

Walkaway Wind Power Pty Ltd

Audit Report for

2010 Performance Audit and Asset Management System Review

Electricity Generation Licence EGL2

Audit Period 1st February 2008 to 31st January 2010

Audit Plan	Authorisation	Name	Position	Date
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2	Doug Davies	ERA amendments	14/05/2010

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Glossary of Terms

Acronym	Description
AMIS	Asset Management Information System
AMP	Asset Management Plan (IE)
AMS	Asset Management System
AWF	Alinta Wind Farm
AWF OG	Alinta Wind Farm Operational Guide (IE)
CIM	Component Improvement Management
DDMC	Doug Davies Management Consulting
EPC	Engineering Procurement Contract
ERA	Economic Regulation Authority
IE	Infigen Energy
PB	Parsons Brinckerhoff
PPA	Power Purchase Agreement
QSE	Quality, Safety & Environment
RPV	Renewable Power Ventures
SAP	Vestas Service System
SCADA	Supervisory Control and Data Acquisition
SMA	Service Management Agreement
SMP	Service Management Plan (Vestas)
SMS	Short Message Service
Vestas	Operations and Maintenance Contractor
VTM	Vestas Turbine Monitor
WPC	Western Power Corporation
WTG	Wind Turbine Generator
WWP	Walkaway Wind Power Pty Ltd

Reference Documents

- Electricity Industry Act 2004 (WA) (Electricity Act)
- Generating Licence EGL2
- Electricity Compliance Reporting Manual (March 2008) (ERA)
- Audit Guidelines – Electricity, Gas and Water Licences (July 2009) (ERA)
- ASAE 3000 – Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information
- ASAE 3100 – Standard on Assurance Engagements ASAE 3100 Compliance Engagements
- Asset Management Plan (IE)
- Alinta Wind Farm Operational Guide (IE)
- Engineering Procurement Contract
- Service Management Agreement
- Power Purchase Agreement (with Alinta)
- Service Management Plan (Vestas)

1. Executive summary

Walkaway Wind Power Pty Ltd (WWP) engaged Doug Davies Management Consulting (DDMC) and Parsons Brinckerhoff (PB) to undertake the 2010 Performance Audit and Asset Management System Review as required by the Economic Regulation Authority (Authority) under generation licence EGL2. This report contains the audit findings for both the Performance Audit and Asset Management System Review.

Sections 13 & 14 of the Electricity Industry Act 2004 require as a condition of every licence that the licensee must, not less than once in every period of 24 months (or any longer period that the Authority allows) calculated from the grant of the licence, provide the Authority with a Performance Audit and Asset Management System Review conducted by an independent expert acceptable to the Authority.

The Authority approved the appointment of DDMC and PB on the 18th of February 2010 and subsequently required the development of an audit plan for the Authority's approval. Notification of the approval of the audit plan for the 2010 Performance Audit of Licence EGL2 was received on the 23rd of February 2010.

This audit plan has been executed as planned in accordance with the process flowchart for performance audits and asset management system reviews as detailed in the Audit Guidelines – Electricity, Gas and Water Licences (July 2009).

The period for the audit and review is the 1st February 2008 to 31st January 2010 and the submission of this report before 30 April 2010 is evidence of compliance with the Authority's requirements.

The Performance Audit and the Asset Management System Review have been conducted in order to assess the effectiveness of the Walkaway Wind Power Pty Ltd Wind Farm Asset Management Systems and level of compliance with the conditions of the Generation Licence EGL2. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that the Walkaway Wind Power Pty Ltd Wind Farm has an effective asset management system and has complied with its Generating Licence during the audit period 1st February 2008 to 31st January 2010.

Performance Audit

The Performance Audit has been conducted in order to assess the licensee's level of compliance with the conditions of its licence.

WWP Pty Ltd holds a generation licence for the generation of electricity using the the following generating plant.

54 wind turbines each with 165 MW and the works connected to 132 KV Western Power Corporation transmission line.

In December 2008 Babcock and Brown Wind Partners purchased all management agreements and assets from its parent company Babcock and Brown.

As a stand - alone company BBWP was renamed as Infigen Energy Ltd.

Walkaway Wind Power Pty Ltd is an entity wholly owned by Infigen Energy Ltd.

Renewable Power Ventures (RPV) is a wholly owned subsidiary of Infigen Energy Ltd.

A summary of the recommendations arising from this audit are identified in table 2-11 page 14 and APPENDIX 4a – 2010 Audit/Review Post Audit Implementation Plan.

A summary of the the actions taken by the licensee in response to the previoud audit are identified in Appendix 3 - 2008 Audit/Review Post Audit Implementation Plan.

All actions have been completed and are effective.

The control environment consisting of a management system that utilised, procedures, internal audits, appropriate information technology and skilled personnel was considered adequate by the auditor.

During the Performance Audit and the Asset Management Review the audit team identified no significant change in the process and the following observations were made.

Infigen Energy engaged a Compliance & Regulatory Manager in February 2009 whose role included ensuring that the assets were operated and managed in compliance to local licence obligations. The auditor has observed that since the last audit two years ago, the culture of the business has a stronger focus on ensuring compliance with local licence conditions and business systems.

Infigen Energy engaged a Site & Technical Manager in March 2008 to oversee and monitor the implementation of the SMA and provide technical expertise at the Walkaway Wind Farm. The knowledge and experience gained will be valuable during the transition from the SMA to the new management structure in February 2011.

The auditor also observed that the current service provider arrangement between the wind farm owner (Infigen) and the operations and maintenance provider (Vestas) concludes in February 2011. Infigen Energy provided draft documentation evidencing the development of new processes and agreements to take affect at February 2011. The auditor notes that this change may have a significant impact on the way that the wind farm is operated, however we have no reason to believe that the be agreement will be detrimental to the current levels of operations and maintenance.

Asset Management System Review

The assets of Walkaway Wind Power Pty Ltd consist of 54 windturbines each with 165 MW and the works connected to 132 KV Western Power Corporation transmission line.

A summary of the recommendations arising from this AMS Review is identified in table 3-5 pages 18 & 19.and APPENDIX 4b – 2010 Audit/Review Post Audit Implementation Plan.

A summary of the the actions taken by the licensee in response to the previoud audit are identified in Appendix 3 - 2008 Audit/Review Post Audit Implementation Plan.

All actions have been completed and are effective.

The Asset Management System established by Walkaway Wind Power Pty Ltd is effective in the management of the assets. However the system is in a commissioning phase as the plant and equipment are currently under warranty requirements and the maintenance and operational aspects are implemented by Vestas under the Service Maintenance Agreement (SMA).

Planning evidence for future amendments to the asset management system were sighted and provide the audit team with assurance that continual improvement of the environment for the management of assets will be maintained at the wind farm. The nature of the current EPC contract also provides the environment for an effective asset management system as the key driver is availability targets.

This audit report is an accurate representation of the audit teams findings and opinions.

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1.1 Performance audit summary

The Audit Team's assessment of the compliance rating for each of the clauses of the Generating Licence EGL2 are summarised in Table 1-1. A comprehensive report of the performance audit findings used to determine these ratings is included in Appendix 1.

Table 1-1 Performance audit compliance summary

Generating Licence Reference (Cl.=clause, Sch.=schedule)	Generation Licence Criteria	Likelihood A= Likely, B= Probable, C= Unlikely	Consequence N/R= Minor, 2= Moderate, 1= Major	Inherent Risk Low, Medium, High	Adequacy of existing controls S= Strong, M= Moderate, W= Weak	Compliance Rating							
						1	2	3	4	5	N/A	N/R	
CL 2	Grant of Licence	C	1	High	S						✓		
CL 3	Term	C	1	High	S						✓		
CL 4	Fees	C	1	High	S						✓		
CL 5	Compliance	C	1	High	S						✓		
CL 13	Accounting records	C	1	High	S						✓		
CL 15	Performance audit	C	1	High	S						✓		
CL 16	Asset Management System	C	1	High	S						✓		
CL 17	Reporting	C	1	High	S						✓		
CL 18	Provision of information	C	1	High	S						✓		
CL 19	Publishing Information	C	1	High	S						✓		
CL 20	Notices	C	1	High	S						✓		
CL 21	Review of Authorities decisions	C	1	High	S						✓		

For the following clauses of the licence there were no activities to audit and report on.

Table 1-2 Clauses where there are no activities to report on

Clause	Description
CL 1	Definitions
CL 6	Transfer of licence
CL 7	Cancellation of Licence
CL 8	Surrender of licence
CL 9	Review of licence
CL 10	Amendment of licence on application of the Licensee
CL 12	Expansion or Reduction of Generating Works, Distribution Systems and Transmission Systems
CL 14	Individual performance standards

1.2 Asset management system review summary

The Audit Team's assessment of the compliance rating for each of the clauses of the asset management system reviewed are summarised in Table 1-3. A comprehensive report of the Asset Management Review findings used to determine these ratings is included in Appendix 2.

Table 1-3 Asset management effectiveness summary

Item	Asset management system	Adequacy rating	Performance rating
1	Asset planning	A	1
2	Asset creation/ acquisition	B	2
3	Asset disposal	A	1
4	Environmental analysis	A	1
5	Asset operations	B	1
6	Asset maintenance	A	1
7	Asset Management Information System	A	1
8	Risk management	A	1
9	Contingency planning	A	1
10	Financial planning	A	1
11	Capital expenditure planning	A	1
12	Review of AMS	A	1

2. Performance audit

2.1 Performance audit scope

This is the second ERA compliance audit conducted at WWP Pty Ltd to determine compliance with obligations relating to Generation Licence EGL2.

The scope of the audit was to:

- assess the license holder's internal compliance systems
- assess the license holder's compliance with its license

For the period – 1st of February 2008 to the 31st of January 2010

The Authority's Electricity Compliance Reporting Manual (March 2008) was used as the performance criteria for the compliance elements.

This is the second performance audit conducted since the issue of the licence and the 2008 audit report findings are identified in Appendix 3a. A review of the 2008 audit report findings was conducted and issues that gave rise to the recommendations have been resolved.

The performance audit was conducted during March 2010 by Doug Davies (Lead Auditor) and Mick Walbank (Technical Expert) and included audit planning, a 2 day site audit, desktop review and interview sessions and reporting.

The Infigen Australian Asset Manager, Compliance & Regulatory Manager, Site & Technical Manager and the Vestas QSE Engineer and Site Supervisor participated in the performance audit.

The key documents and other information sources are detailed within Appendix 1.

The Performance Audit was conducted and reported in the following stages as defined by the Audit Guidelines. The stages, auditor hours and the appropriate audit guide/tool are detailed below;

Table 2-1 Performance audit stages and hours

Stage	Auditor	Hours	Relevant auditing standard
Risk & Materiality Assessment Outcome - Performance Audit Plan	Doug Davies Mick Walbank	12 2	AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing AS/NZS 4360:2004: Risk Management
System Analysis	Doug Davies Mick Walbank	4 4	AS/NZS 9004:2000: Quality Management Systems – Guidelines for performance improvements AS 3806-2006: Compliance Programs
Fieldwork Assessment and testing of; <ul style="list-style-type: none"> • The control environment • Information system • Compliance procedures • Compliance attitude 	Doug Davies Mick Walbank	8 8	ASAE 3000 – Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information ASAE 3100 – Standard on Assurance Engagements ASAE 3100 Compliance Engagements
Reporting	Doug Davies Mick Walbank	12 6	AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing

The intent of subsequent audits and reviews will be to assess the implementation of recommendations in the previous audit / review and measure performance over time.

2.2 Performance audit objective

The objective of the performance audit, as defined by the Audit Guidelines, was to assess the effectiveness of measures taken by the licensee to meet obligations of the performance and quality standards referred to in the licence.

In addition to compliance requirements, the audit focused on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the licence.

The audit outcome was to identify areas of non-compliance and areas of compliance where improvement is required and recommend corrective action as necessary.

2.3 Performance audit definitions

The Audit Team's assessment of the compliance rating is based on the likelihood and consequence of non compliance as defined in the Audit Guidelines¹ Table 2-2 and Table 2-3 reproduce the definitions for evaluating the likelihood and consequence of non compliance.

Table 2-2 Definitions of likelihood ratings

Level		Criteria for classification
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

Table 2-3 Definitions of consequence of non compliance

Rating type	Classification of non compliance	Criteria for classification
1	Major	Classified on the basis that: the consequences of non-compliance would cause major damage, loss or disruption to customers; or the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person
2	Moderate	<ul style="list-style-type: none"> Classified on the basis that: the consequences of non-compliance impact the efficiency and effectiveness of the licensee's operations or service provision but do not cause major damage, loss or disruption to customers; or the regulatory obligation is not otherwise classified as a Type 1 or TYPE NR non-compliance
N/R	Minor	Classified on the basis that: <ul style="list-style-type: none"> the consequences of non-compliance are relatively minor - i.e. non-compliance will have minimal impact on the licensee's operations or service provision and do not cause damage, loss or disruption to customers compliance with the obligation is immeasurable; or the non-compliance is required to be reported to the Regulator under another instrument, guideline or code; or the non-compliance is identified by a party other than the licensee, or the licensee only need to use its reasonable endeavours or best endeavour to achieve compliance or where the obligation does not otherwise impose a firm obligation on the licensee Reclassification of Type NR as a Type 2 may occur in circumstances of <ul style="list-style-type: none"> systemic non compliance; or a failure to resolve non-compliance promptly

From the likelihood and consequence the audit established the inherent risk of non compliance based on the principals of the Audit Guideline². Table 2-4 and Table 2-5 reproduce the inherent risk definitions and descriptions.

Table 2-4 Inherent risk of non compliance

Likelihood	Consequence		
	Minor	Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

¹ ERA Audit Guideline – Electricity, Gas and Water Licences July 2009

² ERA Audit Guideline – Electricity, Gas and Water Licences July 2009

Table 2-5 Description of the inherent risk

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

The audit team reviewed the adequacy of the existing controls that mitigate the inherent risks.

Table 2-6 Adequacy ratings for existing controls

Level	Description
3 Strong	Strong controls that are sufficient for the identified risks
2 Moderate	Moderate controls that cover significant risks; improvement possible
1 Weak	Controls are weak or non-existent and have minimal impact on the risks

With reference to the inherent risk and existing controls the audit team determined the audit priority

Table 2-7 Assessment of audit priority

Adequacy of existing controls				
		Weak	Moderate	Strong
Inherent risk	High	Audit priority 1	Audit priority 2	
	Medium	Audit priority 3	Audit priority 4	
	Low	Audit priority 5		

With reference to the audit priority the audit team implemented the appropriate level of investigation to determine a compliance rating.

Table 2-8 Compliance rating

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 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

2.4 Performance audit method

A risk assessment, assessment of control environment and allocation of audit priority was undertaken in accordance with the Audit Guidelines – Electricity, Gas and Water Licences (July 2009) on each element relating to Generation licensee's of the Electricity Compliance Reporting Manual (March 2008) issued by the Authority. It was the opinion of the audit team that this approach would provide an effective assessment of compliance due to each licence condition being incorporated into the document.

The Electricity Compliance Reporting Manual (March 2008) specifically classifies each licence condition according to non-compliance rating. The Generation Licence held by WWP Pty Ltd results in only Minor and Moderate Ratings for non-compliance, there are no Major ratings classified.

In order to focus the audit effort and identify areas for testing and analysis a preliminary assessment of the risk and materiality of non-compliance with the Generation Licence was undertaken in accordance with the requirements of AS/NZS4360 Risk Management, Section 5.3 and Appendix 1 of the Audit Issue: 2

Guidelines. This assessment rating was reviewed during the audit process subject to the verification of the control environment.

A compliance rating was determined for each element identified in Appendix 1 in accordance with the **Performance compliance rating scale**.

The Audit Team's assessment of the compliance rating for each of the clauses of the Generating Licence EGL2 are summarised in Table 2-9. A comprehensive report of the performance audit findings used to determine these ratings is included in Appendix 1.

Table 2-9 Performance audit compliance summary

Generating Licence Reference (Cl.=clause, Sch.=schedule)	Generation Licence Criteria	Likelihood A= Likely, B= Probable, C= Unlikely	Consequence N/R= Minor, 2= Moderate, 1= Major	Inherent Risk Low, Medium, High	Adequacy of existing controls S= Strong, M= Moderate, W= Weak	Compliance Rating							
						1	2	3	4	5	N/A	N/R	
CL 2	Grant of Licence	C	1	High	S						✓		
CL 3	Term	C	1	High	S						✓		
CL 4	Fees	C	1	High	S						✓		
CL 5	Compliance	C	1	High	S						✓		
CL 13	Accounting records	C	1	High	S						✓		
CL 15	Performance audit	C	1	High	S						✓		
CL 16	Asset Management System	C	1	High	S						✓		
CL 17	Reporting	C	1	High	S						✓		
CL 18	Provision of information	C	1	High	S						✓		
CL 19	Publishing Information	C	1	High	S						✓		
CL 20	Notices	C	1	High	S						✓		
CL 21	Review of Authorities decisions	C	1	High	S						✓		

For the following clauses of the licence there were no activities to audit and report on.

Table 2-10 Clauses where there are no activities to report on

Clause	Description
CL 1	Definitions
CL 6	Transfer of licence
CL 7	Cancellation of Licence
CL 8	Surrender of licence
CL 9	Review of licence
CL 10	Amendment of licence on application of the Licensee
CL 12	Expansion or Reduction of Generating Works, Distribution Systems and Transmission Systems
CL 14	Individual performance standards

Corrective actions are identified for the elements with a compliance rating < 4 and listed below.

Table 2-11 Performance Audit Findings and, Corrective Actions

Ref	Description	Compliance	R	Corrective Action
86	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	<p>Sighted Emergency Response Plan. The ERP is part of the SMP (reference 001225-SMP-01 Rev 1). The ERP was recently updated, but there is no revision list at the front of the SMP to identify the latest versions</p> <p>Sighted Maintenance and service monthly report for January that covers OH&S incidents. The report also identifies safety walks and toolbox meetings that cover how the business will respond to events.</p> <p>Walkaway operates an SMS emergency response to cover periods where there are no staff onsite.</p>	4	<p>Update document references on the contents of the SMP for the ERP.</p> <p>Create a master list that identifies the latest revision of the Appendices</p>

2.5 Performance Audit Post Audit Plan (Appendix 4a)

The Post Audit Plan has been developed by the audit team in consultation with the licensee. Approval of the report endorses the content of the post audit plan and assessment of the implementation of the actions will be included in the next audit.

3. Asset management system effectiveness review

3.1 Scope of the AMS review

The AMS review has been established as a requirement of the current Generating Licence issued by the Economic Regulation Authority to Walkaway Wind Power Pty Ltd.

The scope of the AMS review included an assessment of the adequacy and effectiveness of the Walkaway Wind Power Pty Ltd asset management system during the audit period 1st February 2008 to 31st January 2010.

The assessment was based on the evaluation of the following elements of the AMS

1. Asset Planning
2. Asset creation/acquisition
3. Asset disposal
4. Environmental analysis
5. Asset operations
6. Asset maintenance
7. Asset management information system
8. Risk management
9. Contingency planning
10. Financial planning
11. Capital expenditure planning
12. Review of asset management system

This is the second AMS Review conducted since the issue of the licence and the previous ERA 2008 audit report findings are identified in Appendix 3b.

A review of the ERA 2008 audit report findings was conducted and issues that gave rise to the recommendations have been resolved.

The AMS review was conducted during March 2010 By Doug Davies (Lead Auditor) and Mick Walbank (Technical Expert) and included audit planning, a 2 day site audit, desktop review and interview sessions and reporting.

The Infigen Australian Asset Manager, Compliance & Regulatory Manager, Site & Technical Manager and the Vestas QSE Engineer and Site Supervisor participated in the AMS Review.

The key documents and other information sources are detailed within Appendix 2.

The AMS review was conducted and reported in the following stages as defined by the Audit Guidelines. The stages, auditor hours and the appropriate audit guide/tool are detailed below;

Table 3-1 Asset management system review stages and hours

Stage	Auditor	Hours	Relevant auditing standard
Risk & Materiality Assessment Outcome - Asset Management System Review	Doug Davies Mick Walbank	12 4	AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing AS/NZS 4360:2004: Risk Management
System Analysis	Doug Davies Mick Walbank	8 8	AS/NZS 9004:2000: Quality Management Systems – Guidelines for performance improvements AS 3806-2006: Compliance Programs
Fieldwork Assessment and testing of; <ul style="list-style-type: none"> • The control environment • Information system • Compliance procedures • Compliance attitude 	Doug Davies Mick Walbank	8 8	ASAE 3000 – Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information ASAE 3100 – Standard on Assurance Engagements ASAE 3100 Compliance Engagements
Reporting	Doug Davies Mick Walbank	16 8	AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing

The intent of subsequent audits and reviews will be to assess the implementation of recommendations in the previous audit / review and measure performance over time.

3.2 Objective of the asset management system review

The objective of the review was to assess the:

- Effectiveness of the processes used by Walkaway Wind Power Pty Ltd to provide asset management
- Information systems supporting asset management activities
- Data and knowledge used to make decisions about asset management.

These elements were reviewed from a life cycle perspective i.e. planning, construction, operation, maintenance, renewal, replacement and disposal using the guidelines developed by the Authority.

The Audit Teams assessment of the effectiveness ratings for each key process in the licensee's Asset Management System are summarised in the following table. A comprehensive report of the AMS Review findings is included in Appendix 2.

3.3 Asset management system effectiveness rating

The audit team undertook a review of the asset management system based on the definitions defined in Table 3-2 and Table 3-3 below.

Table 3-2 Asset management process and policy definition adequacy ratings

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

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Rating	Description	Criteria
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policy documentation is incomplete or requires significant improvement. Processes and policies do not document the required performance of the assets. Processes and policies are significantly out of date. The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented. The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).

Table 3-3 Asset management performance ratings

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

3.4 Asset management system review method

The audit method detailed in Appendix 4 of the Audit Guidelines – Electricity, Gas and Water Licences (July 2009) was used to conduct the Asset Management System Review and the results are detailed in Appendix 2 of this report.

The audit elements for the Asset Management System Review followed the key processes in an asset management lifecycle as defined in the Audit Guidelines;

1. Asset Planning
2. Asset creation/acquisition
3. Asset disposal
4. Environmental analysis
5. Asset operations
6. Asset maintenance
7. Asset management information system
8. Risk management
9. Contingency planning
10. Financial planning
11. Capital expenditure planning
12. Review of asset management system

A compliance rating was determined for each element identified in Appendix 2 in accordance with the **Asset Management System Effectiveness Rating**

The Audit Team's assessment of the AMS effectiveness rating for each element of the AMS are summarised in Table 3-4. A comprehensive report of the AMS Review findings used to determine these ratings is included in Appendix 2.

Table 3-4 Asset management effectiveness summary

Item	Asset management system	Adequacy rating	Performance rating
1	Asset planning	A	1
2	Asset creation/ acquisition	B	2
3	Asset disposal	A	1
4	Environmental analysis	A	1
5	Asset operations	B	1
6	Asset maintenance	A	1
7	Asset Management Information System	A	1
8	Risk management	A	1
9	Contingency planning	A	1
10	Financial planning	A	1
11	Capital expenditure planning	A	1
12	Review of AMS	A	1

Corrective actions are identified for the elements with a compliance ratings of > 2 or > B and listed below.

Table 3-5 AMS Review Findings and Corrective Actions

Ref	Description	Effectiveness	R	Corrective Action
2.5	Commissioning tests are documented and completed	<p>The auditor examined the documentation pertaining to the failure of a significant asset component (gear box). The Component Inspection Report on Turbine 21346 identified a failed asset that was subsequently replaced. We were not able to sight the decommissioning report or the engineer's report that described the failure mode of the asset. Neither were we able to sight the commissioning report of the replacement blade. After further investigations the location of the failed unit was identified, but it was not easily assessed.</p> <p>After discussions with the site supervisor, it was established that most equipment did not go through a commissioning phase as failed equipment is generally replaced. In addition as the site is relatively new (circ 5 years) there have been few replacements. We were able to sight work instructions that identified equipment that had been replaced, but this did not include a commissioning component.</p> <p>With regards to commissioning test, the auditor's opinion is that the design of this wind farm permits a replacement strategy without an established commissioning phase. This is driven by the commonality of components to all turbines and number of differing components being far lower than a coal fueled power station. The auditor also recognises that replacement equipment is tested prior to being on site by the manufacturers.</p> <p>However we do note that we were not able to clearly identify the location of failed assets. That is the smaller items (circuit boards, controllers) were not clearly marked as unfit for service. This does leave a potential risk that a failed component could be inadvertently re-used.</p>	B2	<p>Improve documentation on commissioning of new or refurbished equipment.</p> <p>Review the approach to maintenance documentation and identification so to prevent failed equipment being returned to service</p>
5.6	Staff receive training commensurate with their responsibilities	<p>We examined the training records of the staff on site and found that the documentation was lacking. Initially a high level review was undertaken that examined the first aid training and vehicle training. We found that according to the records kept on site we were not able to determine who had in date certification or who required refresher courses. The auditor would like to highlight that we believe that the training has been undertaken and this pertains to a record keeping issue. Specific details are given below.</p> <p>First aid training We examined the list of authorised first aider on site, we found that according to the documentation certification had expired. We were not able to sight copies of the certificate nor were we able to confirm that the training had been undertaken,</p> <p>Forklift truck certification - We examined the list of personnel who were listed as having a licence to drive a forklift truck. As above we were not able to sight copies of licences for fork lift truck drivers; however some of the drivers had their licence on them.</p> <p>Visiting technicians - Vestas utilise technicians that are based on other wind farms or other countries. A site induction is undertaken and a requirement is that copies of licences are obtained. We found that an attending technician had not supplied copies of the forklift truck licence and did not have the licence on them.</p> <p>We have no reason to believe that the person is not authorised, however we do believe that the inability to note who has a licence to an unacceptable risk.</p> <p>We understand that Vestas are in the process of implementing a central system for all documentation and licensing, but the site supervisors do not have access to all visiting technicians, therefore are unable to verify that that appropriate training as been undertaken and is in date.</p>	C3	<p>Review the approach to how assurance is attained that site staff and visiting site staff have the appropriate training and certification.</p> <p>Review site induction process to ensure that all visiting site staff have the appropriate qualifications before commencement of work.</p>

Ref	Description	Effectiveness	R	Corrective Action
7.5	Physical security access controls appear adequate	<p>Site security is adequate for a remote location with the main office locked over night and the compound secured.</p> <p>We did note two issues:</p> <p>1) Site vehicle was stationary with the keys in the ignition during the day.</p> <p>The is the possibility that an unauthorised person can access the vehicle</p> <p>2) Fuel kept outside the compound in a container that was not locked.</p> <p>A new chemical shed has been constructed however during the audit the chemicals were stored outside the compound</p>	C3	Review site security with regards to vehicle security and equipment outside the secure compound

3.5 AMS Review Post Audit Plan (Appendix 4b)

The Post Audit Plan has been developed by the audit team in consultation with the licensee. Approval of the report endorses the content of the post audit plan and assessment of the implementation of the actions will be included in the next audit.

APPENDIX 1 – 2010 Performance Audit Findings

Appendix1: Performance Audit Findings

2010 Performance Audit & Asset Management System Review

Ref	Generation Licence Condition	Obligation under Condition	Description	Type	Inherent Risk (i.e. no controls)	Likelihood	Consequence	IR Rating	Exiting Controls	Adequacy of Exiting controls	Audit Priority	Verification / Tests	Compliance	Compliance rating	Corrective Action
85	4.1	Electricity Industry Act section 17 (1)	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	NR	Non payment of licence fee as per legislative requirements i.e. before the 28th February of each year	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual Correspondence ERA 	Strong	Priority 5	Review payment of licence with the Compliance & Regulatory Manager to determine if authorised and paid by the required date	Invoice sighted (ERA 098) dated 20 Feb. 2009. Invoice sighted (ERA148) dated 11 Feb. 2010. Both paid prior to 28 th February each year as required by the licence.	5 Compliant	
86	5.1	Electricity Industry Act section 31 (3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	NR	<ul style="list-style-type: none"> Loss of availability Failure to meet obligations with Western Power 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> EPC Engineering Procurement Contract SMA Service Management Agreement Service Management Plan (Vestas) Risk Register and controls Emergency Response Plan Incident management procedure Client audits Contractor audits 	Strong	Priority 4	Review the exiting controls with the Compliance & Regulatory Manager and contractor to determine implementation and effectiveness. Monthly Performance Reports	<p>Sighted Emergency Response Plan. The ERP is part of the SMP (reference 001225-SMP-01 Rev 1). The ERP was recently updated, but there is no revision list at the front of the SMP to identify the latest versions</p> <p>Sighted Maintenance and service monthly report for January that covers OH&S incidents. The report also identifies safety walks and toolbox meetings that cover how the business will respond to events.</p> <p>Walkaway operates an SMS emergency response to cover periods where there are no staff onsite.</p>	4 Compliant	<p>Update document references on the contents of the SMP for the ERP.</p> <p>Create a master list that identified the latest revision of the Appendices</p>
87	5.1	Electricity Industry Act section 41 (6)	A licensee must pay the costs of taking an interest in land or an easement over land.	2	Breach of legislation	Unlikely	Minor	Low	<ul style="list-style-type: none"> Land lease agreements Compliance Manual 	Strong	Priority 5	<ul style="list-style-type: none"> Monthly Financial Payment Records Land Lease Documentation 	<p>Sighted a spreadsheet that identifies all land owners and the payments made. Reference invoices breakdown jan10.xls</p> <p>Invoices sighted for 5 landowners. However reference withheld due to confidentiality</p>	5 Compliant	
309 357	5.1	Electricity Industry Metering Code clause 3.5(6)	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user. Western Power Corporation (WPC) is the Network Operator for WWP	2	Charges are made by the network operator that are not in accordance with the service agreement	Unlikely	Moderate	Medium	SLA Service Level Agreement WPC Western Power Corporation	Strong	Priority 4	<ul style="list-style-type: none"> Monthly Reporting processes 	Infigen installed the metering and gifted the assets to WPC. Therefore there are no ongoing charges associated with metering	N/A Not Applicable	
319 367	5.1	Electricity Industry Metering Code clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	2	Metering data incorrect or outside of acceptable limits	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Report defective metering to network operator (WPC), request backup metering data be used until defect corrected and monitor energy exported/imported using own meters Duplicate metering system to check WPC metering system calibrated 	Strong	Priority 4	<ul style="list-style-type: none"> Monthly Reporting processes Discussions Alinta Sales 	<p>Alinta Sales contracts WPC to conduct metering. Metering data goes directly to Alinta Sales and any discrepancies are reported and investigated.</p> <p>Infigen are able to access turbine data to independently verify meter discrepancies and any error found in the meters will be reported.</p> <p>No errors have been identified in the period of this audit</p>	N/R	
331 379	5.1	Electricity Industry Metering Code clause 3.16(5)	A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.	2	Actions or requested are made by the network operator or WPP that are not in accordance with the metrology procedure	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> All metrology requests by the network operator (WPC) or WPP are in writing and in accordance with the metrology procedure. The procedure can be changed by mutual agreement in writing. Approved Meter Certificate of calibration for meter Audit 	Strong	Priority 4	<ul style="list-style-type: none"> Network Access Agreement between Western Power Corporation and WWP Pty Ltd addresses metering requirements. Approved Meter Certificate of calibration for meter Audits Metrology correspondence 	<p>Infigen has contracted out all metering services to Alinta Sales. Alinta Sales ensure compliance of the metering.</p> <p>PPA sighted between RPV and Alinta Sales dated 04 March 2004 that states Alinta Sales will manage metering requirements.</p> <p>RPV is a wholly owned subsidiary of Infigen Energy</p>	N/A	

Appendix1: Performance Audit Findings

2010 Performance Audit & Asset Management System Review

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342 390	5.1	Electricity Industry Metering Code clause 3.27	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	2	Metering installation may not be recognised by network operator and may be incorrect or inaccurate	Unlikely	Major	High	WWP does not allow anyone other than the network operator (WPC) or it's agent to replace the metering installation ▪ Key locked room procedures established for access	Strong	Priority 2	▪ Confirm that the metering installations have not been changed since commissioning WWP ▪ Key lock procedures established limit access to authorised personnel only WPC holds the key.	No Infigen or Vestas staff has access to the revenue meters. This is controlled by WC.	5 Compliant	
349 397	5.1	Electricity Industry Metering Code clause 4.4(1)	A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.	NR	Data from the network operator's (WPC) metering installation and metering database differ	Unlikely	Moderate	Medium	WPP does not have access to the network operator's (WPC) meters but utilises SCADA Ion Meter data and monitors when meter data is received from Alinta. Compares data to own meter readings and reports any significant differences with Alinta's metering database. ▪ SCADA system could be used to calculate losses	Strong	Priority 4	▪ Review WWP Meter Reading Data ▪ Interview Alinta Sales Staff on internal procedure. ▪ WPC correspondence	Infigen have a service agreement with Alinta Sales and any discrepancies are analysed and discussed. Alinta Sales receives metering data directly from WPC. There have not been any metering discrepancies in the audit period, however prior to the period discrepancies were verified through SCADA metering data from the turbines. The process has not changed.	5 Compliant	
350 398	5.1	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	NR	Contents of network operator's registry inaccurate	Unlikely	Minor	Low	▪ Monitor network operator's (WPC) registry and report any significant inaccuracies	Strong	Priority 5	Review WWP Meter Reading Data ▪ Interview Alinta Sales Staff on internal procedure.	The installation is as specified and no new equipment has been installed Interview with Mark Bennet (Site Supervisor) confirmed no significant changes have occurred. All equipment is tested prior to installation.	5 Compliant	
351 399	5.1	Electricity Industry Metering Code clause 4.5(2)	If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	2	Contents of network operator's registry changes or is inaccurate	Unlikely	Minor	Low	▪ PPA Power Purchase Agreement Monitor network operator's (WPC) registry and report any significant changes or inaccuracies	Strong	Priority 5	▪ PPA Power Purchase Agreement Review WWP Meter Reading Data ▪ Interview Alinta Sales Staff on internal procedure.	No changes have been identified	N/R	
363 411	5.1	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation under clause 5.4(1).	NR	Network operator does not read the meters at least once a year	Unlikely	Major	High	▪ Assist network operator as requested and monitor frequency of meter readings ▪ Automatic metering process with duplicate system	Strong	Priority 2	▪ Interview Alinta Sales Staff on internal procedure.	WPC have separate access to the metering installation and do not need to enter the WWP compound Alinta Sales provide WWP with details of meter readings.	55 Compliant	
365 413	5.1	Electricity Industry Metering Code clause 5.5(3)	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.	2	User initiated changes for the provision of data occur that are not permitted	Unlikely	Minor	Low	Only make requests for charges for the provision of data that are permitted under this or another enactment	Strong	Priority 5	▪ Interview WWP Financial Controller ▪ Interview Alinta Sales Staff on internal procedure.	No charges have been levied for metering data	N/R	
376 424	5.1	Electricity Industry Metering Code clause 5.16	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	2	WWP does not collect or receive energy data from the network operator's (WPC) metering installation.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
377 425	5.1	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	2	The network operator (WPC) is responsible for tariff metering at WWP.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	

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378 426	5.1	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	2	WWP does not collect or receive information regarding a change in the energisation status of a metering point.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
379 427	5.1	Electricity Industry Metering Code clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.	NR	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
380 428	5.1	Electricity Industry Metering Code clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	NR	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
381 429	5.1	Electricity Industry Metering Code clause 5.19(3)	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	2	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
382 430	5.1	Electricity Industry Metering Code clause 5.19(4)	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.	2	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
384 432	5.1	Electricity Industry Metering Code clause 5.19(6)	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	NR	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable		N/A Not Applicable	
390 438	5.1	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	2	A request for an audit is made to the network operator by someone or an organisation other than WWP.	Unlikely	Minor	Low	Request for audits may only be made to the network operator by WPP.	Strong	Priority 5	<ul style="list-style-type: none"> Interview WWP Financial Controller Interview Alinta Sales Staff on internal Procedure. 	No test or audits have been requested by WP	N/A Not Applicable	
391 439	5.1	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	2	Requests are made that are inconsistent with the agreements	Unlikely	Minor	Low	Only make requests that are consistent with the agreements	Strong	Priority 5	<ul style="list-style-type: none"> Interview WWP Financial Controller Connection Agreement 	<p>Vestas has conducted 7 tests in the last year for voltage flicker. Tests are done in conjunction with WP and both entities use compensation equipment to ensure minimal disturbance to the system.</p> <p>However, the nature of the test requires the connection agreement limits to be exceeded, but this is done in conjunction with WP.</p> <p>'Sighted Alinta wind farm SCADA protocols' document and Vestas document 'Alinta voltage control test specification R4' dated 2010-01-04</p>	5 Compliant	
409 457	5.1	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	2		N/A	N/A	N/A	N/A	N/A	N/A	Not Applicable	The network operator is responsible for tariff metering at WWP. WWP does not have other customers.	N/A Not Applicable	

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416 464	5.1	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	2	Rules, procedures, agreements or criteria relating to the network are not complied with	Unlikely	Moderate	Medium	Comply with rules, procedures, agreements or criteria relating to the network	Strong	Priority 4	<ul style="list-style-type: none"> Review operations and procedures relating to the network. 	<p>Infigen has contracted out all metering services to Alinta Sales. Alinta Sales ensure compliance of the metering.</p> <p>PPA sighted between RPV and Alinta Sales dated 04 March 2004 that states Alinta Sales will manage metering requirements.</p>	5 Compliant	
418 466	5.1	Electricity Industry Metering Code clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	NR	Written and oral communications not received	Likely	Moderate	High	Ensure that notices can be sent and received by post, facsimile and electronic communication and that oral communications can be made by telephone	Strong	Priority 2	<ul style="list-style-type: none"> Review communications by post, facsimile and electronic communication. 	<p>Infigen have a direct (power line carrier) phone available in the office.</p> <p>Email is used and available.</p> <p>There is no local fax or postal facilities for Walkaway, all fax and postal communications are through the Sydney corporate head office.</p>	5 Compliant	
420 468	5.1	Electricity Industry Metering Code clause 7.2(4)	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	2	Contact details are not given or are given late to the network operator when requested	Unlikely	Minor	Low	Give contact details to the network operator within 3 business days of receiving a requested	Strong	Priority 5	<ul style="list-style-type: none"> Review communications by post, facsimile and electronic communication. 	No request has been made	N/R	
421 469	5.1	Electricity Industry Metering Code clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	2	Changed contact details are not given or are given late to the network operator	Probable	Major	High	Give contact details to the network operator at least 3 business days before changes are made	Strong	Priority 2	<ul style="list-style-type: none"> Review communications by post, facsimile and electronic communication. 	Notified ERA by telephone , email and letter of a change of details	5 Compliant	
422 470	5.1	Electricity Industry Metering Code clause 7.5	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	2	Confidential information relating to the Code is given to unauthorised persons or organisations	Probable	Moderate	Medium	Identify confidential information relating to the Code and ensure that it is not given to unauthorised persons or organisations <ul style="list-style-type: none"> Secure systems for communication of information i.e. secure IT systems and access personnel, service agreement and official correspondence authorised by management committee 	Moderate	Priority 4	Confirm that confidential information relating to the Code has been identified, review access to this information, review procedures relating to the disclosure of this information and interview Financial Controller.	<p>Infigen maintain computer systems in their head office and have IT controls to prevent information from being disclosed.</p> <p>Infigen Information Security Policy Version 0.02 dated 27 July 2009 has been sighted that identifies security measures in place.</p> <p>Onsite data is controlled by a password and the system records names and times of access to confidential data. Users can be restricted from accessing the data All hard copy documents and records maintained in the secure site offices and are only accessed by authorised personnel WWP has a confidentiality agreement with personnel authorised to access confidential information.</p>	5 Compliant	
423 471	5.1	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	2	Confidential information relating to the Code is not given to unauthorised persons or organisations when requested	Unlikely	Moderate	Medium	Identify confidential information, authorised persons or organisations relating to the Code and ensure information is given to authorised persons or organisations when requested	Strong	Priority 4	Confirm that confidential information relating to the Code has been identified, review access to this information, review procedures relating to the disclosure of this information and interview Regional Asset Manager.	<p>Infigen maintain computer systems in their head office and have IT controls to prevent information from being disclosed.</p> <p>IT security policy has been sighted that identifies security measures in place.</p> <p>Onsite data is controlled by a password and the system records names and times of access to confidential data. Users can be restricted from accessing the data All hard copy documents and records maintained in the secure site offices and are only accessed by authorised personnel WWP has a confidentiality agreement with personnel authorised to access</p>	5 Compliant	

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													confidential information.		
424 472	5.1	Electricity Industry Metering Code clause 8.1(1)	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.	NR	Disputes remain unresolved	Unlikely	Major	High	Dispute to be resolved in accordance to the provisions of the Code ▪ legal positions vetted ▪ compliance requirements assigned for action ▪ Compliance Manual	Moderate	Priority 2	Confirm that a copy of the Code is assessable to relevant staff and that they are aware of the dispute resolution provisions in the Code	No revenue metering disputes have been raised in the last two years. S Dodd is the Regulatory and Compliance Manager and is in charge of metering disputes. He has a copy of the Code from the internet.	N/R	
425 473	5.1	Electricity Industry Metering Code clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Disputes remain unresolved	Unlikely	Major	High	Disputes are resolved in accordance with the provisions of the Code	Moderate	Priority 2	Confirm that a copy of the Code is assessable to relevant staff and that they are aware of the dispute resolution provisions in the Code Dispute documentation	No revenue metering disputes have been raised in the last two years. S Dodd has verbally confirmed he is aware that the Code exists and where to locate it.	N/R	
426 474	5.1	Electricity Industry Metering Code clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Disputes remain unresolved	Unlikely	Major	High	Disputes are resolved in accordance with the provisions of the Code Disputes are documented	Moderate	Priority 2	Confirm that a copy of the Code is assessable to relevant staff and that they are aware of the dispute resolution provisions in the Code Dispute documentation	No revenue metering disputes have been raised in the last two years. S Dodd has verbally confirmed he is aware that the Code exists and where to locate it.	N/R	
428 476	5.1	Electricity Industry Metering Code clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	NR	Disputes handled poorly or in bad faith	Unlikely	Major	High	Disputes are resolved in accordance to the provisions of the Code Disputes are documented	Moderate	Priority 2	Confirm that a copy of the Code is accessible to relevant staff and that they are aware of the dispute resolution provisions in the Code Dispute documentation	No revenue metering disputes have been raised in the last two years. S Dodd has verbally confirmed he is aware that the Code exists and where to locate it.	N/R	
	5.1	Review of Government Gazette Amendments	Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation.		Failure to include legislative amendments in compliance process	Unlikely	Major	High	▪ Update Compliance Manual ▪ Internal audits	Strong	Priority 2	▪ Compliance Manual updated ▪ Audit Reports	S Dodd subscribes to the ERA newsletter and the ERA notices and IMO Rules Watch. He is the listed contact for these bodies.	5 Compliant	
102	6.1	Electricity Industry Act section 18 - Transfer of a licence	(1) A licence cannot be transferred except with the approval of the Authority. (2) Approval for the purposes of subsection (1) may be given on such terms and conditions as are determined by the Authority. (3) An application for approval to transfer a licence must be; (a) made in a form approved by the Authority; and (b) Accompanied by the prescribed application fee. (4) An applicant must provide any additional information that the Authority may require for the proper consideration of the application.		As above	Unlikely	Major	High	Application for transfer of licence	Strong	Priority 2	Review documentation regarding Transfer of Licence	No change in licence owner for Walkaway Wind Power.	N/R	
103	12.2	Electricity Industry Act section 11	A licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the Authority in the manner prescribed, if the expansion or reduction is not provided for in the asset management system	2	Major assets; 54 wind turbines each 1.65 MW and associated generating works configured into 6 groups of 9 wind turbines with each group connected to a 132kV transmission line	Unlikely	Minor	Low	▪ Asset Management Plan ▪ Operations & Maintenance Contract ▪ Capital Expenditure Processing ▪ Assessment of Return on Revenue ▪ Risk Review	Strong	Priority 5	▪ Asset Management Plan ▪ Interview with Australian Asset Manager and Chief Operating Officer.	No changes have been made to the current wind farm or the associated assets	N/R	

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2010 Performance Audit & Asset Management System Review

Ref	Generation Licence Condition	Obligation under Condition	Description	Type	Inherent Risk (i.e. no controls)	Likelihood	Consequence	IR Rating	Exiting Controls	Adequacy of Exiting controls	Audit Priority	Verification / Tests	Compliance	Compliance rating	Corrective Action
104	12.3	Electricity Industry Act section 11	A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area.	2	The licence area is 30 km South East of Geraldton in the shire of Greenough on Victoria Locations 1853, 1854, 2026,2416, 3503, 7115, 7902, 8193, 9738, Lot 1 Diagram 78794, Lot 1 Plan 9024, Lot 2 on Diagram 78794 and Lot 123 Diagram 3416, (Plan No.ERA-EL-066)	Unlikely	Minor	Low	<ul style="list-style-type: none"> Current location plan of AWF Asset Management Plan Risk Review Shire Approvals Public consultation processes 	Strong	Priority 5	<ul style="list-style-type: none"> Asset Management Plan Current location plan of AWF Interview with Australian Asset Manager and Chief Operating Officer. 	No changes have been made to the wind assets. Sighted land owner map and turbine placement WAWF-G-1004	5 Compliant	
105	13.1	Electricity Industry Act section 11	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	2	Failure to maintain accounting records	Unlikely	Minor	Low	<ul style="list-style-type: none"> Budget Approvals Capital Expenditure Processing Systematic and Monitored accounting processes Assessment of Return on Revenue Risk Review Financial Audits 	Strong	Priority 5	<ul style="list-style-type: none"> Discussion with Financial Controller Review accounting records Review Monthly Reports Review of most recent Financial Audit 	The auditor reviewed the annual report and identified the letter from the Financial Auditors confirming the accounts were up to date	5 Compliant	
106	14.4	Electricity Industry Act section 11	A licensee must comply with any individual performance standards prescribed by the Authority.	2	<ul style="list-style-type: none"> Breach of legislation Failure to become aware of performance standard 	Unlikely	Minor	Low	<ul style="list-style-type: none"> Generation Licence EGL 2 Compliance Manual Service Agreements Management Committee Audits 	Strong	Priority 5	<ul style="list-style-type: none"> Generation Licence EGL 2 Connection Agreement Service agreements Authorities and responsibilities Audit reports 	No individual performance requirements have been imposed on Walkaway Wind Farm	N/A Not Applicable	
81	15.1	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	NR	Failure to provide the Authority with a Performance Audit	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual Conduct ERA audit at least every 24 months 	Strong	Priority 5	<ul style="list-style-type: none"> Correspondence ERA Compliance Manual ERA audit report 	Audit plans have been submitted and accepted by the ERA. This audit is the second audit and 24 months later than the first audit.	5 Compliant	
107	15.2	Electricity Industry Act section 11	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	2	Failure to comply with Audit Guidelines	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual Management Meetings ERA Audit Guidelines Electricity Licence ERA Electricity Compliance Reporting Manual 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual Compliance with ERA guidelines Audit Plan Audit Report Post audit implementation Plan 	Auditors were requested to conduct the audit in accordance with the scope of the audit and the ERA guidelines. The auditors have submitted a plan, have been accepted as auditors by the ERA confirmed in writing dated 23 February 2010	5 Compliant	
82	16.1	Electricity Industry Act section 14 (1)(a)	A licensee must provide for an asset management system.	NR	Failure to provide for an asset management system	Unlikely	Major	High	<ul style="list-style-type: none"> AMP Asset Management Plan EPC Engineering Procurement Contract SMA Service Management Agreement Service Management Plan (Vestas) Independent 3rd Party audits Client/Contractor Meetings Monthly Performance Reports 	Strong	Priority 2	Review the exiting controls with the Regional Asset Manager to determine if the Asset Management Plan is current, adequate and implemented	<p>Sighted SMA (dated 31 March 2004) for Vestas to service and maintain the wind farm.</p> <p>Sighted SMP (dated 17 November 2009) and is currently being revised due to a few errors found.</p> <p>Sighted EPC (dated 31 March 2004) between NEG Micron and Renewable Energy Ventures.</p> <p>Independent 3rd party audits (dated 16-17 November 2010) Annual Internal Audit. Operation / safety and environmental audit</p>	5 Compliant	
	2.1	Electricity Industry Act	The licensee is granted a licence for the licence area to: (a) construct and operate generating works or operate existing generating works; (b) supply electricity to a person who is not a customer; In accordance with the terms and conditions of this licence.		Construct or operate generating works outside the terms and conditions of the licence	Unlikely	Major	High	Licence conditions	Moderate	Priority 2	Review Licence conditions Review	Sighted a copy of the Generation Licence EGL2 and schedule 1. The location map (ERA-EL-066) referenced in schedule 1 was reviewed and confirmed that the operational area met the terms and conditions.	5 Compliant	

Appendix1: Performance Audit Findings

2010 Performance Audit & Asset Management System Review

Ref	Generation Licence Condition	Obligation under Condition	Description	Type	Inherent Risk (i.e. no controls)	Likelihood	Consequence	IR Rating	Exiting Controls	Adequacy of Exiting controls	Audit Priority	Verification / Tests	Compliance	Compliance rating	Corrective Action
83	16.2	Electricity Industry Act section 14 (1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the Authority.	2	Failure to notify the Authority of details of the asset management system and/or substantial changes to it	Unlikely	Minor	Low	<ul style="list-style-type: none"> Current AMP Asset Management Plan Compliance Manual Correspondence ERA Client/Contractor Meetings 	Strong	Priority 5	<ul style="list-style-type: none"> Review the exiting controls with the Compliance & Regulatory Manager to determine The AMP has been forwarded to the ERA and is current The ERA have been notified of any changes to the AMP Contractors awareness of requirement to notify the client of changes to the management system 	<p>No change from the last audit. The original application 'ERA-APP for generation licence September 05.pdf' was sighted in 2004 and contained the asset management plan.</p> <p>The latest version was sighted on site. Version 'Service plan and checklist V82 - 1,65MW (Mark 2 & Mark 3) Item number 8447 version 06.</p> <p>No changes are planned or expected.</p>	5 Compliant	
84	16.3	Electricity Industry Act section 14 (1)(c)	A licensee must provide the Authority 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 Authority.	NR	Failure to provide the Authority with an Asset Management System Review	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual Management Meetings ERA Audit Guidelines Electricity Licence Independent 3rd Party audit/review 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual Correspondence ERA Independent 3rd Party audit /review 	<p>Audit plan submitted to ERA to conduct audit and submit report within 24 months period</p> <p>The auditors have submitted a plan, have been accepted as auditors by the ERA confirmed in writing dated 23 February 2010</p>	5 Compliant	
108	16.4	Electricity Industry Act section 11	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system.	2	Failure to comply with Audit Guidelines	Unlikely	Minor	Low	<ul style="list-style-type: none"> Management Meetings ERA Audit Guidelines Electricity Licence Independent 3rd Party audit/review 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance with ERA guidelines Audit Plan Audit Report Post audit implementation Plan 	<p>Auditors were requested to conduct the audit in accordance with the scope of the audit and the ERA guidelines</p> <p>The auditors have submitted a plan, have been accepted as auditors by the ERA confirmed in writing dated 23 February 2010</p>	5 Compliant	
109	17.1	Electricity Industry Act section 11	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	2	Failure to report external administrator process or significant change	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual ERA correspondence 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual ERA correspondence 	<p>Infigen communicated the change in management to the ERA via stakeholder letter.</p> <p>The licence is owned by Walkaway Wind Power a wholly owned subsidiary of Infigen Energy</p>	5 Compliant	
110	18.1	Electricity Industry Act section 11	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	2	Failure to provide the Authority with information	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual ERA correspondence 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual ERA correspondence Annual Compliance Report 	<p>Infigen Energy received a request for close out of the last audits and notification of Walkaway Wind Power audit. Both letters have been responded to.</p> <p>Annual Compliance Report submitted</p> <p>No other requests for information have been made.</p>	5 Compliant	
427 475	18.1	Electricity Industry Metering Code clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	2	Disputes agreements are not recorded or adhered too	Unlikely	Major	High	<ul style="list-style-type: none"> Disputes are resolved in accordance with the provisions of the Code Disputes are documented 	Moderate	Priority 2	<ul style="list-style-type: none"> Confirm that a copy of the Code is accessible to relevant staff and that they are aware of the dispute resolution provisions in the Code. Dispute documentation 	<p>No revenue metering disputes have been raised in the last two years.</p> <p>S Dodd has verbally confirmed he is aware that the Code exists and where to locate it.</p>	N/R	
111	19.2	Electricity Industry Act section 11	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	2	Failure to comply with publishing requirements of the Authority	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual Management Meetings ERA correspondence 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual ERA correspondence Published information 	<p>No information requests have been made by the ERA.</p>	N/R	
112	20.1	Electricity Industry Act section 11	Unless otherwise specified, all notices must be in writing.	2	Failure to provide notices in writing	Unlikely	Minor	Low	<ul style="list-style-type: none"> Compliance Manual ERA correspondence 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual ERA correspondence 	<p>No notices have been made</p>	N/R	

Ref	Generation Licence Condition	Obligation under Condition	Description	Type	Inherent Risk (i.e. no controls)	Likelihood	Consequence	IR Rating	Exiting Controls	Adequacy of Exiting controls	Audit Priority	Verification / Tests	Compliance	Compliance rating	Corrective Action
	21.0		<p>The licence may seek a review of a reviewable decision by the Authority pursuant to this licence in accordance with the following procedure:</p> <p>(a) the licence shall make a submission on the subject of the reviewable decision within 10 business days (or other period as approved by the Authority) of the decision; and</p> <p>(b) the Authority will consider the submission and provide the licensee with a written response within 20 business days</p> <p>For the avoidance of doubt, this clause does not apply to a decision of the Authority pursuant to the Act, nor does it restrict the licensee's right to have a decision of the Authority reviewed in accordance with the Act.</p>		low	Unlikely	Minor	Low	Review submission	Strong	Priority 5	Submission documentation	No reviewable decisions have been made by the ERA.	N/R	

APPENDIX 2 – 2010 Asset Management System Review Findings

Appendix 2: Asset Management System Review Findings

2010 Performance Audit & Asset Management System Review

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
1	Asset planning strategies are focused on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price).									
1	Perry Wright - Australian Asset Manager IE		Geoff Dutailis - Chief Operations Officer IE		Michael Nielsen - Site and Technical Manager					
1.1	Integration of asset strategies into operational or business plans will establish a framework for existing and new assets to be effectively utilised and their service potential optimised.	• Inefficient asset planning processes	<ul style="list-style-type: none"> Management Meeting (Annual review) Compliance manual Asset Management Plan Alinta Wind Farm Operational Guide Service Management Agreement Service Management Plan 	Strong	Priority 2	<p>Review the exiting controls with the Compliance and Regulatory Manager</p> <ul style="list-style-type: none"> Authorities and responsibilities Management Meeting review minutes Compliance manual Asset Management Plan (current) Alinta Wind Farm Operational Guide Service Management Agreement Service Management Plan (Reviewed) 	<p>Infigen presented a strategy, plan and agreed priorities for the Generation Business unit (presentation dated February 2001 - Generation Business Unit Strategy, Plan and Agreed Priorities)</p> <p>Infigen did present a draft Asset Management Plan (AMP) and a draft Operations Manual for the expiry of the SMA in 2011</p> <p>In the auditors view the current SMA establishes planning processes and objectives for the current assets and approximately 12 months ahead of the expiry. Infigen are considering the implications to asset management.</p>	<p>The current process for asset management is through a Services Management Agreement (SMA) with the Service Provider that expires in February 2011. The current SMA establishes a framework for the integration and utilisation of all the assets. There is provision for new assets, but this will be triggered should new assets be required.</p> <p>Part of the SMA requires the Service Provider to present operational and performance data on a regular basis. We sighted</p> <ol style="list-style-type: none"> monthly performance reports breakdown report Condition assessment report 	A Adequately defined	1 Performing effectively
1.2	Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	Some stakeholder needs not addressed	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan (Updated) Alinta Wind Farm Operational Guide Objectives Established Stakeholder needs identified Service Management Plan Service schedules 	Strong	Priority 4	<p>Review the exiting controls with the Compliance and Regulatory Manager</p> <ul style="list-style-type: none"> Management Meeting review minutes Asset Management Plan (Current) Alinta Wind Farm Operational Guide Objectives Stakeholder needs addressed 	<p>Infigen presented a strategy, plan and agreed priorities for the Generation Business unit (presentation dated February 2001 - Generation Business Unit Strategy, Plan and Agreed Priorities)</p> <p>The current process for asset management is through a Services Management Agreement (SMA) with the Service Provider that expires in February 2011. The current SMA establishes a framework for the integration and utilisation of all the assets. There is provision for new assets, but this will be triggered should new assets be required.</p> <p>Infigen did present a draft Asset Management Plan (AMP) and a draft Operations Manual for the expiry of the SMA in 2011</p> <p>In the auditors view the current SMA establishes planning processes and objectives for the current assets and approximately 12 months ahead of the expiry. Infigen are considering the implications to asset management.</p>	<p>The current process for asset management is through a Services Management Agreement (SMA) with the Service Provider that expires in February 2011. The current SMA establishes a framework for the integration and utilisation of all the assets. There is provision for new assets, but this will be triggered should new assets be required.</p> <p>Part of the SMA requires the Service Provider to present operational and performance data on a regular basis. We sighted</p> <ol style="list-style-type: none"> monthly performance reports breakdown report Condition assessment report 	A Adequately defined	1 Performing effectively
1.3	Service levels are defined	Some service levels not defined	<ul style="list-style-type: none"> WWP / Vestas Meetings Service Management Agreement Service Management Plan A B & C Class service schedule Operations and maintenance manual 	Strong	Priority 4	<p>Review the following</p> <ul style="list-style-type: none"> WWP / Vestas Meeting minutes Service Management Agreement Service Management Plan A B & C Class service schedule Operations and maintenance manual 	Services levels are defined between the service provider and Infigen. They are monitored and reported each month through two reporting streams.	Performance has been monitored against the service levels. We sampled two monthly report: <ol style="list-style-type: none"> Infigen flash report - January 2010 Infigen operational performance report Dec 09 	A Adequately defined	1 Performing effectively
1.4	Non-asset options (e.g. demand management) are considered	Agreements in place with WPC for consumption of resource, demand management not applicable for wind farm	<ul style="list-style-type: none"> Supply agreement with WPC PPA Power Purchase Agreement 	Strong	Priority 5	<ul style="list-style-type: none"> WPC Connection Agreement PPA Power Purchase Agreement 	There are no non asset options at WWP.	There are no non asset options at WWP.	N/A Not applicable	N/A Not applicable
1.5	Lifecycle costs of owning and operating assets are assessed	Lifecycle costs larger than expected	<ul style="list-style-type: none"> WWP / Vestas Meetings Lifecycle costs spreadsheet Asset Management Plan EPC Engineering Procurement Contract SMA Service Management Agreement SMP Service Management Plan (Vestas) 	Strong	Priority 4	<p>Review the exiting controls with the Perry Wright - Australian Asset Manager IE</p> <p>Geoff Dutailis - Chief Operations Officer IE and Area Service Manager to determine implementation and effectiveness.</p> <p>Monthly Performance Reports</p> <p>Lifecycle costs for the period after the SMA</p>	Infigen have assessed the long term viability of the wind farm in two stages.	<p>Short term 2 year planning and forecasting is undertaken on an annual basis - The auditor sighted the spreadsheet Alinta FY10 Budget C2.4.xls</p> <p>This is then supported with a long term 20 year life cycle financial model. The auditor sighted the model GWP Walkaway model 09-09-04 final audit.xls which is updated with the actual events to assist in establishing operating costs.</p>	A Adequately defined	1 Performing effectively

Appendix 2: Asset Management System Review Findings

2010 Performance Audit & Asset Management System Review

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating		
1.6	Funding options are evaluated	Alternate funding cost less	<ul style="list-style-type: none"> SMA Service Management Agreement Ongoing evaluations of funding 	Strong	Priority 4	Review the exiting controls with the Compliance and Regulatory Manager and Chief Operations Officer Funding Options for the period after the SMA Service Management Agreement	Infigen have assessed the long term viability of the wind farm in two stages.	<p>Short term 2 year planning and forecasting is undertaken on an annual basis - The auditor sighted the spreadsheet Alinta FY10 Budget C2.4.xls</p> <p>This is then supported with a long term 20 year life cycle financial model. The auditor sighted the model GWP Walkaway model 09-09-04 final audit.xls which is updated with the actual events to assist in establishing operating costs</p>	A Adequately defined	1 Performing effectively		
1.7	Costs are justified and cost drivers identified	Costs are larger than expected	<ul style="list-style-type: none"> Contract Annual budget Cost drivers identified 	Strong	Priority 4	Review the exiting controls with the Compliance and Regulatory Manager and Chief Operations Officer <ul style="list-style-type: none"> SMA Service Management Agreement Annual Budget Operations Reports Cost drivers 	Infigen have assessed the long term viability of the wind farm in two stages.	<p>Short term 2 year planning and forecasting is undertaken on an annual basis - The auditor sighted the spreadsheet Alinta FY10 Budget C2.4.xls</p> <p>This is then supported with a long term 20 year life cycle financial model. The auditor sighted the model GWP Walkaway model 09-09-04 final audit.xls which is updated with the actual events to assist in establishing operating costs</p>	A Adequately defined	1 Performing effectively		
1.8	Likelihood and consequences of asset failure are predicted	Asset failure more often with severe consequences than expected	<ul style="list-style-type: none"> EPC Engineering Procurement Contract SMA Service Management Agreement Asset Management Plan Service Management Plan (Vestas) Service Schedule SAP Strategic stock management of spare parts 	Strong	Priority 2	Review the exiting controls with the Site & Technical Manager and Site Supervisor <ul style="list-style-type: none"> Service plans & Checklists Service Reports Stock Register - stock levels 	<p>Through the Service Management Agreement (SMA), The service provider manages the assets in their entirety. Part of their management system is a centralised SAP asset management system that includes common modes of failure and type fault identification.</p>	<p>The consequence and failure has been implemented and appears to address common modes of failures.</p> <p>When a common mode of failure is suspected a CIM number is generated. The SAP system collates information from all the wind farms for review and analysis to establish the failure mode.</p> <p>The auditor examined CIM1274 and sighted the failure reports.</p> <p>The service provider generates a monthly report to Infigen that identifies failures.</p>	A Adequately defined	1 Performing effectively		
1.9	Plans are regularly reviewed and updated	Plans do not reflect current practices and are not updated	<ul style="list-style-type: none"> Compliance Manual Management Meeting (Annual review) Asset Management Plan (current) Alinta Wind Farm Operational Guide Service Management Plan (Reviewed) Operation and maintenance manual Audits 	Strong	Priority 4	Review the exiting controls with the Compliance and Regulatory Manager and Area Service Manager <ul style="list-style-type: none"> Compliance Manual Management Meeting (Annual review) Asset Management Plan (current) Alinta Wind Farm Operational Guide Service Management Plan (Reviewed) Audit Reports 	<p>The current asset management plans are defined through a Services Management Agreement (SMA) and are currently under the control of the Service Provider.</p> <p>The plans were established at the construction stage and as the wind farm is relatively new (less than 5 years), no updates have been undertaken.</p> <p>However the current SMA concludes in February 2011 and Infigen presented draft plans for the future maintenance and management of the assets. Namely:</p> <ol style="list-style-type: none"> Draft Asset Management Plan Draft Operational Plan <p>In the auditors view, this represents good practice as the future plans are being developed well ahead of time.</p>	<p>The current process for asset management is through a Services Management Agreement (SMA) with the Service Provider that expires in February 2011. The current SMA establishes a framework for the integration and utilisation of all the assets. There is provision for new assets, but this will be triggered should new assets be required.</p> <p>Part of the SMA requires the Service Provider to present operational and performance data on a regular basis. We sighted</p> <ol style="list-style-type: none"> monthly performance reports breakdown report Condition assessment report 	A Adequately defined	1 Performing effectively		
2	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.											
2	Perry Wright - Australian Asset Manager IE		Geoff Dutailis - Chief Operations Officer IE		Sam Dodd - Compliance and Regulatory Manager IE						Michael Nielsen - Site and Technical Manager	
2.1	A more economic, efficient and cost-effective asset acquisition framework which will reduce demand for new assets, lower service costs and improve service delivery.	Higher service costs and less service delivery than is possible	<ul style="list-style-type: none"> Asset Management Plan Risk Assessment strategies Continual Improvement Strategies Performance Reports Audits 	Strong	Priority 4	Review existing controls with the Chief Operating Officer and Australian Asset Manager.	There are no plans to acquire or extend the current asset base from the installed assets in 2006	Not applicable	N/A Not applicable	N/A Not applicable		
2.2	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions	Higher costs than necessary	<ul style="list-style-type: none"> Project evaluations Asset Management Plan Risk Assessment strategies Continual Improvement Strategies Performance Reports Audits 	Strong	Priority 4	Review existing controls with the Chief Operating Officer and Australian Asset Manager	There are no plans to acquire or extend the current asset base from the installed assets in 2006	Not applicable	N/A Not applicable	N/A Not applicable		

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
2.3	Evaluations include all life-cycle costs	Higher costs than expected	<ul style="list-style-type: none"> Management review of project evaluation Asset Management Plan Budget Assessment of return on Revenue Life cycle costs spreadsheet SMA Service Management Agreement 	Strong	Priority 4	Review existing controls with the Chief Operating Officer and Australian Asset Manager	There are no plans to acquire or extend the current asset base from the installed assets in 2006	Not applicable	N/A Not applicable	N/A Not applicable
2.4	Projects reflect sound engineering and business decisions	Projects cost more, do not meet their objectives or are unsafe to operate	<ul style="list-style-type: none"> Management review of project evaluation Asset Management Plan Budget Assessment of return on Revenue Life cycle costs spreadsheet SMA Service Management Agreement 	Strong	Priority 2	Review existing controls with the Chief Operating Officer and Australian Asset Manager	There are no plans to acquire or extend the current asset base from the installed assets in 2006	Not applicable	N/A Not applicable	N/A Not applicable
2.5	Commissioning tests are documented and completed	Valuable information lost and asset does not operate correctly or safely	<ul style="list-style-type: none"> Commissioning documents are authorised by the banks independent engineer Quality records WTG1-54 Reliability test records WTG1-54 Performance Guarantee Reports Commissioning Records 	Strong	Priority 2	Review existing controls with Perry Wright - Australian Asset Manager IE Geoff Dutailis - Chief Operations Officer IE	<p>The maintenance service provider generates Component Inspection Reports that identify faults on assets.</p> <p>Should an asset fail, the process would generate a work order and the asset is replaced.</p> <p>Commissioning and testing documents are generated and stored</p>	<p>The auditor examined the documentation pertaining to the failure of a significant asset component (gear box). The Component Inspection Report on Turbine 21346 identified a failed asset that was subsequently replaced. We were not able to sight the decommissioning report or the engineer's report that described the failure mode of the asset. Neither were we able to sight the commissioning report of the replacement blade. After further investigations the location of the failed unit was identified, but it was not easily assessed.</p> <p>After discussions with the site supervisor, it was established that most equipment did not go through a commissioning phase as failed equipment is generally replaced. In addition as the site is relatively new (circ 5 years) there have been few replacements. We were able to sight work instructions that identified equipment that had been replaced, but this did not include a commissioning component.</p> <p>With regards to commissioning test, the auditor's opinion is that the design of this wind farm permits a replacement strategy without an established commissioning phase. This is driven by the commonality of components to all turbines and number of differing components being far lower than a coal fueled power station. The auditor also recognises that replacement equipment is tested prior to being on site by the manufacturers.</p> <p>However we do note that we were not able to clearly identify the location of failed assets. That is the smaller items (circuit boards, controllers) were not clearly marked as unfit for service. This does leave a potential risk that a failed components could be inadvertently re-used.</p>	B Requires some improvement	2 Opportunity for improvement
2.6	Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood	Assets and practices do not meet current legislative requirements	<ul style="list-style-type: none"> Compliance Manual Authorities and responsibilities defined Service Management Plan Insurance Audit Reports Independent 3rd party audits WWP audits Vestas audits 	Strong	Priority 2	Review existing controls with the Compliance and Regulatory Manager	<p>Walkaway undertake monthly 'site walks' to allow for any site issues to be identified</p> <p>Walkaway also engages an independent auditor to undertake compliance and management audits on an annual basis.</p>	<p>Monthly Audit Inspection checklist dated 22/01/2010 was sighted.</p> <p>Annual Audit report dated 16-17 February 2010 was sighted.</p> <p>Both reports identify areas for improvements which were closed out at a later date, however it was not recorded in the subsequent report what the outstanding issues were and how they were resolved.</p>	A Adequately defined	2 Opportunity for improvement

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
3	Effective asset disposal frameworks incorporate consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets. Alternatives are evaluated in cost-benefit terms									
3	Perry Wright - Australian Asset Manager IE Geoff Dutailis - Chief Operations Officer IE Sam Dodd - Compliance and Regulatory Manager IE									
3.1	Effective management of the disposal process will minimise holdings of surplus and under-performing assets and will lower service costs.	Higher costs and lower service	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan EPC Engineering Procurement Contract SMA Service Management Agreement <ul style="list-style-type: none"> Budget Capital and operational expenditure WWP/Vestas Meetings SAP Vestas Service System 	Strong	Priority 4	Review existing controls with the Australian Asset Manager SAP data	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider.	Any assets that fail or underperform are returned for refurbishment. If the asset cannot be refurbished it is disposed of. Assets are returned to a central location to be address. To date 2 failures have occurred and appropriately disposed	A Adequately defined	1 Performing effectively
3.2	Under-utilised and under-performing assets are identified as part of a regular systematic review process	Higher costs and lower service	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan Monthly Performance Reports WWP/Vestas Meetings SMA SAP 	Strong	Priority 4	Review existing controls with the Australian Asset Manager SAP data	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider.	No under-utilised assets have been identified	A Adequately defined	1 Performing effectively
3.3	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken	Higher costs and lower service	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan Monthly Performance Reports WWP/Vestas Meetings SMA SAP 	Strong	Priority 4	Review existing controls with Perry Wright - Australian Asset Manager IE Geoff Dutailis - Chief Operations Officer IE SAP data	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider.	No under-utilised assets have been identified	A Adequately defined	1 Performing effectively
3.4	Disposal alternatives are evaluated	Higher costs	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan 	Strong	Priority 4	Interview Chief Operating Officer and Australian Asset Manager. WWP Asset Reports Asset Management Plan	The service provider attends to disposals and has discussed alternatives	A damaged turbine blade which is beyond repair is being proposed as a local landmark / feature rather than being disposed of.	A Adequately defined	1 Performing effectively
3.5	There is a replacement strategy for assets	Higher costs and lower service	<ul style="list-style-type: none"> Management Meeting (Annual review) Asset Management Plan EPC Engineering Procurement Contract SMA Service Management Agreement 	Strong	Priority 4	Interview Chief Operating Officer and Australian Asset Manager. WWP Asset Reports Asset Management Plan	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider.	Replacement strategy is managed through spares held at a central location and though the SAP system. This is controlled by the service provider.	A Adequately defined	1 Performing effectively
4	Environmental analysis examines the asset system environment and assesses all external factors affecting the asset system.									
4	Perry Wright - Australian Asset Manager IE Geoff Dutailis - Chief Operations Officer IE Sam Dodd - Compliance and Regulatory Manager IE									
4.1	The asset management system regularly assesses external opportunities and threats and takes corrective action to maintain performance requirements.	Inadequate assessment and response to external opportunities and threats	<ul style="list-style-type: none"> SMA Service Management Agreement Crisis management plan Self protection measures on equipment Lightening detection processes, system Automatic severe weather warning processes 	Strong	Priority 2	Review of factors affecting the external electrical environment as given in the Network Access Agreement, Connection Agreement, Interim Electricity Transmission Access Technical Code and SCADA systems.	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider. The service provider holds weekly meetings toolbox meetings and one of the elements is external issues	We reviewed the weekly toolbox meetings and minutes and items covered include Lightning Fires Staff availability Rain	A Adequately defined	1 Performing effectively
4.2	Opportunities and threats in the system environment are assessed	Failure to assess opportunities and threats in the system environment	<ul style="list-style-type: none"> SMA Service Management Agreement Crisis management plan Self protection measures on equipment Lightening detection processes, system EPC Contract 	Strong	Priority 5	Review of factors affecting the external electrical environment as given in the Network Access Agreement, Connection Agreement, Interim Electricity Transmission Access Technical Code and SCADA systems.	Current assets are managed through SAP by the service provider. The service provider is contracted via a Service Management Agreement (SMA) that places the onus on the service provider. The service provider holds weekly meetings toolbox meetings and one of the elements is external issues	We reviewed the weekly toolbox meetings and minutes and items covered include Connection with network weather affects- increased wind	A Adequately defined	1 Performing effectively
4.3	Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved	Failure to monitor performance standards	<ul style="list-style-type: none"> SMA; performance guarantees SCADA system records performance standards Vestas Maintenance and Service Monthly Report summarises WTG Availability, wind resource 	Strong	Priority 5	Review of factors affecting the external electrical environment as given in the Network Access Agreement, Connection Agreement, Interim Electricity Transmission Access Technical Code and SCADA systems. EPC/SMA compliance and Monthly Reports.	Availability and capacity standards are in place through the Service Management Agreement between Infigen and Vestas. The standards are monitored and reported on a YTD and monthly basis.	Performance has been monitored against the service levels. We sampled two monthly report: 1) Infigen flash report - January 2010 2) Infigen operational performance report Dec 09 3) monthly service provider report - Jan 10	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
			statistics							
4.4	Compliance with statutory and regulatory requirements	Failure to comply with statutory and regulatory compliance	<ul style="list-style-type: none"> ▪ Compliance Manual ▪ Monitor changes to statutory and regulatory requirements 	Strong	Priority 5	Review Compliance manual with Compliance & Regulatory Manager	Infigen has implemented a Compliance Manual that covers all regulatory and statutory requirements for the Walkaway wind farm.	The manual is monitored and updated by the Regulatory and Compliance Manager - S Dodd. Manual sighted WWP Compliance Manual.2010.doc	A Adequately defined	1 Performing effectively
4.5	Achievement of customer service levels	Failure to achieve customer service levels	<ul style="list-style-type: none"> ▪ SMA Service Management Agreement; performance guarantees ▪ Access Agreement specifies requirements for compliance ▪ Supply agreements 	Strong	Priority 4	Review of factors affecting customer service levels as given in the Network Access Agreement Connection Agreement, Electricity Transmission Access Technical Code, EPC, SCADA systems and Monthly Asset Reports.	<p>Customer service levels have been agreed between Infigen and Alinta Sales. The levels are monitored by Alinta Sales and any discrepancies are discussed and resolved.</p> <p>The PPA manages the customer service levels and the events around non delivery.</p>	Performance has been monitored against the service levels. We sampled two monthly report: 1) Infigen flash report - January 2010 2) Infigen operational performance report Dec 09 3) monthly service provider report - Jan 10	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
5	Operations functions relate to the day-to-day running of assets and directly affect service levels and costs.									
5	Site and Technical Manager IE Area Service Manager Vestas Site Supervisor Vestas									
5.1	Operations plans adequately document the processes and knowledge of staff in the operation of assets so that service levels can be consistently achieved.	Service levels not consistently achieved	<ul style="list-style-type: none"> SMA Service Management Agreement; performance guarantees Trained personnel in operation of assets Operation plans adequately documented SMP Service Management Plan 	Strong	Priority 2	Review operation plans (Technical Documentation Class 2 NM Turbine), Site Management Plan, HV Procedures Network Access Agreement, Connection Agreement and EPC/SMA Interview with Regional Asset Manager Independent 3rd Party Audit Report.	<p>The maintenance service provider has a Service Management Plan (SMP) that identified the operational procedures that need to be undertaken.</p> <p>There have been no changes in the SMP since the last review.</p> <p>Work instructions and Job Safety Analysis are included</p>	<p>Performance of the wind farm is reported to Infigen on a monthly basis. The plans are set at a month ahead and weekly updates are provided when changes are made.</p> <p>Operations and maintenance manuals are available and include details of requirements including OH&S requirements. Where OH&S requirements are not lists Job Safety Analysis (JSA) have been undertaken - (22kV switchgear replacement sighted)</p>	A Adequately defined	1 Performing effectively
5.2	Operational policies and procedures are documented and linked to service levels required	Service levels not consistently achieved	<ul style="list-style-type: none"> SMA Service Management Agreement; performance guarantees Trained personnel in operation of assets Operation plans adequately documented 	Strong	Priority 2	Review operation plans (Technical Documentation Class 2 NM Turbine), Site Management Plan HV Procedures, Connection Agreement and EPC/SMA Monthly Asset Reports and Monthly Contractors Reports	The maintenance service provider has a Service Management Plan (SMP) that identified the operational procedures that need to be undertaken.	<p>Performance of the wind farm is reported to Infigen on a monthly basis. The plans are set at a month ahead and weekly updates are provided when changes are made.</p> <p>Service schedules are identified in the Addendum to SMP</p>	A Adequately defined	1 Performing effectively
5.3	Risk management is applied to prioritise operations tasks	Unimportant tasks performed before important tasks	<ul style="list-style-type: none"> SMA Service Management Agreement SMP Service Management Plan Operations plans adequately documented Risk management to prioritise operations tasks 	Strong	Priority 4	Review the following with the Site and Technical Manager IE Area Service Manager Vestas Site Supervisor Vestas <ul style="list-style-type: none"> Operation plans (Technical Documentation Class 2 NM Turbine), SMP Service Management Plan HV Procedures, Connection Agreement EPC/SMA Monthly Asset Reports and Monthly Contractors Reports. 	<p>The SCADA system allows for real time monitoring of the wind turbine generators. With reference to the SCADA system the Site Supervisor is able to identify and prioritise work with reference to the risk involved and ensure that an appropriate level of service is maintained.</p> <p>The service level is described in the SMP between Infigen and the service provider</p>	<p>We sighted maintenance plans that identified the prioritisation of work based on the risk involved For major outages additional staffing levels were implemented</p>	A Adequately defined	1 Performing effectively
5.4	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	Asset information missing and condition unknown	<ul style="list-style-type: none"> Purchasing process well defined and documented Assets documented in Assets Register Plans of components are maintained in the EPC Accountant maintains asset register 	Strong	Priority 4	<ul style="list-style-type: none"> EPC/SMA Service Records WTG1-54 	The service provider has moved from their original asset register to a SAP system.	<p>We examined records for turbine 213330 and 213339 and found that all the components are identified in SAP along with serial numbers and location.</p> <p>SAP also includes every maintenance report that has been undertaken on the asset since its implementation (SAP was implemented Sept 2008)</p>	A Adequately defined	1 Performing effectively
5.5	Operational costs are measured and monitored	Operational costs too high	<ul style="list-style-type: none"> Business prescriptive breakdown of cost types operational costs reported on per unit Analysis and review processes Measure and monitor operational costs 	Strong	Priority 4	EPC/SMA	The service provider monitors the operational costs through the SAP system.	The service provider monitors the operational costs through the SAP system.	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating	
5.6	Staff receive training commensurate with their responsibilities	Staff perform tasks for which they are not trained	<ul style="list-style-type: none"> SMA Service Management Agreement Training schedule; ancillary requirements to detailed operational criteria International training standard used for Vestas employees Train staff as appropriate 	Strong	Priority 2	Review staff training (Technical Documentation Class 2 NM Turbine), HV Procedures and interview Site Supervisor. Review Training Register	The service provider operates its own training regime from a centralised location. We examined the certification of staff during the audit	<p>We examined the training records of the staff on site and found that the documentation was lacking. Initially a high level review was undertaken that examined the first aid training and vehicle training. We found that according to the records kept on site we were not able to determine who had in date certification or who required refresher courses. The auditor would like to highlight that we believe that the training has been undertaken and this pertains to a record keeping issue. Specific details are given below.</p> <p>First aid training. We examined the list of authorised first aider on site and found that according to the documentation, 3 certifications had expired. We were not able to sight copies of the certificate nor were we able to confirm that the training had been undertaken,</p> <p>Forklift truck certification - We examined the list of personnel who were listed as having a licence to drive a forklift truck. As above, we were not able to sight copies of licences for fork lift truck drivers, however, some of the drivers had their licence on them.</p> <p>Visiting technicians - Vestas utilise technicians that are based on other wind farms or other countries. A site induction is undertaken and a requirement is that copies of licences are obtained. We found that an attending technician had not supplied copies of the forklift truck licence and did not have the licence on them.</p> <p>We have no reason to believe that the person is not authorised, however we do believe that the inability to note who has a licence to an unacceptable risk.</p> <p>We understand that Vestas are in the process of implementing a central system for all documentation and licensing, but the site supervisors do not have access to all visiting technicians, therefore are unable to verify that that appropriate training as been undertaken and is in date.</p>	C Requires significant improvement	3 Corrective action required	
6	Maintenance functions relate to the upkeep of assets and directly affect service levels and costs.										
6	Sam Dodd - Compliance and Regulatory Manager IE Area Service Manager Vestas				Site and Technical Manager IE Site Supervisor Vestas						
6.1	Maintenance plans cover the scheduling and resourcing of the maintenance tasks so that work can be done on time and on cost.	Maintenance tasks not done on time or on cost	Maintenance program	Strong	Priority 4	Review Maintenance Program. Review Service Records WTG1-54	The service provider presented maintenance plans based around current staff members on site. Where additional staff is required the service provider has access to staff from other wind farms.	We sighted the 2010 / 2011 schedule of works for Walkaway Wind Farm. Maintenance schedules are available in the addendum to the SMP.	A Adequately defined	1 Performing effectively	
6.2	Maintenance policies and procedures are documented and linked to service levels required	Service levels not consistently achieved	Maintenance program	Moderate	Priority 4	Review maintenance policies and procedures Review maintenance programs (Technical Documentation Class 2 NM Turbine 1 May 2007); WTG check sheets HV Procedures (Network Access Agreement Connection Agreement and EPC/WOM. Monthly Asset Reports.	Maintenance policies and procedures are contracted to the service provider via the Service Management Agreement (SMA)	The service provider has linked their maintenance and performance to provide the services as defined in the SMA.	A Adequately defined	1 Performing effectively	
6.3	Regular inspections are undertaken of asset performance and condition	Asset performance and condition unknown	Inspect assets regularly	Moderate	Priority 4	Review WTG check sheets, service schedule, C service schedule and Monthly Contractor Reports.	The service provider undertakes regular inspections of all the assets and a program of works was presented for the next 18 months.	The 18 month program of works was sighted and reviewed and found to be adequate	A Adequately defined	1 Performing effectively	
6.4	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	Maintenance tasks not done on time, in sequence or correctly	Document maintenance plans and completed on schedule	Strong	Priority 2	Review maintenance plans and scheduled WTG check sheets, B service schedule, C service schedule and Monthly Contractor Report. Interview with Site Supervisor	The service provider identifies corrective and preventative maintenance in a single spreadsheet along with all inspections and tests. This was sighted for the 2010/2011 period	The 18 month program of works was sighted and reviewed and found to be adequate	A Adequately defined	1 Performing effectively	

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating	
6.5	Failures are analysed and operational/maintenance plans adjusted where necessary	Failures are repeated	Analyse failures for route cause and adjust operational/maintenance plans where necessary	Strong	Priority 2	Review Monthly Asset Reports. Review correspondence from contractor. Review Service Documentation WTG1-54. Review Contractor Component failure Reports. Interview Site and Technical Manager IE Area Service Manager Vestas Site Supervisor Vestas	The maintenance service provider generates Component Inspection Reports that identify faults on assets. Where a common failure is identified a Component improvement management (CIM) case is generated by the service provider to allow improvements Should an asset fail, the process would generate a work order and the asset is replaced. Commissioning and testing documents are generated and stored	We examined CIM failures on a gear box, the CIM documentation was managed centrally and a strategy was developed to repair the defect. The level of information entered into SAP could be more detailed to facilitate traceability	A Adequately defined	2 Opportunity for improvement	
6.6	Risk management is applied to prioritise maintenance tasks	Unimportant tasks performed before important tasks	<ul style="list-style-type: none"> Apply risk management to prioritise maintenance tasks Maintenance plans adequately documented 	Strong	Priority 4	Interview with Site Supervisor Review of maintenance records.	The SCADA system allows for real time monitoring of the wind turbine generators. This is monitored and the Site Supervisor is able to prioritise work to ensure that the risk and service level is maintained. The service level is described in the SMP between Infigen and the service provider	We sighted the annual maintenance plans that included priority including additional staffing levels for major outages	A Adequately defined	1 Performing effectively	
6.7	Maintenance costs are measured and monitored	Maintenance costs too high	Measure and monitor maintenance costs	Weak	Priority 5	Maintenance costs are fixed under EPC and risk is not realised by WPP.	maintenance costs are monitored centrally through the SAP system	We sighted maintenance schedules and found to be adequate	A Adequately defined	1 Performing effectively	
7	An asset management information system is a combination of processes, data and software that support the asset management functions.										
7	Sam Dodd - Compliance and Regulatory Manager IE Area Service Manager Vestas				Site and Technical Manager IE Site Supervisor Vestas						
7.1	The asset management information system provides authorised, complete and accurate information for the day-to-date running of the asset management system. The focus of the review is the accuracy of performance information used by the licensee to monitor and report on service standards.	Service levels not consistently achieved	Provide asset management information system	Strong	Priority 4	Review asset management aspects of the SCADA system	The SCADA system allows for real time monitoring of the wind turbine generators. This is monitored and the Site Supervisor is able to prioritise work to ensure that the risk and service level is maintained. SAP has been recently introduced to manage the assets	SCADA allows for real time monitoring and prioritisation of asset maintenance. We examined records for turbine 213330 and 213339 and found that all the components are identified in the MIMS along with serial numbers and location. SAP also includes every maintenance report that has been undertaken on the asset since its implementation (SAP was implemented Sept 2008)	A Adequately defined	1 Performing effectively	
7.2	Adequate system documentation for users and IT operators	Service levels not consistently achieved	Document system	Strong	Priority 4	Review SCADA Documentation	Infigen and Vestas have a well established IT policy and procedure system.	We reviewed the IT policy and found it to be sufficient.	A Adequately defined	1 Performing effectively	
7.3	Input controls include appropriate verification and validation of data entered into the system	Incorrect data entered into system	Verify input data	Weak	Priority 3	Monthly Performance Reports for Validation.	Data from SCADA is collected automatically for real time running data Maintenance data is now entered into SAP that includes data checks. The service provider has introduced a monitoring system (VTM) to monitor the performance of the asset.	Data is collected automatically for real time running data. Maintenance data is now entered into SAP that includes data checks. We reviewed several entries and found that them to be accurate	A Adequately defined	1 Performing effectively	
7.4	Logical security access controls appear adequate, such as passwords	Unauthorised access to system	Apply and maintain security access control	Moderate	Priority 2	Review security access control and interview Regional Asset Manager.	Only authorised personnel can access the data management system	We tested log on ability and found that they were sufficient	A Adequately defined	1 Performing effectively	
7.5	Physical security access controls appear adequate	Unauthorised access to equipment	Apply and maintain security access control	Moderate	Priority 2	Review security access control and interview Australian Asset Manager.	The IT system is housed in the site office which is air-conditioned and locked when unattended. The site compound has a security fence and the gates are locked when the site office is unattended Only personnel with the relevant access code have access to the IT system. Site security is adequate for a remote location with the site office locked over night and the compound secured. We did note two issues: 1) Site vehicle was stationary with the keys in the ignition during the day. The is the possibility that an unauthorised person	The Security of the IT system was observed to be adequate Site security is adequate for a remote location with the site office locked over night and the compound secured. Access to the IT system was by personnel with the relevant access code We did note two issues: 1) Site vehicle was stationary with the keys in the ignition during the day. The is the possibility that an unauthorised person can access the vehicle	B Requires some improvement	2 Opportunity for improvement	

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
							can access the vehicle 2) Fuel kept outside the compound in a container that was not locked. A new chemical shed has been constructed however during the audit the chemicals were stored outside the compound	2) Fuel kept outside the compound in a container that was not locked. A new chemical shed has been constructed however during the audit the chemicals were stored outside the compound		
7.6	Data backup procedures appear adequate	Complete loss of data or very old data available after systems failure	Back up data regularly	Strong	Priority 2	Review backup procedures and witness backup tapes in "B" Class Safe.	Data is backed up overnight and duplicated on site	Data is backed up overnight and duplicated on site	A Adequately defined	1 Performing effectively
7.7	Key computations related to licensee performance reporting are materially accurate	Service levels not consistently achieved	Ensure licensee performance reporting are materially accurate	Moderate	Priority 4	Review accuracy of performance reporting from SCADA system and monthly reports	Metering data is used to verify performance and is accessible by WWP.	Metering data is used to verify performance and is accessible WWP	A Adequately defined	1 Performing effectively
7.8	Management reports appear adequate for the licensee to monitor licence obligations	Service levels not consistently achieved	Ensure management reporting are materially accurate	Moderate	Priority 4	Review management reporting as given in monthly reports	Infigen have engaged a specific Regulatory and Compliance Manager to monitor, address and report on licensee issues and obligations. The Regulatory and Compliance Manager informs the COO of any issues and licence requirements as needed.	The Regulatory and Compliance Manager proactively manages issues and reports on an exception basis. We found that this is an appropriate approach for this business.	A Adequately defined	1 Performing effectively
8	Risk management involves the identification of risks and their management within an acceptable level of risk.									
8	Sam Dodd - Compliance and Regulatory Manager IE Area Service Manager Vestas Site and Technical Manager IE Site Supervisor Vestas									
8.1	An effective risk management framework is applied to manage risks related to the maintenance of service standards	Ineffective risk management process leads to failure to management risks in regards to maintenance service standards	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Developed a risk management process Management Committee meeting Corrective action process 	Strong	Priority 4	<ul style="list-style-type: none"> Asset Management Plan Service Management Plan 	Service Management Plan (SMP) Service Schedule Component Improvement Management (CIM) Competent Technicians Current risk management processes are undertaken by the service provider and is actioned through the Service Management Plan (SMP). The current SMP concludes in February 2011 and Infigen presented documents for continuing operations, namely: 1) Draft Asset Management Plan 2) Draft Operational Plan The Plans were in draft form and included all of the key elements to be expected in an AMP and Operational Plan. In relation to this clause the AMP includes a section on risk management and mitigation.	The current Service Provider has a well established Asset Management Plan and Service Management Plan in place. Assets are regularly serviced in accordance with the Service Schedule. Components that are identified as having a potential to fail are monitored and replaced under CIM. . Support reporting identified that asset management and condition management was undertaken. Looking forward, Infigen have initiated the development of a replacement AMP and Ops Plan once the wind farm has completed its warranty period in 2011. At this stage the auditor believes that this is an appropriate level of detail 12 months prior to the new AMP and Ops Plan being implemented.	A Adequately defined	1 Performing effectively
8.2	Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system	Ineffective or misapplication of risk management procedures to asset management system	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Developed a risk management process Management Committee meeting Corrective action process Link between risk management and asset management process 	Strong	Priority 4	<ul style="list-style-type: none"> Asset Management Plan Service Management Plan 	Current risk management processes are undertaken by the service provider and is actioned through the Service Management Plan (SMP). The current SMP concludes in February 2011 and Infigen presented documents for continuing operations, namely: 1) Draft Asset Management Plan 2) Draft Operational Plan The Plans were in draft form and included all of the key elements to be expected in an AMP and Ops Plan. In relation to this clause the AMP includes a section on risk management and mitigation.	The current Service Provider has a well established Asset Management Plan and Service Management Plan in place. Assets are regularly serviced in accordance with the Service Schedule. Components that are identified as having a potential to fail are monitored and replaced under CIM. . Support reporting identified that asset management and condition management was undertaken. Looking forward, Infigen have initiated the development of a replacement AMP and Ops Plan once the wind farm has completed its warranty period in 2011. At this stage the auditor believes that this is an appropriate level of detail 12 months prior to the new AMP and Ops Plan being implemented.	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
8.3	Risks are documented in a risk register and treatment plans are actioned and monitored	Failure to capture risks within risk register processes	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Developed a risk management process Management Committee meeting Corrective action process 	Strong	Priority 4	Review Plans for Risk Register	<p>Current risk management processes are undertaken by the service provider and is actioned through the Service Management Plan (SMP). Component Improvement Management (CIM)</p> <p>The current SMP concludes in February 2011 and Infigen presented documents for continuing operations, namely:</p> <ol style="list-style-type: none"> Draft Asset Management Plan Draft Operational Plan <p>The Plans were in draft form and included all of the key elements to be expected in an AMP and Ops Plan. In relation to this clause the AMP includes a section on risk management and mitigation.</p>	<p>The current Service Provider has a well established Asset Management Plan and Service Management Plan in place. Components that are identified as having a potential to fail are monitored and replaced under CIM.</p> <p>Support reporting identified that asset management and condition management was undertaken.</p> <p>Looking forward, Infigen have initiated the development of a replacement AMP and Ops Plan once the wind farm has completed its warranty period in 2011. At this stage the auditor believes that this is an appropriate level of detail 12 months prior to the new AMP and Ops Plan being implemented.</p>	A Adequately defined	1 Performing effectively
8.4	The probability and consequences of asset failure are regularly assessed	Inadequate review of asset failures	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Developed a risk management process Management Committee meeting Corrective action process 	Strong	Priority 4	Asset Management Plan	<p>Failure modes are monitored by the service provider and assessments are made to establish any type faults. Any potential type faults are investigated and mitigation strategies are put in place.</p>	<p>The maintenance service provider generates Component Inspection Reports that identify faults on assets. Where a common failure is identified a continuous improvement management (CIM) case is generated by the service provider to allow improvements.</p> <p>These reports are managed on a company wide basis and allow for similar fault types to be identified and investigated</p> <p>Should an asset fail, the process would generate a work order and the asset is replaced.</p>	A Adequately defined	1 Performing effectively
9.0	Contingency plans document the steps to deal with the unexpected failure of an asset.									
9.0	Sam Dodd - Compliance and Regulatory Manager IE Area Service Manager Vestas									
	Site and Technical Manager IE Site Supervisor Vestas									
9.1	Contingency plans have been developed and tested to minimise any significant disruptions to service standards.	Service levels worse than expected following failures	<ul style="list-style-type: none"> SMP Service Management Plan Contingency planning included in risk assessment Included as elements of AMS 	Strong	Priority 2	Review the following with the Site and Technical Manager IE Area Service Manager Vestas Site Supervisor Vestas <ul style="list-style-type: none"> EPC/SMA SMP Service Management Plan Monthly Reports 	<p>Contingency plans are in place and cover asset failure. These include call out arrangements for overnight and weekend staff. Offsite storage facilities.</p> <p>The service provider monitors the failures and procures supplies to ensure suitable spares.</p>	<p>Discussions with the site supervisor established that the contingency plans are in place managed. In our opinion they are sufficient for this installation.</p> <p>The emergency response procedure is an addendum to the SMP evidence was sighted of regular drills being undertaken.</p>	A Adequately defined	1 Performing effectively
9.2	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	Service levels worse than expected following failures	<ul style="list-style-type: none"> SMP Service Management Plan Emergency Response Plan Emergency drills Contingency planning included in risk assessment Include as elements of AMS 	Strong	Priority 2	Review the following with the Site and Technical Manager IE Area Service Manager Vestas Site Supervisor Vestas <ul style="list-style-type: none"> SMP Service Management Plan Emergency Response Plan Emergency drills 	<p>The service provider has established a contingency plan and includes covering higher risks. Specifically on-site stores have been established with a second offsite storage facility that can have supplies on site within 72 hours.</p>	<p>We interviewed the site supervisor about contingency plans and we found that they were understood and that off site access was available.</p> <p>Through the SMA the service provider maintains a minimal level of stock of spare parts.</p>	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
10	The financial planning component of the asset management plan brings together the financial elements of the service delivery to ensure its financial viability over the long term.									
10	Perry Wright - Australian Asset Manager IE Sam Dodd - Compliance and Regulatory Manager IE Geoff Dutailis - Chief Operations Officer IE									
10.1	The financial plan states the financial objectives and strategies and actions to achieve the objectives	Financial objectives and strategies not documented appropriately in financial plan	<ul style="list-style-type: none"> Risk assessment link to budgeting process Monthly Report includes an analysis and commentary of the Financial Plan, forecast figures with actual expenditure, revenue analysis included within report 	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs	Source of funds for Capital and Operational expenditures not identified or documented	<ul style="list-style-type: none"> Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets)	Inadequate financial plan	Financial Reports are maintained in the Monthly Report provide projections of P&L Statements and Balance Sheets	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively
10.4	The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period	Inadequate financial plan	<ul style="list-style-type: none"> Cash Call process established for Operational and Capital Expenditure Financial Reports are maintained in the Monthly Report provide projections of P&L Statements and Balance Sheets 	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services	Inadequate financial plan	Expenditure for operations and maintenance, administration and capital requirements of the services are detailed within the financial plan	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively
10.6	Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary	Corrective action not taken when significant variances in actual/budget income and expenses occurred	<ul style="list-style-type: none"> Financial Plan covered within Business Plan Risk assessment link to budgeting process 	Strong	Priority 5	Documentation and Plans to be reviewed Head Office Sydney	The auditor viewed the short term financial plans and objectives.	<p>We sighted Alinta FY10 budget V2.4.xls) and the long term plans (sighted GWP Walkaway model 09-09-04 final audit.xls).</p> <p>In addition we sighted financial reports and analysis that allowed revenue and expenditure to be reported on a macro and micro level...</p> <p>The revenue objectives were also identified and how the business was tracking against those objectives</p>	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
11	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. 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 usually be based on firm estimates									
11	Perry Wright - Australian Asset Manager IE Sam Dodd - Compliance and Regulatory Manager IE Geoff Dutailis - Chief Operations Officer IE									
11.1	A capital expenditure plan that provides reliable forward estimates of capital expenditure and asset disposal income, supported by documentation of the reasons for the decisions and evaluation of alternatives and options.	Inadequate Capital Expenditure plan	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Capital and operational expenditure systems for 10 years Asset life plan predicts costs over life of asset Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 4	Review capital expenditure plan and decision process with Perry Wright - Australian Asset Manager IE Geoff Dutailis - Chief Operations Officer IE	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
11.2	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates	Inadequate Capital Expenditure plan	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Nature of JV agreement Capex and OPEX systems for 10 years Asset life plan predicts costs over life of asset Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 4	Documentation and Plans to be reviewed Head Office Sydney	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
11.3	The plan provides reasons for capital expenditure and timing of expenditure	Inadequate Capital Expenditure plan	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Capital and operational expenditure systems for 10 years Asset life plan predicts costs over life of asset Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 4	Documentation and Plans to be reviewed Head Office Sydney	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
11.4	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan	Inadequate Capital Expenditure plan	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Capital and operational expenditure systems for 10 years Asset life plan predicts costs over life of asset Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 4	Documentation and Plans to be reviewed Head Office Sydney	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively

Ref	Details / Requirements	Inherent Risk (i.e. no controls)	Existing Controls	Adequacy of Existing controls Rating	Audit Priority	Verification / Tests	Process & Policy definition	Performance	Process & Policy definition adequacy rating	Performance Rating
11.5	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned	Inadequate Capital Expenditure processes to ensure update of plan	<ul style="list-style-type: none"> SMA Service Maintenance Agreement Capital and operational expenditure systems for 10 years Asset life plan predicts costs over life of asset Risk assessment link to budgeting process Cash Call process established for Operational and Capital Expenditure 	Strong	Priority 4	Documentation and Plans to be reviewed Head Office Sydney	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
12	The asset management system is regularly reviewed and updated.									
12	Perry Wright - Australian Asset Manager IE					Geoff Dutailis - Chief Operations Officer IE				
12	Sam Dodd - Compliance and Regulatory Manager IE									
12.1	Review of the Asset Management System to ensure the effectiveness of the integration of its components and their currency.	Inadequate review processes for AMS	<ul style="list-style-type: none"> Compliance Manual Annual Review Management Meeting review Asset Management Plan ERA requirements Corporate governance requirements 	Strong	Priority 5	<ul style="list-style-type: none"> Review the following Compliance Manual Management Meeting review Asset Management Plan ERA requirements Corporate governance requirements 	The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).	<p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
12.2	A review process is in place to ensure that the Asset Management Plan and the Asset Management System described therein are kept current	Inadequate review processes for AMS	<ul style="list-style-type: none"> Compliance Manual Annual Review Management Meeting review Asset Management Plan ERA requirements Corporate governance requirements 	Strong	Priority 5	<ul style="list-style-type: none"> Review the following Compliance Manual Management Meeting review Asset Management Plan ERA requirements Corporate governance requirements 	<p>Service Management Agreement</p> <p>Service Management Plan</p> <p>Monthly Reporting</p> <p>Inspection Schedule</p> <p>Audit Schedules</p> <p>Audit reporting</p> <p>Compliance calendar</p> <p>The current arrangements are for the service provider to manage the capital expenditure plan under a Service Management Plan (SMP). This contract completes in February 2011 and Infigen have provided evidence of plans for the next step. (Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010).</p>	<p>Monthly inspections are conducted by the service provider and WWP</p> <p>The service provider issues a monthly report to Infigen for review of operations related to asset management.</p> <p>The service provider conducts an annual internal audit and issues to Infigen for review.</p> <p>WWP conducts an annual audit for review by Infigen</p> <p>An external ERA audit is conducted every 2 years.</p> <p>Reports of the above were available</p> <p>Compliance is monitored and reported by the Compliance and Regulatory Manager with reference to the compliance calendar</p> <p>Generation Business Unit Strategy, Plan & Agreed Priorities dated February 2010.</p> <p>The strategy identifies a timeline and a strategy for the completion of the current SMP. The expected timing is that a new plan would be implemented approximately 3 months prior to the SMP completing.</p> <p>The supporting documentation from Infigen supports a strategy is being created to establish plans, decisions and evaluations for the future of the wind farm. The auditors view is that this is an acceptable level at this stage of the process.</p>	A Adequately defined	1 Performing effectively
12.3	Independent reviews (e.g. internal audit) are performed on the Asset Management System	Inadequate review processes for AMS	<ul style="list-style-type: none"> Compliance Manual Independent 3rd Party Audit Plan 	Strong	Priority 5	<ul style="list-style-type: none"> Compliance Manual independent 3rd Party Audit Plan independent 3rd Party Audit Report 	<p>Infigen undertake annual internal audits conducted by a third party lead auditor.</p> <p>Infigen conduct monthly internal audits</p> <p>Vestas conduct annual internal audits.</p>	<p>Annual internal reports were provided by Infigen and Vestas.</p> <p>Monthly audit reports were provided along with action plans and supporting evidence identifying that the issues raised in the monthly audits were resolved.</p> <p>The monthly audits covered:</p> <p>OH&S</p> <p>Asset Management</p> <p>Operations Management</p> <p>Performance of the assets</p>	A Adequately defined	1 Performing effectively

APPENDIX 3 – 2008 Audit/Review Post Audit Implementation Plan

Ref	Description	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
81	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Review is now being undertaken and will be completed within the prescribed time. However, the implementation of the audit was reactionary to a note sent by the ERA and not planned.	Identify compliance requirement in the compliance manual. Include audit schedule dates.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement for scheduled audits is included.
83	A licensee must notify details of the asset management system and any substantial changes to it to the Authority.	The original application 'ERA-APP for generation licence September 05.pdf' sighted which contained the asset management plan. The latest asset management plan was sighted on site version 'Service plan and check list V82; No: CHL 8000447; number 21311'. No significant changes has been identified between the original and the current version	Identify compliance requirement in the compliance manual i.e. The authority must be notified of substantial changes.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement for notification to the authority of substantial changes has been included.
84	A licensee must provide the Authority 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 Authority.	Review is currently underway by PB and DDMC	Identify compliance requirement in the compliance manual. Include audit schedule dates.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement for scheduled audits is included.
85	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Licence granted on 27 January 2006 and the requirement is for the invoices to be paid by 28 February of each year. Invoices for 2006 and 2007 period were sighted. The 2006 invoice - Inv No 074 - was issued by ERA on 08 February 2006 and authority to pay was given on 01 March 2006. The 2007 invoice - Reference ERA005 - was issued on 15 May 2007 and authorised to pay on 02 July 2007. The requirement is to pay the invoice within one month of the licence being granted, however this does not appear to have occurred. A grading of 3 is given as all invoices have been paid, abet late.	Identify compliance requirement in the compliance manual. Include payment dates as part of the schedule of events	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement to pay licence fees is included.
86	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	Review of the Service Management Plan (SMP). The SMP provides an overview of systems in place at WWP for the safe management and control of incidents that are likely to occur. The latest version was issued on 10/05/2007, but some of the contact details are out of date.	Annual review of the details within the SMP. Include review dates as part of the schedule of events.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement for an annual review of the SMP is included.
429	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	WWP has not changed any of the site attributes. However, we did not identify a process in place to ensure that the timeframes would be met.	Identify compliance requirement in the compliance manual. Include timeframes in the schedule of events to ensure regulatory timeframes are met.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed. The requirement for notification of the network operator following changes to prescribed attributes of the site is included.

Ref	Description	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
469	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	Western Power is the metering service provider on behalf of WWP. However, we did not identify any process in place to ensure that the details would reach the operator in the prescribed time.	Identify compliance requirement in the compliance manual. Include timeframes in the schedule of events to ensure regulatory timeframes are met.	Develop and implement the compliance manual. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A compliance manual has been developed and the requirement to notify the network operator of any change in contact details has been included.

Ref	Details/Requirements	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
1.1	Integration of asset strategies into operational or business plans will establish a framework for existing and new assets to be effectively utilised and their service potential optimised.	The Australian Asset Management Plan defines the strategy of the business and how the strategy will be implemented at each development stage. The Operational Plan and the System Management Plan (Vestas) support the Australian Asset Management Plan. These documents identify how the assets (i.e. WWP) will be managed. The documents are aligned with the overall business strategy. The Australian Asset Management Plan is well defined, but out of date (dated December 2006). The Operational Plan is also well defined but is currently in draft format. The System Management Plan was recently updated (10-4-2008). All the documents are available and clearly articulate the strategy of the business, but two of the documents require updating.	Update the Australian Asset Management Plan and update the Operational Plan	Review Australian Asset Management Plan and the Operational Plan annually and incorporate amendments. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	Current updated Infigen Energy Asset Management Plan is published on the Infigen Energy Asset Management Web Site. Revision 7 Issue date: September 2009 Sighted the current updated Alinta Operational Guide. Rev 2 Issue date: 24-06-2008 The Infigen Energy Asset Management Plan and Alinta Wind Farm Operational Guide will be reviewed annually in accordance with the Compliance Manual.
1.2	Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning	The Australian Asset Management Plan in conjunction with the Operational Plan identifies the needs of the stakeholders and addresses how the business will meet the needs of the stakeholders. Both plans address the needs of the financial stakeholders (shareholders) and the needs of the stakeholders pertinent to the site (for example landowners). However, the Australian Asset Management Plan was completed in December 2006 and is in the process of being updated. The Operational Plan is in draft form. Both plans define the needs of the stakeholders, but require updating.	Update the Australian Asset Management Plan and update the Operational Plan	Review Australian Asset Management Plan and the Operational Plan annually and incorporate amendments. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	Current updated Infigen Energy Asset Management Plan is published on the Infigen Energy Asset Management Web Site. Revision 7 Issue date: September 2009 Sighted the current updated Alinta Operational Guide. Rev 2 Issue date: 24-06-2008 The Infigen Energy Asset Management Plan and Alinta Wind Farm Operational Guide will be reviewed annually in accordance with the Compliance Manual and any amendments incorporated.
1.5	Lifecycle costs of owning and operating assets are assessed	Vestas are the contracted operator and maintenance manager for the wind farm. Under this contract, lifecycle costs are the responsibility of Vestas. The contract commenced on 26 January 2006 and is in place for a five year period. The life cycle costs are currently being accessed to establish the costs on completion of the five year WOM contract.	Complete the life cycle costs to cover the period after the five year WOM contract	Review and determine the life cycle costs to cover the period after the five year WOM contract. Responsibility: Regional Asset Manager. Due Date: 30 April 2009	Operations and maintenance contracts will be negotiated with appropriate parties at a time approaching end of the current contract. Allowances of the current costs plus approximate increase of cost of 10% per annum and CPI will be factored in.
1.6	Funding options are evaluated	Vestas are the contracted operator and maintenance manager for the wind farm. Under this contract, funding options are agreed for the five year period. In the contract services levels are specified and performance requirements are stated. The contract commenced on 26 January 2006 and is in place for a five year period.	Complete the funding options for the period after the completion of the WOM	Review and determine the funding options for the period after the completion of the WOM. Responsibility: Regional Asset Manager. Due Date: 30 April 2009	Funding options will be planned with the owners' financiers. For the Financial Year 09 the following was reported by Infigen Energy; Revenue: Increased 24.2% to \$315.8 million EBITDA after corporate costs: Increased 27.6% to \$199.1 million Balance Sheet: Significant cash balances of \$405 million at financial year end. No asset impairments. No re-financing requirement or unfunded commitments.

Ref	Details/Requirements	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
1.7	Costs are justified and cost drivers identified	Vestas are the contracted operator and maintenance manager for the wind farm. Under this contract, funding options are agreed for the five year period. In the contract service levels are specified and performance requirements are stated. The contract commenced on 26 January 2006 and is in place for a five year period.	Identify cost drivers for the period after the completion of the WOM	Review and determine cost drivers for the period after the completion of the WOM. Responsibility: Regional Asset Manager. Due Date: 30 April 2009	The drivers for costs are as follows; Maintenance & Operations costs, Material upgrade costs & CPI increases. Data for the cost drivers will partly be sourced from the O&M costs over the 5 previous years.
1.9	Plans are regularly reviewed and updated	The Service Management Plan (SMP) is reviewed on an annual basis. This is supported with a third party audit - the last third party audit was in December 2006. The 2007 third party audit was deferred as audit recommendations were not completed. Turbine Service manuals are updated on a monthly basis by Vestas. The information is supplied via CD.	Schedule and conduct a third party audit.	Schedule and conduct an audit of site operation and follow up previous audit recommendations. Responsibility: Regional Asset Manager. Due Date: June 2008	The Service Management Plan (SMP) is scheduled to be reviewed annually in accordance with the Compliance Manual. Revision C issue date: 12-05-2008 Annual third party site audits are scheduled for WWP in accordance with the Compliance Manual. A third party site audit has been conducted and reported on the 26-05-2008 by Doug Davies at WWP to review and determine actions required. A follow up third party site audit has been conducted and reported on the 30-06-2008 by Doug Davies at WWP to verify implementation of the actions required.
4.4	Compliance with statutory and regulatory requirements	Compliance with statutory and regulatory compliance is a requirement of the maintenance agreement. We did not identify any process for ensuring that statutory or regulatory requirements were met, but we did not have any reason to doubt that they were being met.	Create a compliance manual that includes proactive confirmation that regulatory and statutory requirements are met	Develop and implement the compliance manual. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	A Compliance Manual has been developed.
5.2	Operational policies and procedures are documented and linked to service levels required	The maintenance service provider did present a documented procedure that was linked to the operational policies. We were able to confirm that the scheduled maintenance periods were being applied. However, some of the completed maintenance schedules were incomplete or missing.	Ensure documentation is available to support the regular inspections conducted.	Review and implement the record management system. Responsibility: Regional Asset Manager Due Date: 30 June 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. Implementation and recording of scheduled maintenance was verified for all WTGs.
5.3	Risk management is applied to prioritise operations tasks	The SCADA system allows for real time monitoring of the wind turbine generators. This is monitored and the site supervisor is able to prioritise work to ensure that the risk and service level is maintained. However, we examined environmental aspects, OH&S, vehicles, harnesses, calibration and electrical testing and found some of the documentation to be lacking. Environmental Aspects - we found that there had been an oil spill on site. Appropriate measures and documentation were in place, but we found that two additional spills had occurred, but not recorded. Therefore we are unable to ascertain if the appropriate response had occurred or the extent of the spill and what the response should be. We note that temporary storage was brought in for oil. A	Introduce appropriate checks and processes to ensure that the site meets environmental, electrical and other requirements.	Schedule and conduct an audit of site operation to follow up previous audits and identify areas requiring improvement. Responsibility: Regional Asset Manager. Due Date: June 2008	A third party site audit has been conducted and reported on the 26-05-2008 by Doug Davies at WWP to review and determine actions required. A follow up third party site audit has been conducted and reported on the 30-06-2008 by Doug Davies at WWP to verify implementation of the actions required. Environmental Aspects Minor spills have been assessed and cleaned up and no further action or reporting was deemed necessary. Adequate temporary bunding has been established in sealed containers and all hazardous substances are stored in these containers. There

Ref	Details/Requirements	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
		<p>requirement of oil storage is that there is sufficient bunds in place to hold the oil should a leak occur. In our opinion the bunding for the current storage is insufficient for the volume of stored oil.</p> <p>We also noted that temporary bunds are being used on site, however, the bunds are outside and at risk to overflow should it rain.</p> <p>Harnesses - monthly checks are completed on harnesses and the test sheets were stored and made available, this is an appropriate proactive move to ensure that harnesses are suitable for the task. However, we were not able to identify if all the harnesses were tested as there was no single register or reconciliation to ensure that all the harnesses had been tested.</p> <p>Calibration - we were shown a list of calibrated equipment on site, this was reconciled against a list of items that needed testing. However, we found one minor issue where a recently tested item had returned from calibration, but the 'date of next test' had not been completed.</p> <p>Therefore a user of the equipment would not be able to confirm that they were using an appropriately calibrated meter.</p> <p>Internal auditing process - we were not able to identify that any internal audits had been conducted nor was there a schedule to identify when the audits were due. A site inspection had been carried out on 10/04/08, but this does not meet the requirements of an internal audit</p> <p>Vehicles - we were shown monthly check sheet for all the vehicles that are undertaken by the staff, but the vehicle log books were not available for inspection, so we were not able to establish when the vehicles were last maintained inspected.</p> <p>Electrical testing - portable appliance tests are conducted on site, but we were not able to identify a single register of equipment on site. Additionally, on a brief inspection of the site we identified several items that had not been tested.</p>			<p>is adequate Hazchem signage on the containers. A permanent enclosed concrete bunded area is being designed for construction. A concrete slab with a silt pit is also being designed for a work area in front of the workshop to contain all spills.</p> <p>Harnesses A Harness Register has been developed that identifies all harnesses and when they have been tested to ensure that all the harnesses had been tested prior to use.</p> <p>Calibration A Tool Calibration Register has been developed for each service van and the workshop identifying all calibration equipment, serial number and date due for calibration. All calibrated equipment has been identified with the due date for calibration. All calibration equipment requiring calibration has been identified and forwarded for calibration. Current calibration certificate for calibration equipment are maintained on site.</p> <p>Internal auditing Vestas internal audits are scheduled annually in accordance with the Compliance Manual. An internal audit was conducted and recorded on the 14-07-2008.</p> <p>Vehicles A Service Vehicle Register has been developed for each service van and the fork lift identifying service date due. The next service date is identified in the wind screen of each vehicle. The service documentation from the service contractor is maintained as evidence of service conducted.</p> <p>Electrical testing Electrical Testing Registers have been developed for all electrical equipment identifying equipment description and due dates. All electrical equipment is tested by a registered electrician and tagged and recorded on the register.</p>
5.6	Staff receive training commensurate with their responsibilities	<p>Staff knowledge - we were not able to establish how the knowledge of the staff was documented and recorded. We did not view the following: Training matrix identifying training and training needs, training records and records of competencies (i.e. qualified electrician). It was reported that copies were kept at the main office in Melbourne and were not accessible from site.</p>	Copies of relevant Position descriptions, records of competencies, training needs and training records to be maintained on site.	<p>Vestas to provide a copy of these documents immediately and maintain copies on site. Responsibility: Regional Asset Manager.</p> <p>Due Date: May 2008</p>	<p>A third party site audit has been conducted and reported on the 26-05-2008 by Doug Davies at WWP to review and determine actions required. A follow up third party site audit has been conducted and reported on the 30-06-2008 by Doug Davies at WWP and verified that organisational structure, personnel competencies, inductions and training documents are maintained</p>

Ref	Details/Requirements	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
					and are available on site.
6.3	Regular inspections are undertaken of asset performance and condition	The service provider undertakes regular inspections of the assets under the WOM. On inspecting the documentation to support that the inspections had been undertaken, we found gaps in the records. We examined 10 Wind turbine files and found that the documentation for the tests that had been undertaken in the last 4 months were not present, but were stored in a different place. We also found 2 missing reports that could not be located.	Ensure documentation is available to support the regular inspections conducted.	Review and implement the record management system. Responsibility: Regional Asset Manager. Due Date: 30 June 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. Implementation and recording of scheduled maintenance was verified for all WTGs.
7.1	The asset management information system provides authorised, complete and accurate information for the day-to-date running of the asset management system. The focus of the review is the accuracy of performance information used by the licensee to monitor and report on service standards.	Vestas maintain an Asset Management information System linked to their head office in Melbourne and Denmark. The database (VSS) collates information on all the assets as replaced assets can only be ordered from the head office. As Vestas are the contracted maintenance service provider we were not able to review the details within the database, but we were able to review the datasheets used prior to the information being entered into the system. From the review of the check lists, we found that some of the original check lists were incomplete or missing. Therefore, we were unable to verify that the AMIS system would have been completed accurately.	Ensure documentation is available to support data entry requirements and data entry is verified and recorded.	Review and implement the record management system. Responsibility: Regional Asset Manager Due Date: 30 June 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. Implementation and recording of scheduled maintenance was verified for all WTGs.
7.3	Input controls include appropriate verification and validation of data entered into the system	We were not able to review the AMIS system as this is an internal process for Vestas. However, Vestas are under contract (WOM) to provide measurable services, which are monitored by WWP. We do note that check lists used during maintenance events were incomplete or missing from the file. Although we do not doubt that the maintenance was undertaken, but we are not able to confirm that the data entered into the database was complete.	Ensure documentation is available to support data entry requirements and data entry is verified and recorded.	Review and implement the record management system. Responsibility: Regional Asset Manager. Due Date: 30 June 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. Implementation and recording of scheduled maintenance was verified for all WTGs.
7.8	Management reports appear adequate for the licensee to monitor licence obligations	On review, we were not able to establish if a management report has been generated that records and identifies licence obligations. We understand that notification of a licence breaches is received from the Regulator (ERA) and this breach is then investigated and resolved. (For example a voltage drop occurred and WWP did not perform as expected). We do acknowledge that any identified licence breach is addressed and remediated by WWP in the appropriate timescales.	Create a compliance manual	Develop and implement the compliance manual. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	A Compliance Manual has been developed.

Ref	Details/Requirements	Effectiveness	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
8.2	Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system	The current risk management policies are governed by the maintenance service provider and monitored via the WOM. WWP monitor the output and allow the maintenance service provider to control their own systems. The post warranty risks (3 years away) are currently under review for the development and implementation of a maintenance program at the appropriate time.	Determine post warranty risks and prepare for handover at end of warranty period.	Review post warranty risks and prepare for handover in 3 years. Responsibility: Regional Asset Manager Due Date: 30 April 2009	The risks to personnel, assets, and business continuity have been identified and addressed in the Infigen Energy Asset Management Program.
8.3	Risks are documented in a risk register and treatment plans are actioned and monitored	The SMP contains the risk register in relation to hazards and environmental aspects and documents the associated risks and the relevant controls in place to mitigate the risk. A JSEA (Job safety, environmental analysis) is developed for high risk activities. Environmental and Safety inspection checklists were available but not conducted regularly.	Conduct regular environmental and safety inspections and record and action results	Schedule and conduct regular environmental and safety inspections and record and action results to ensure hazards and aspects are controlled. Responsibility: Regional Asset Manager Due Date: 30 September 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. A comprehensive Monthly Inspection Checklist has been developed and inspections scheduled monthly. Monthly inspections have been conducted and recorded to verify operational, OH&S and environmental compliance and non compliance requiring action. Site Specific OH&S and Environmental Registers have been developed to record hazards and aspects identified and control measures determined and implemented. i.e. JSEA
9.2	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	We were able to identify that the contingency plans were documented and understood but we were not able to confirm that they had been tested to confirm the operability to cover higher risks.	Conduct test emergency plans and record effectiveness	Schedule and conduct test emergency plans to verify effectiveness and record and analyse results. Responsibility: Regional Asset Manager Due Date: 30 June 2008	A follow up third party site audit has been conducted and reported on the 30-06-2008. Emergency drills have been conducted and recorded to verify effectiveness and facilitate analysis of risks.
12.1	Review of the Asset Management System to ensure the effectiveness of the integration of its components and their currency.	We reviewed the Asset Management Plan and we note that it is currently out of date and in draft format although the information appears to be relevant and accurate and is comprehensive.	Update the AMP	Review Australian Asset Management Plan annually and incorporate amendments. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	Current updated Infigen Energy Asset Management Plan is published on the Infigen Energy Asset Management Web Site. Revision 7 Issue date: September 2009 The Infigen Energy Asset Management Plan is scheduled reviewed annually in accordance with the Compliance Manual and any amendments incorporated
12.2	A review process is in place to ensure that the Asset Management Plan and the Asset Management System described therein are kept current.	We were not able to establish a review process to ensure that the AMP and the AMS are kept up to date.	Update the AMP	Review Australian Asset Management Plan annually and incorporate amendments. Responsibility: Regional Asset Manager. Due Date: 30 September 2008	Current updated Infigen Energy Asset Management Plan is published on the Infigen Energy Asset Management Web Site. Revision 7 Issue date: September 2009 The Infigen Energy Asset Management Plan and AMS are scheduled to be reviewed annually in accordance with the Compliance Manual and any amendments incorporated.

APPENDIX 4 – 2010 Audit/Review Post Audit Implementation Plan

Ref	Description	Compliance	R	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
86	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	<p>Sighted Emergency Response Plan. The ERP is part of the SMP (reference 001225-SMP-01 Rev 1). The ERP was recently updated, but there is no revision list at the front of the SMP to identify the latest versions</p> <p>Sighted Maintenance and service monthly report for January that covers OH&S incidents. The report also identifies safety walks and toolbox meetings that cover how the business will respond to events.</p> <p>Walkaway operates an SMS emergency response to cover periods where there are no staff onsite.</p>	4	<p>Update document references on the contents of the SMP for the ERP.</p> <p>Create a master list that identifies the latest revision of the Appendices</p>	<p>Identify the current issue status on each of the addenda 1 to 8 attached to the Service Management Plan (SMP)</p> <p>Establish a document control register in the Service Management Plan (SMP) that identifies the attached addenda 1 to 8 and the details of their current issue status.</p> <p>Responsibility : A Blizzard</p> <p>Vestas QSE Engineer</p> <p>Due Date: 15/06/2010</p>	

Ref	Details/Requirements	Effectiveness	R	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
2.5	Commissioning tests are documented and completed	<p>The auditor examined the documentation pertaining to the failure of a significant asset component (gear box). The Component Inspection Report on Turbine 21346 identified a failed asset that was subsequently replaced. We were not able to sight the decommissioning report or the engineer's report that described the failure mode of the asset. Neither were we able to sight the commissioning report of the replacement blade. After further investigations the location of the failed unit was identified, but it was not easily assessed.</p> <p>After discussions with the site supervisor, it was established that most equipment did not go through a commissioning phase as failed equipment is generally replaced. In addition as the site is relatively new (circa 5 years) there have been few replacements. We were able to sight work instructions that identified equipment that had been replaced, but this did not include a commissioning component.</p> <p>With regards to commissioning test, the auditor's opinion is that the design of this wind farm permits a replacement strategy without an established commissioning phase. This is driven by the commonality of components to all turbines and number of differing components being far lower than a coal fueled power station. The auditor also recognises that replacement equipment is tested prior to being on site by the manufacturers.</p> <p>However we do note that we were not able to clearly identify the location of failed assets. That is the smaller items (circuit boards, controllers) were not clearly marked as unfit for service. This does leave a potential risk that a failed component could be inadvertently re-used.</p>	B2	<p>Improve documentation on commissioning of new or refurbished equipment.</p> <p>Review the approach to maintenance documentation and identification so to prevent failed equipment being returned to service.</p>	<p>Details of equipment that has failed and is removed from service shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability.</p> <p>Details of new or replacement equipment that is installed shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability.</p> <p>Equipment that has failed and is removed from service shall be identified with an "out of service" tag and segregated or placed in a quarantine area to avoid inadvertent use while awaiting disposal.</p> <p>Responsibility : A Blizzard Vestas QSE Engineer Due Date: 15/06/2010</p>	

Ref	Details/Requirements	Effectiveness	R	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
5.6	Staff receive training commensurate with their responsibilities	<p>We examined the training records of the staff on site and found that the documentation was lacking. Initially a high level review was undertaken that examined the first aid training and vehicle training. We found that according to the records kept on site we were not able to determine who had in date certification or who required refresher courses. The auditor would like to highlight that we believe that the training has been undertaken and this pertains to a record keeping issue. Specific details are given below.</p> <p>First aid training We examined the list of authorised first aider on site, we found that according to the documentation certification had expired. We were not able to sight copies of the certificate nor were we able to confirm that the training had been undertaken,</p> <p>Forklift truck certification - We examined the list of personnel who were listed as having a licence to drive a forklift truck. As above we were not able to sight copies of licences for fork lift truck drivers; however some of the drivers had their licence on them.</p> <p>Visiting technicians - Vestas utilise technicians that are based on other wind farms or other countries. A site induction is undertaken and a requirement is that copies of licences are obtained. We found that an attending technician had not supplied copies of the forklift truck licence and did not have the licence on them.</p> <p>We have no reason to believe that the person is not authorised, however we do believe that the inability to note who has a licence to an unacceptable risk.</p> <p>We understand that Vestas are in the process of implementing a central system for all documentation and licensing, but the site supervisors do not have access to all visiting technicians, therefore are unable to verify that that appropriate training as been undertaken and is in date.</p>	C3	<p>Review the approach to how assurance is attained that site staff and visiting site staff have the appropriate training and certification.</p> <p>Review site induction process to ensure that all visiting site staff have the appropriate qualifications before commencement of work.</p>	<p>The Training Matrix shall be maintained to identify all current competencies and required competencies.</p> <p>With reference to the Training Matrix a gap analysis shall be conducted to determine training requirements.</p> <p>At induction new personnel including visiting technicians and subcontractors shall be requested to provide a copy of certificates of competency prior to work start and these shall be filed on site.</p> <p>The Induction form shall be revised to incorporate the requirement to identify and provide evidence of competencies.</p> <p>Responsibility :A Blizzard Vestas QSE Engineer</p> <p>Due Date: 15/06/2010</p>	

Ref	Details/Requirements	Effectiveness	R	Corrective Action	Post Audit Implementation Plan	Post Audit Implementation
7.5	Physical security access controls appear adequate	<p>Site security is adequate for a remote location with the main office locked over night and the compound secured.</p> <p>We did note two issues: 1) Site vehicle was stationary with the keys in the ignition during the day.</p> <p>There is the possibility that an unauthorised person can access the vehicle</p> <p>2) Fuel kept outside the compound in a container that was not locked.</p> <p>A new chemical shed has been constructed however during the audit the chemicals were stored outside the compound</p>	C3	Review site security with regards to vehicle security and equipment outside the secure compound	<p>The Induction form shall be revised to incorporate security requirements.</p> <p>The keys to all vehicles stored outside the compound shall be placed on a key board in a secure place in the site office.</p> <p>All hazardous substances shall be stored in the new chemical shed that has been constructed in the site compound.</p> <p>Responsibility : A Blizzard Vestas QSE Engineer Due Date: 15/06/2010</p>	

This report is prepared by representatives of DDMC Pty Ltd and PB in relation to the above named client's conformance to the nominated audit standard(s). Audits are undertaken using a sampling process and the report and its recommendations are reflective only of activities and records sighted during this audit process. DDMC Pty Ltd and PB shall not be liable for loss or damage caused to or actions taken by third parties as a consequence of reliance on the information contained within this report or its accompanying documentation.