

### Post-Review Implementation Plan 3 August 2015

Reference (no./year)	Asset System Deficiency	Auditor's recommendation	Management action	Position Responsible (i.e. CEO, EHO etc)	Target Date for Completion
R1/2015	<p><i>B3</i></p> <p><i>Asset Operations - 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</i></p> <p>The replacement cost in the new HDPE pipeline and the Northern Borefield Asset Registers is based on an actual purchase price and needs to be replaced to reflect life cycle costing.</p>	<p>Update the replacement cost in the new HDPE pipeline and the Northern Borefield Asset Registers to reflect life cycle costing (already recorded as an action item in GWC's AMS Improvements and Action Plan).</p> <p><i>This is a recommendation from the previous review that was not actioned.</i></p>	<p>Update the replacement cost in the new HDPE pipeline and the Northern Borefield Asset Registers to reflect life cycle costing.</p>	<p>General Manager (GM) &amp; Office Manager (OM)</p>	<p>31 December 2015</p>
R2/2015	<p><i>B3</i></p> <p><i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>There is currently no process in place to formally test all of the contingency plans on a regular basis.</p>	<p>All contingency plans need to be regularly tested, such as by an annual desktop review of the plan by the key participants, and discussion of potential scenarios. Evidence of the test and any action to be taken needs to be maintained.</p> <p><i>This is a recommendation from the previous review that was not actioned.</i></p>	<p>Test contingency plans regularly – conduct an annual desktop review of the plan by the key participants discussing potential scenarios.</p> <p>Maintain evidence of test and any action to be taken.</p>	<p>GM/OM</p>	<p>31 January 2016</p>
R3/2015	<p><i>B2</i></p> <p><i>Financial Planning - The financial plan provides projections of operating statements (profit and loss) and statement of financial</i></p>	<p>As part of the Financial Plan, develop projected Statements of Financial Position for at least the next 5 years in order to provide a better analysis of past performance and to assist</p>	<p>Develop Statements of Financial Position for at least the next 5 years.</p>	<p>GM /Accountant/OM</p>	<p>15 February 2016</p>

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	<p><i>position (balance sheets).</i></p> <p>The Gascoyne Water Cashflow Forecast 2011/12 – 2021/22 includes Operating Statements (P&amp;L) until 2021/22. However, there are no projected Statements of Financial Position.</p>	<p>future planning.</p> <p><i>This is a recommendation from the previous review that was not actioned.</i></p>			
R4/2015	<p><b>B3</b></p> <p><i>Capital Expenditure Planning - There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.</i></p> <p>The Plan needs to be updated for asset renewal incorporating life cycle costing. This is already recorded as an action item in GWC's AMS Improvements and Action Plan.</p>	<p>Update the GWAMCO's Capital Expenditure Plan for asset renewal incorporating life cycle costing (already recorded as an action item in GWC's AMS Improvements and Action Plan).</p> <p><i>This is a recommendation from the previous review that was not actioned.</i></p>	Update the GWAMCO's Capital Expenditure Plan for asset renewal incorporating life cycle costing	GM/OM/Accountant	30 January 2016
R5/2015	<p><b>B3</b></p> <p><i>Review of AMS - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</i></p> <p>The review process could be improved by updating the AMS Review section of the</p>	<p>Update the AMS Review section of the Asset Management Plan for the requirement to notify the Authority of any (significant) changes to the asset management system within 10 business days.</p> <p><i>This is a recommendation from the previous review that was not actioned.</i></p>	Update the AMS Review section of the Asset Management Plan for the requirement to notify the Authority of any (significant) changes to the asset management system within 10 business days.	<p>Already inputted in 'draft' AMP awaiting Board review. (Page 11)</p> <p>GWC Board to review and adopt draft AMP – GM to sign off.</p>	30 September 2015

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	AMS for the requirement to notify the Authority of any (significant) changes to the asset management system within 10 business days.				
R6/2015	<p><i>C2</i> <i>Asset Creation - Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.</i></p> <p>We observed that the Asset Creation and Acquisition Policy does not reference the interface between GWAMCO and GWC or the working arrangement between the two different cooperatives. The Asset Creation and Acquisition Procedure does not explicitly reference GWAMCO although it is implicitly referenced (e.g. 'Presented to and approved by the appropriate Board').</p>	We recommend that GWC sets out the arrangements between GWC and GWAMCO in the appropriate policy and procedural documents in the AMS where GWAMCO involvement is required for particular activities	Document arrangements between GWC & GWAMCO in the appropriate policy and procedural documents in the AMS where GWAMCO involvement is required for particular activities	GM/ GWC/GWAMCO Board/ OM	15 April 2015
R7/2015	<p><i>C2</i> <i>Environmental Analysis – Opportunities and threats in the system environment are assessed</i></p> <p>GWC has an Environmental Analysis Policy and a separate Environmental Analysis Procedure in Section 5 of its AMS. The Policy states that its objective is</p>	We recommend that the Environmental Analysis Policy is updated to reflect the changes to the ERA's audit guidelines.	Update the Environmental Analysis Policy to reflect the changes to the ERA's Audit guidelines	Office Manager (OM) to complete changes. Draft to be reviewed by the GWC Board and signed off by GM once accepted.	1 September 2015

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	'Outcome compliance as per table 16 page 38 of ERA Audit Guidelines, Electricity, Gas and Water Licences for environmental analysis'.				
R8/2015	<p><i>C2</i> <i>Environmental Analysis - Opportunities and threats in the system environment are assessed</i></p> <p>GWC has identified statutory and regulatory requirements in its Section 2.3 of the AMP. However, this makes reference to the Water Services Licensing Act 1995, which has been superseded by the Water Services Act 2012.</p>	We recommend that the asset management plan be updated to reflect the new legislative framework.	Update the Asset Management Plan to reflect the new legislative framework.	Draft Update – OM; GWC Board to review and then GM to sign off once accepted.	30 September 2015
R9/2015	<p><i>C2</i> <i>Asset Operations - Operational policies and procedures are documented and linked to service levels required.</i></p> <p>The AMP provides very little information related to operating the scheme and optimising the assets</p>	Although the AMS includes a separate section related to Operations Management (Section 6), we recommend that additional sub-sections be added to the AMP to provide an overview and file paths to the associated documents related to operating the assets to provide the optimal outcomes.	Add additional sub-sections to Section 6 Operations Management to provide an overview and file paths to the associated documents relating to operating the assets.	GM/ OM	30 November 2015
R10/2015	<p><i>C2</i> <i>Risk Management - Risks are documented in a risk register and treatment plans are actioned and monitored.</i></p>	We recommend that GWC revises its register to take account of these matters.	Revision of Risk register and treatment plans. Creating an initial risk score and then a residual risk score which identifies whether the controls	GWC Board & GM OM to assist	28 February 2015

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	<p>GWC's risk register derives an overall risk score and the controls to manage each identified risk. However, the register does not create an initial risk score and a residual risk score which identified whether the controls that have been established are adequate to manage the risk or identify whether the mitigated risk is at an acceptable level.</p>		<p>that have been established are adequate to manage the risk or identify whether the mitigated risk is at an acceptable level.</p>		
R11/2015	<p><i>C2</i> <i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>GWC's contingency plan only includes contingency related to assets and does not include any business continuity / commercial issues, for example what happens if GWC cannot reach an agreement with Water Corporation for the southern borefield supply.</p>	<p>We recommend that when GWC updates its AMS, it takes into account contingency actions for non-asset risks and includes these in its contingency plan.</p>	<p>Develop Contingency Actions in relation to non-asset risks and include these in an updated Contingency Plan.</p>	<p>GWC Board and GM OM to assist.</p>	<p>28 February 2015</p>
R12/2015	<p><i>C2</i> <i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their</i></p>	<p>We recommend that GWC also addresses the actions that may need to take place should a bore go out of production.</p>	<p>Develop Contingency Actions should a 'bore' go out of production and include in the</p>	<p>GWC Board and GM</p>	<p>28 February 2015</p>

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	<p><i>operability and to cover higher risks.</i></p> <p>We also note that the contingency plan only includes actions related to collector main failures from the northern borefield.</p>		Contingency Plan update.		
R13/2015	<p><i>C2</i></p> <p><i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>Although flooding of the Carnarvon Horticultural Area is included in the procedures, no other 'disaster' type event is covered, e.g. bush fire affecting the northern borefield.</p>	We recommend that GWC develops further contingency procedures related to issues such as bushfire/access to the northern borefields.	Develop Contingency Actions should a bushfire threaten the Northern borefield access and include in Contingency Plan update.	GWC Board & GM	28 February 2015
R14/2015	<p><i>C2</i></p> <p><i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.</i></p> <p>GWC's Contingency Planning Procedures include details of key contacts, suppliers and external businesses/organisations</p>	We recommend that the Contingency Planning Procedures are updated to include this information.	Update the Contingency Planning procedures to include details of key contacts, suppliers and external businesses or organisations.	GM with assistance of OM	28 February 2015

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	who may be able to provide assistance in an emergency.				
R15/2015	<p><i>C2</i> <i>Capital Expenditure Planning - There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.</i></p> <p>The expansion of the borefield and development of 400 ha within the existing irrigation district is proposed but has not yet been included or allowed for in any of GWC/GWAMCO's capital expenditure planning work.</p>	<p>We recommend that when the capital expenditure planning information is updated that it includes estimates of the Stage 2 development of the northern borefield, works that may be required to supply the proposed areas of development (e.g. new spur lines) and the assets included in the likely takeover of the southern borefield.</p>	<p>Update Capital Expenditure Plan to include estimates of the Stage Two development of the Northern borefield.</p> <p>Include in plan assets relating to the Southern borefield takeover.</p>	GM/Accountant/OM	31 March 2015
R16/2015	<p><i>C2</i> <i>Review of Asset Management System - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</i></p> <p>GWC has an AMS Improvement and Action Plan but it has not been updated since June 2013. The Plan has due dates for the actions but does not record if the actions have been completed or the dates that they were completed.</p>	<p>We recommend that GWC adds columns to its AMS Improvement and Action Plan to be able to record this information.</p>	<p>Add column to AMS Improvement and Action Plan to enable recording of completion status and completion dates.</p>	<p>OM Completed 6 August 2015 by OM</p>	<p>Completed 6 August 2015 by OM</p>

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R17/2015	<p>C2 <i>Review of Asset Management System - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</i></p> <p>The majority of GWC's AMS and supporting documentation, including financial forecasts, has not been updated since it was first developed in 2012.</p>	<p>We have made a number of recommendations throughout the overall Asset Management System Review related to updating the contents of the Asset Management System as much of the information is either out of date (e.g. references to previous legislation) or needs to be revised to provide forecasts out into the future.</p> <p>The review and updating of the entire AMS is considered to be the over-arching recommendation from this asset management system review.</p>	<p>Ensure that the whole Asset management system is up-to-date and put in place a mechanism to ensure that the AMS is kept up-to-date in the future.</p>	GM/OM	15 February 2015
R18/2015	<p>C2 <i>Review of Asset Management System - A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.</i></p> <p>GWC has not completed any of the asset management system recommendations from the previous review. This has been due to the issues GWC has experienced with its General Managers. There have been four General Managers since the previous review and no one has been in the position long</p>	<p>We have included the recommendations from the previous asset management system review at the top of this table.</p> <p>We recommend that GWC implements a schedule to ensure that an annual update of financial forecasts and asset registers is completed and that other documentation within the AMS is reviewed in accordance with the review date included in the respective document control sections.</p>	<p>Set up a schedule to ensure that an annual update of financial forecasts and asset registers is completed within the AMS.</p> <p>Ensure that other AMS documentation is reviewed in accordance with the review dates included in the respective document control sections.</p>	GM/Accountant/OM	31 December 2015



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	enough to make much impact on the asset management documentation and long-term expenditure forecasts.				