Schedule 3 to the Authority within 30 days of the end of each financial year?		Inadequate	Last one provided Sept 2002. EHO was not aware that this was required, and no evidence that previous EHO did this.	2004/05 Schedule 3 to be filled and submitted ASAP. Schedule 3's to be submitted within 30 days of the end of the financial year.
Clause 15/Schedule 2 Performance Standards	Are customers provided with non-potable water annually notified that the water supplied is not potable?	Michelle Stewart	Largely adequate	Education Dept uses recycled effluent to water school oval. Storage tanks are signed non-potable and there are signs on the fence around the school oval.	Annually notify Dept about non-potable water.
Overflows	Have 90% or more of customers had no sewerage overflows onto their properties?		Good	No overflows.	None
Blockages	Were there less than 40 blockages per 100 km length of sewer?		Good	1 blockage occurred.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
Emergency response	Has Shire of Brookton implemented an emergency telephone number? Do 90% of customers receive advice within one hour of reporting an emergency?		Good	In AMP and Customer Charter.	AMP to be updated.
Responsiveness to Customer Complaints	Are 90% of written customer complaints resolved within 21 days?		Largely adequate	No written complaints received.	None
Clause 16 Terms and conditions of customer contracts	Have the Shire of Brookton entered into agreements with customers to provide water services?	Michelle Stewart	Good	MOU with Education Department.	None
	If so, have any of the terms and conditions been modified without written approval from the Authority?		Good	No.	None
Clause 17 Obligations to public authorities and other Licensees	Do the wastewater treatment plants operated by the Shire of Brookton have the relevant licences from the Department of Environment and are they operated in accordance with these licences?	Michelle Stewart	Largely adequate	SOB has their annual licence. Renewal due Feb 2006. Some sampling has not been done previously, but the DoE are aware of this.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
Clause 18 Consumer Consultation	Have the Shire of Brookton held a public meeting or advertised for written submissions prior to making major changes to the operation of the water service?	Michelle Stewart	Good	When scheme was extended in 2004, public was made aware. Advertised in Narrogin Observer and Government Gazette.	None
	Does the Shire of Brookton allow customers to raise matters of concern regarding the sewerage system at public question time in accordance with the <i>Local Government Act 1995</i> ?		Good	All questions allowed.	None
Clause 19 Customer Service Charter	Does the Shire of Brookton have a "plain English" Customer Service Charter?	Michelle Stewart	Good		None
	Does the Charter address all of the service issues reasonably likely to be of concern to its Customers?		Good	Yes	None
	Has the Charter been reviewed within the last three years?		Good	Reviewed within last three years.	Add review date to cover. Review due in 2006

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	Have any changes to the Charter been approved by the Authority?		Good	Yes	None
	How does the Shire of Brookton make the Charter available to its Customers?		Good	Available in Council foyer and on demand.	Shire to add note to rates notice
	Does the Shire of Brookton provide services that are consistent with the Charter?		Good	Yes, as indicated by lack of complaints.	None
Clause 20 Dispute Resolution	Is there a system in place for recording, managing and resolving customer complaints?	Michelle Stewart	Good	No complaints have been received. There is a process. Front desk will take complaints and forward to appropriate officer. A standard "Service Request" form is being developed.	None
	Are there officers designated to deal with complaints, and are they authorised to settle disputes, including monetary compensation where necessary?		Good	CEO has authority to offer monetary compensation. More than likely would go to Council if monetary compensation was required.	None

Operating Licence Clause or Schedule	Specific Compliance Issues/Requirements	Auditee	Activity Compliance	Comments/Remarks	Actions
	Are Customers made aware that they can refer any dispute between themselves and the Shire of Brookton to the Water Services Planning Branch of the Department of Water?		Good	Stated in Customer Charter.	None
	Where complaints are not resolved within 21 days, is the Customer advised of alternative forms of redress?		Good	Stated in Customer Charter. Issues always been resolved within 21 days.	None

9 Summary of Operational Audit Findings

Overall, the SOB's compliance with licence conditions was mainly good, with Clause 6 (Asset Management System) accounting for two of the three non-compliances. The following section details these issues as well as providing some recommendations in regard to corrective action.

The auditor does not believe that compliance plans are required.

9.1 Asset Management System (Clause 6)

The AMP has not been updated since it was produced in 1999, and the Authority has not been notified of the sewerage system extension that occurred in 2004, including the effluent reuse system. The upgrade occurred before the commencement of employment of the current EHO.

The effluent reuse system and the sewerage extension were done with the involvement of the Department of Health and the Water Corporation.

Recommendation

The Asset Management Plan must be updated immediately, with particular emphasis on the Asset Register, and forwarded to the Authority. The Authority should also be formally notified of the sewerage extension and the effluent reuse system.

9.2 Specific Information to be Provided (Clause 14)

SOB did not submit the Schedule 3 form until 20/12/05. The EHO was unaware of this requirement.

Recommendations

Schedule 3 forms to be submitted within 30 days of the end of the financial year.

The following issues were regarded as 'Largely adequate'.

9.3 Asset Management System (Clause 6)

The Asset Management Plan sighted was the July 1999 edition. The AMP is out of date and must be updated immediately. As part of this, a maintenance schedule and register should be prepared and implemented. This should be done by the EHO in conjunction with the Principal Works Supervisor.

9.4 Technical Standards (Clause 8)

Government Gazette website subscription has been lapsed for about a month. This should be renewed.

9.5 Performance Standards (Clause 15)

The Education Department should be annually notified about the non-potable water they are supplied to irrigate their oval.

9.6 Performance Standards (Clause 15) – Responsiveness to Customer Complaints

No Complaints have been received, but assume response would be within limits set by the licence.

9.7 Obligations to public authorities and other Licensees (Clause 17)

As part of the annual licence from DoE, SOB is required to undertake some sampling of the effluent discharging into the Avon River. Some of this sampling has not been done, but the DoE are aware of this.

10 Asset Management System Review – Key Outputs and Performance

10.1 Effectiveness Rating Scale

For the Asset Management Review, an asset management adequacy matrix was used to assess the effectiveness of the Licensee's asset management system. The rating scale uses the following levels:

- Excellent
- Good
- Largely adequate
- Inadequate

10.2 Asset Planning/Creation/Acquisition

Asset creation/acquisition means the provision or improvement of an asset where the outlay can be expected to provide benefits beyond the year of outlay. In the case of major capital expenditure, full project evaluation should be undertaken and life cycle costs assessed.

Item No.	Test	Comments	Effectiveness
a.	Have the strategic objectives for assets been identified?	The strategic objectives are stated in the Customer Charter and the AMP, although the AMP is out of date (1999) and needs immediate updating.	Largely adequate
b.	Have the life cycle costs been considered?	Operation and maintenance costs have been allowed for in the annual budget. The upgrading of the sewerage system has been allowed for via the Sewerage reserve fund.	Good
c.	Has the need for new assets been determined and full project evaluation processes been followed, including comparative assessment of non-asset solutions?	The need has been determined by the DoE to upgrade the wastewater treatment plant. A project brief is being prepared by the Shire for the upgrade of the WWTP.	Good
d.	Have documents recording relevant details on the asset been collected?	The Asset Register has not been updated since 1999, and there has been a sewer extension and an effluent reuse system added to the system since then.	Inadequate
e.	Do assets reflect the objectives identified in the asset creation/acquisition phase?	The reuse scheme has been built to prevent discharges to the Avon River in summer. Overflows in winter are to be dealt with in the upcoming WWTP upgrade project.	Good

Item No.	Test	Comments	Effectiveness
f.	Are actual costs as predicted?	Actual costs are slightly less than predicted. As the WWTP upgrade project has not been released for tender, the costs of this are not yet known.	Good

Overall Comment

The Council has acknowledged the need to prevent overflow into the Avon by Feb 2007, as part of their DoE licence conditions. To this end, a project brief is being prepared and will be released to tender shortly.

Since the last audit, the sewer network has been increased and an effluent reuse scheme has been installed which supplies treated effluent to irrigate the town oval and the school oval. The Department of Health were consulted about both projects, and the Water Corp was consulted regarding the sewer extension.

The AMP has not been updated since 1999. It should be updated to reflect the additions to the waste water treatment system as well as the impending treatment plant upgrade.

10.3 Environmental Analysis

Environmental analysis examines the asset system environment and assesses all external factors affecting the asset system.

Item No.	Test	Comments	Rating
a.	Have the performance requirements (availability of service, capacity, continuity, emergency response) been documented?	Schedule 3 has not been forwarded to the Authority since Sept 2002. Performance requirements are outlined in the AMP, which is out of date (1999).	Inadequate
b.	Are the asset system objectives documented?	In the AMP and the Customer Charter.	Largely adequate
c.	Have the opportunities and threats in the system environment been assessed?	In the AMP, and due to the DoE requirement that all discharge from the plant to the Avon River must cease by Feb 2007.	Good
d.	Are regulatory obligations and statutory/regulatory requirements documented?	DoE licence obtained, and Department of Health approval obtained for the effluent reuse system.	Good
e.	Is the asset meeting the level of service required by users of the service?	No complaints about overflows, blockages, etc.	Good
f.	Do the assets meet regulatory requirements?	DoE licence stipulates that the system must have no discharge to the Avon River by Feb 2007. Some monitoring required by the licence has not been undertaken.	Largely adequate

Overall Comment

The system is working adequately from the customer's point of view. There have been no complaints, which indicates a good level of service.

However, the system has reached its design limits and, as a result, regularly discharges effluent into the Avon River, mainly in winter. The DoE have stipulated as part of their licence conditions that all discharge to the Avon must cease by Feb 2007. This has been acknowledged and Council is in the process of preparing a tender for public submission.

Schedule 3 forms have not been submitted since Sept 2002. This will need to recommence immediately.

10.4 Asset Management System Analysis

An asset system analysis examines and documents the system and processes for its effective operations. Operations plans document the knowledge of staff in the operation of the asset. Maintenance plans cover the scheduling and matching of resources to the maintenance task so that work can be done on time and on cost. The maintenance plans should cover preventative and corrective maintenance. Assessment of the asset system analysis components would include examination of the asset register.

Item No.	Test	Comments	Effectiveness
a.	Are the asset system components documented?	In AMP, which is out of date, and there is also a depreciation register which lists all the assets, construction costs, etc. The system has been modified since the AMP was prepared.	Inadequate
b.	Has the asset performance and condition been assessed?	In the AMP, so needs updating as estimated replacement life has been reached for some components.	Largely adequate
c.	Does the asset management plan include an asset register and plans of asset system components?	As per first comment. Sewer drawings are available in Shire Office.	Inadequate
d.	Does the register record asset type, location, material and an assessment of assets' physical/structural condition?	Yes, but is out of date. Sewer drawings are available in Shire Office.	Inadequate
e.	Are systems in place to assess asset and practice efficiency?	There is a complaints system in place, but there have been no complaints.	Good

Item No.	Test	Comments	Effectiveness
f.	Assets assessed for capability and deficiencies of current assets to meet performance requirements?	The system receives greater than 100m ³ /day. No complaints have been received from customers. Due to the regular outflow into the Avon River, and the DoE's requirement to have no discharge by Feb 2007, a plan is in place to address this issue.	Largely adequate
g.	Are practices covering operating rules and maintenance documented?	In the AMP. Needs updating.	Inadequate
h.	Do maintenance plans cover preventative and corrective maintenance?	In the AMP. Needs updating.	Inadequate
i.	Are actual assets and human resources appropriate for performance requirements?	As there have been no complaints, the assets and human resources are adequate for performance requirements. The EHO and Principal Works Supervisor are responsible.	Good
j.	Do operation and maintenance practices reflect performance targets?	There have been no complaints.	Good
k.	Are costs measured and recorded?	Yes, as part of the annual budget.	Good
l.	Is the asset under-utilised?	No, the system has reached capacity, hence the requirement for the upgrade project.	Largely adequate

Item No.	Test	Comments	Effectiveness
m.	Is the level of maintenance justified against replacement cost?	Ongoing maintenance cost is much lower than replacement cost.	Good
n.	Has the asset been inspected?	The pumps are serviced every 6 months by ITT Flygt and the effluent reuse scheme is sampled. A maintenance schedule and register should be developed and implemented.	Largely adequate
o.	Is the assets' theoretical life known?	Yes, detailed in AMP, although two items have since passed their proposed replacement date. Needs updating.	Inadequate
p.	Does the asset management plan enable the prediction of asset deterioration and failure.	Yes, detailed in AMP, although two items have since passed their proposed replacement date. Needs updating.	Inadequate
q.	Do the maintenance plans and operational plans relate to what is required to achieve the levels of service required of the system?	Yes, as indicated by lack of complaints. A maintenance schedule and register should be established and utilised.	Largely adequate

Overall Comment

The AMP prepared in 1999 needs to be updated as some items detailed have exceeded their proposed replacement dates.

Level of maintenance appears to be adequate for this system, however a maintenance schedule and register should be developed and utilised as, apart from the pumps, most maintenance is reactive rather than proactive.

10.5 Risk Analysis and Contingency Planning

Risk analysis involves the identification of risk and management within an acceptable level of risk. Contingency plans document the steps to deal with the unexpected failure of an asset.

Item No.	Test	Comments	Effectiveness
a.	Has a risk assessment of assets been conducted?	A risk assessment was undertaken in the preparation of the AMP. Risks are mainly environmental rather than to human health.	Good
b.	Has the probability and consequences of asset failure have been identified?	Failure would result in minor loss of service, but no danger to human health. It would also involve minor environmental damage. AMP needs updating to take into account system changes.	Largely adequate
c.	Are appropriate contingency plans in place?	Yes, a plumber is available, the pump station is configured as duty/standby and there is a spare pump located at the depot. There is also a sewerage reserve fund.	Good
d.	Is risk management practiced?	Yes, as part of the AMP and Council practices risk management.	Good
e.	Where unacceptable risks have been identified have risk control measure been implemented?	The main risk of failure is the pump station. Pump configuration and the spare pump availability are used to lower the risk.	Good
f.	Where events that may result in severe consequences have been identified have contingency plans been developed?	There is an emergency telephone number and a contingency plan is in the AMP, although this could do with being updated to reflect the system changes.	Largely adequate

Overall Comment

Risk assessment has been undertaken and the pump station is identified as the main failure point. This has been taken into account with the pump configuration and spare pump availability.

The AMP should be updated to demonstrate a risk assessment of the changed system.

10.6 Financial Planning

The financial planning component of the asset management plan brings together the financial elements of the scheme to ensure its financial viability over the long term. Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would be based on firm estimates.

Item No.	Test	Comments	Effectiveness
a.	Does the Financial Plan provide projections of operating statements (profit and loss) and statement of financial position (balance sheets)?	In AMP (out of date) but also in Annual Budget and Annual report.	Good
b.	Does the financial plan cover the financial objectives and strategies and actions to achieve the objectives?	In AMP.	Inadequate
c.	Does the financial plan identify the source of funds for the capital expenditure plan?	Sewerage rates.	Good
d.	Are the sources of funds for operation, maintenance and administration identified in the financial plan?	Yes, details of income and expenditure are in Annual Budget.	Good
e.	Does the financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period?	In the Principle Activities Plan.	Good
f.	Does the financial plan provide for the operation and maintenance, administration and capital expenditure requirements of the scheme?	Operation and maintenance is covered in the Annual Budget, and Capital Expenditure is covered in the Principle Activities Plan. The AMP covers these also, but is not current.	Good

Overall Comment

Financial planning is adequate, even though the AMP is out of date.

10.7 Capital Expenditure Planning

The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure on each over the next five or more years. This can be expressed as a schedule of projected annual expenditures offset by possible income from asset disposal, supported by documentation of the reasons for the decisions and evaluation of alternatives and options.

Item No.	Test	Comments	Effectiveness
a.	Has a capital expenditure plan been prepared?	In AMP and the Principle Activities Plan.	Good
b.	Does the plan cover the issues to be addressed, the actions proposed, the centre of responsibilities, and deadline dates?	Out of date.	Inadequate
c.	Does the plan provide reasons for capital expenditure and timing of expenditure?	Out of date.	Inadequate
d.	Is the capital expenditure plan consistent with the asset life and condition identified in the asset management plan?	No, but the sewerage reserve fund has been increased to allow for the proposed upgrade.	Largely adequate

Overall Comment

The SOB is in the process of improving their treatment system. As a result, a substantial sum of cash has been allocated to the sewerage reserve fund to cover this.

The AMP has an asset register which needs updating as the replacement date of some of the assets has been passed.

10.8 Review of Asset Management Plan

Review of the asset management plan assists to ensure the effective development and operation of asset management plans.

Item No.	Test	Comments	Effectiveness
a.	Is a review process in place to ensure that asset management plans are kept current?	No.	Inadequate
b.	Are asset management plans being reviewed at appropriate intervals?	No.	Inadequate
c.	Are the asset management plans current?	No.	Inadequate

Overall Comment

The AMP has not been updated since it was prepared in 1999. Since then there have been some major changes to the system. The AMP needs to be updated to reflect these changes, as well as all the other details, and the proposed treatment system upgrade.

11 Summary of Asset Management Review Findings

11.1 Introduction

The 2005 Asset Management System audit is the third external assessment undertaken on SOB's asset management system. The purpose of this review was to examine the Asset Management System in light of the recommendations made in the audit of 2003.

The Asset Management Plan has not been updated since 1999 and is thus out of date. As a result of this there has been no review of the entire wastewater treatment system, including financial and capital expenditure planning, undertaken.

This is a serious short coming, especially since the system has been changed since then. An extension to the sewerage network was completed and an effluent reuse scheme was installed supplying treated effluent to irrigate the town oval as well as to the Education Department to irrigate the school oval. Consultation was undertaken with both the Water Corporation and Department of Health for these projects.

The current wastewater treatment system discharges effluent into the Avon River, especially in winter. The DoE have indicated that this practice must cease by February 2007. The Council have acknowledged this and are in the process of preparing a project brief to accomplish this.

The Shire must update the AMP as soon as possible. As part of this, a maintenance schedule and register needs to be developed, preferably in conjunction with the Principal Works Supervisor, and implemented. A regular maintenance regime needs to be implemented to ensure the customers in the Shire of Brookton continue to receive the high level of service they currently do and to ensure the Shire receives maximum value from its assets.

The Asset Management System that was prepared in 1999 was adequate for the size of the SOB's wastewater treatment system because the system is small and simple. The SOB is fortunate that the system is simple and robust enough not to have had any failures, as indicated by the lack of customer complaints and breakdowns. This is especially so given the fact that, apart from regular pump servicing, no regular maintenance is undertaken.

11.2 Specific Findings and Recommendations from Current Review

11.2.1 Asset Planning/Creation/Acquisition

The Council has acknowledged the need to prevent overflow into the Avon by Feb 2007, as part of their DoE licence conditions. To this end, a project brief is being prepared and will be released to tender shortly.

Since the last audit, the sewer network has been increased and an effluent reuse scheme has been installed which supplies treated effluent to irrigate the town oval and the school oval. The Department of Health were consulted about both projects, and the Water Corp was consulted regarding the sewer extension.

The AMP has not been updated since 1999. It should be updated to reflect the additions to the waste water treatment system as well as the impending treatment plant upgrade.

Recommendation

The Asset Management Plan, in particular the Asset Register, needs to be updated immediately and forwarded onto the Authority for approval.

Assessment: Largely adequate.

11.2.2 Environmental Analysis

The system is working adequately from the customer's point of view. There have been no complaints, which indicates a good level of service.

However, the system has reached its design limits and, as a result, regularly discharges effluent into the Avon River, mainly in winter. The DoE have stipulated as part of their licence conditions that all discharge to the Avon must cease by Feb 2007. This has been acknowledged and Council is in the process of preparing a tender for public submission.

Schedule 3 forms have not been submitted since Sept 2002. This will need to recommence immediately.

Recommendation

The Schedule 3 for 2004/05 financial year should be completed and submitted to the Authority.

Assessment: Largely adequate.

11.2.3 Asset Management System Analysis

The AMP prepared in 1999 needs to be updated as some items detailed have exceeded their proposed replacement dates. Also, the system has changed since then.

Level of maintenance appears to be adequate for this system, however a maintenance schedule and register should be developed and utilised as, apart from the pumps, most maintenance is reactive rather than proactive.

This is a small, simple system that requires minimal human input. It works well and is maintained appropriately as indicated by lack of complaints and failures. No regular preventative maintenance is conducted, only reactive. It is fortunate that the system is robust enough to not have suffered any failures.

The system has reached its design limit and, as a result, is being upgraded in line with requirements from the DoE to prevent flow into the Avon River. The upgraded system will consist of a second treatment pond which will stop all but emergency flows to the Avon River.

Operational costs are covered in the annual budget.

Recommendations

The Asset Management Plan must be updated, including the asset register, and a maintenance schedule and register must be prepared and implemented. The Maintenance Schedule should be developed in conjunction with the Principal Works Supervisor to ensure that it is appropriate for the system.

Assessment: Inadequate.

11.2.4 Risk Analysis and Contingency Planning

Risk assessment has been undertaken and the pump station is identified as the main failure point. This has been taken into account with the pump configuration and spare pump availability.

The AMP should be updated to demonstrate a risk assessment of the changed system.

The system is minor and the pond is located such that any catastrophic failure will result in environmental damage rather than human harm. Contingency measures were developed in the 1999 AMP, including financial, and are in place to deal with any contingencies.

There is a sewerage reserve fund which appears in the annual budget and gets regular inputs of cash and there is a local plumber available on call.

Assessment: Largely adequate.

11.2.5 Financial Planning

Financial planning is adequate, even though the AMP is out of date.

Recommendation

As part of the AMP review, the financial planning needs to be updated.

Assessment: Largely adequate.

11.2.6 Capital Expenditure Plan

The SOB is in the process of improving their treatment system. As a result, a substantial sum of cash has been allocated to the sewerage reserve fund to cover this.

The AMP has an asset register which needs updating as the replacement date of some of the assets has been passed.

Recommendation

As part of the AMP review, the capital expenditure planning needs to be updated. A review of existing asset life, capital replacement and asset acquisition needs to be undertaken to determine when future expenditure is likely to be required.

Assessment: Inadequate.

11.2.7 Review

The AMP has not been updated since it was prepared in 1999. Since then there have been some major changes to the system. The AMP needs to be updated to reflect these changes, as well as all the other details, and the proposed treatment system upgrade.

Recommendation

The AMP should be reviewed and updated as soon as possible. The AMP and Charter should be reviewed every 12 months at the same time as the annual budget, and updated as necessary. They should be updated within every 36 months, thus the Charter is due to be updated next year.

Assessment: Inadequate.

12 References

- Operational Audit and Asset Management Review 2003– Aquaterra Consulting
- Shire of Brookton Annual Report 2004/05
- Shire of Brookton Plan of Principal Activities 2005/06 – 2009/10
- Shire of Brookton Customer Services Charter
- Brookton Sewerage Scheme Asset Management Plan – SMEC 1999
- Shire of Brookton Excerpt from Annual Budget
- Shire of Brookton Annual Budget 2005/06
- Department of Environment Annual Licence for Brookton WWTP
- Shire of Brookton Application for Reuse of Treated Effluent at the Brookton Senior High School and the Shire of Brookton Community Recreation Ground