



Busseton Water Post Operating Licence Audit and Asset Management Review Implementation Plan (PARIP)

July 2016

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1. Introduction

In accordance with legislative obligations of Sections 24 and 25 of the Water Services Act 2012 and section 4 of Busselton Water's Water Services Licence, the Economic Regulation Authority (ERA) undertook an operational audit and asset management review of Busselton Water by an independent expert.

The subsequent report by Paxon (July 2016) identified a number of recommendations and it is Busselton Water's responsibility under section 11.9 of the ERA's Audit Guidelines: Water Licences, to ensure this Post Audit/ Review Implementation Plan (PARIP) is developed as appropriate.

While it is left to the discretion of the licensee to determine whether recommendations rated A, B or 1 in the Audit and A, B, 1 or 2 in the Review, are actioned, Busselton Water has addressed all recommendations in the PARIP. This will maximise the value of the Audit and Review by further improving our processes and systems.

2. Operational Audit

Table 1 below lists the recommendations that are **mandatory** for Busselton Water to remediate. It refers directly to the first three columns of Table 13 of the Operational Audit and Asset Management Review Report by Paxon. The last three columns comprise Busselton Water’s responses to the recommendations. The rating scales used in the Audit/Review can be found as appendices to this document. Rows shaded out indicate action completed.

a. Table 1

Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
100 (04/2016)	<ul style="list-style-type: none"> A 2; LO: Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct): clause 12(1) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> Paxon has examined a sample of Water Supply Tax Invoices issued after 18 November 2013 and is satisfied it contains the prescribed information except for a statement that the website contains information about estimates, meter reading and testing, complaints and review. 	<ul style="list-style-type: none"> The Water Supply Tax Invoices should be amended to include a statement that the website contains information about estimates, meter reading and testing, complaints and review. 	Amend Water Supply Tax Invoice to reflect recommendation	Water Tariff and ICT Administrator (WTIA) [REDACTED]	Completed
102 (05/2016)	<ul style="list-style-type: none"> A 2; LO: Code of Conduct: clause 12(3) and 	<ul style="list-style-type: none"> The Water Supply Tax Invoices should be amended to include the 	Amend Water Supply Tax Invoice to reflect recommendation	WTIA [REDACTED]	Completed

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B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
102 (05/2016) (cont.)	<p>WSOL – Version 7: clause 5.3; and</p> <ul style="list-style-type: none"> Details: <ul style="list-style-type: none"> Paxon has examined a sample of Water Supply Tax Invoices issued after 18 November 2013. These invoices do not disclose the information stipulated in Clause 12(3). 	information stipulated in Clause 12(3).			
107 (06/2016)	<ul style="list-style-type: none"> B 2; LO: Code of Conduct: clause 16(2) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Bill Review". This document stipulates: <p>"On conclusion of the bill review and if it is found that the customer's bill has been under charged, Busselton Water will back charge the undercharged amount up to a period of 12 months from the date of the bill review being completed.";</p> This period calculated with reference to "the bill review being completed" is not the same as the period calculated with reference "the day on which the licensee informed the customer of the undercharging" as stated in Clause 16(2) 	<ul style="list-style-type: none"> The "Bill Review" procedure and the "Bill Review Information Sheet" should be appropriately changed to reflect the stipulations of Regulation 16(2) of the Code of Conduct in respect of the review period. 	The Bill Review Procedure and Information sheet will be amended to reflect the recommendation	WTIA (██████████)	Completed

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B. Unresolved at End of Current Audit Period						
Reference ⁴ (no./year)	Control and Compliance Rating		Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)					
	Details for Control and/or Compliance Rating					
107 (06/2016) (cont.)	of the Water Services Code of Conduct (Customer Service Standards) 2013 (Code of Conduct); and <ul style="list-style-type: none"> Paxon has noted that the document entitled: "Bill Review Information Sheet", as disclosed on BW's website, contains basically the same wording as disclosed above in the "Bill Review" procedure in respect of the review period. 					
109 (07/2016)	<ul style="list-style-type: none"> B 2; LO: Code of Conduct: clause 16(4) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Bill Review". This document stipulates: <p>"A special bill (interest free with 12 month payment terms) will (be) issued.";</p> No reference is made in the "Bill Review" procedure to the obligations in respect of not charging late payment fees; and Paxon has noted that a document entitled: "Bill Review Information Sheet" contains basically the same wording as disclosed above in the "Bill Review" procedure in respect of not charging late payment fees. 		<ul style="list-style-type: none"> The "Bill Review" procedure and the "Bill Review Information Sheet" should be appropriately changed to reflect the stipulations of Regulation 16(4) of the Code of Conduct in respect of not charging late payment fees. 	The Bill Review Procedure and Information sheet will be amended to reflect the recommendation	WTIA ██████ ██████	Completed

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Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
110 (08/2016)	<ul style="list-style-type: none"> B 2; LO: Code of Conduct: clause 16(5) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Bill Review". This document stipulates: <p>"A special bill (interest free with 12 month payment terms) will (be) issued.";</p> No reference is made in the "Bill Review" procedure to the fact that the payment term should be the shorter of the following periods starting on the day on which the bill mentioned in sub clause (3)(a) or (b) is issued, as is applicable in the case — <ul style="list-style-type: none"> A period for the same amount of time in which the undercharging occurred; or A period of 12 months. Paxon has noted that a document entitled: "Bill Review Information Sheet" contains basically the same wording as disclosed above in the "Bill Review" procedure in respect of the duration of the repayment period. 	<ul style="list-style-type: none"> The "Bill Review" procedure and the "Bill Review Information Sheet" should be appropriately changed to reflect the stipulations of Regulation 16(5) of the Code of Conduct in respect of the duration of the repayment period. 	The Bill Review Procedure and Information sheet will be amended to reflect the recommendation	WTIA ██████ ██████	Completed

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B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
112 (09/2016)	<ul style="list-style-type: none"> • B 2; • LO: Code of Conduct: clause 17(2) and WSOL – Version 7: clause 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Bill Review". This document stipulates: "Busselton Water will within a period of 15 business days starting on the day it became aware of the overcharge amount — • Credit the customer's account and immediately afterwards notify the customer; <u>or</u> • Inform the customer of the overcharging and recommend options for how the amount overcharged may be refunded to the customer or credited to the customer's account." • No reference is made as to complying with the customer's instruction within 15 business days; and • Paxon has noted that a document entitled: "Bill Review Information Sheet" contains basically the same wording as disclosed above in the "Bill Review" procedure in respect of the overcharge correction process. 	<ul style="list-style-type: none"> • The "Bill Review" procedure and the "Bill Review Information Sheet" should be appropriately changed to reflect the stipulations of Regulation 17(2) of the Code of Conduct in respect of the provision of a refund or credit within 15 business days from receiving the customer's instructions. 	The Bill Review Procedure and Information sheet will be amended to reflect the recommendation	WTIA ██████ ██████	Completed

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B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
116 (10/2016)	<ul style="list-style-type: none"> A 2; LO: Code of Conduct: clause 18(4) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> The "Bill Review Information Sheet" states: "If the customer is unsatisfied with the outcome of the review the customer may, but does not have to utilise the Busselton Water Complaints Procedure and/or apply to the Water Service Ombudsman."; and However, the "Bill Review Information Sheet" does not cover the option of making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k). 	<ul style="list-style-type: none"> The "Bill Review Information Sheet" should include the option of making an appeal from, or applying for a review of, the decision that gave rise to the complaint, if an appeal or review is available under regulations mentioned in section 222(2)(k). 	The Bill Review Information sheet will be amended to reflect the recommendation	WTIA ██████ ██████	Completed
142 (13/2016)	<ul style="list-style-type: none"> B 2; LO: Code of Conduct: clause 34(4) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Installation and Removal of Restriction Devices" which in section 2 states: 	<ul style="list-style-type: none"> The "Installation and Removal of Restriction Devices" procedure should be appropriately changed to agree with the restoration response periods specified in Regulation 34(4) of the Code of Conduct. Actual restoration of a water supply to land, should also comply with response periods specified in Regulation 34(4) of the Code of Conduct. 	Amend SOPs 2.2.3 and 2.2.4 to reflect recommendation with the assistance of Distribution Officer (Graham Hanson)	WTIA (██████) ██████	Due 31/12/2016

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B. Unresolved at End of Current Audit Period						
Reference ⁴ (no./year)	Control and Compliance Rating		Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)					
	Details for Control and/or Compliance Rating					
142 (13/2016) (cont.)	<ul style="list-style-type: none"> • "Where payment is made or registration of an approved payment arrangement is made before 3.00pm on a business day, full water supply will be restored within 2 business days"; and • Where payment or registration of approved payment arrangement after 3.00pm on a business day, full water supply will be restored within 3 business days." • These restoration response periods differ from those specified in Regulation 34(4) of the Code of Conduct; and • BW has stated that in all instances it did restore water supply within 2 business days during the Audit Period. In cases, where the restoration event occurred before 3 p.m. on a business day, restoration should have taken place by the next business day. 					
148 (14/2016)	<ul style="list-style-type: none"> • A 2; • LO: Code of Conduct: clause 35(4) and WSOL – Version 7: clause 5.3; and • Details: <ul style="list-style-type: none"> • The document entitled: "Customer Complaints Resolution Information Sheet", which is available on BW's 		<ul style="list-style-type: none"> • The Customer Complaints Resolution Information Sheet should: <ul style="list-style-type: none"> • Inform the customer that they do not have to use the licensee's complaints procedure; • Provide details of procedures 	Discuss at Executive level. Amend the Customer Complaints Resolution Information Sheet in accordance with recommendation and	A/General Manager Business Services (A/GMBS) [Redacted]	Due 31/12/2016

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B. Unresolved at End of Current Audit Period						
Reference ⁴ (no./year)	Control and Compliance Rating		Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)					
	Details for Control and/or Compliance Rating					
	website does provide contact details for the Water Ombudsman; <ul style="list-style-type: none"> • However, it is written from the perspective of being a further procedure, after dealing with BW in respect of the complaint, and not as an alternative solution for a customer; and • In addition, the document does not refer to the costs and benefits to the customer if using the complaint resolution procedure instead of the procedures under the Act. 		under the Act; and <ul style="list-style-type: none"> • Set out the costs and benefits to the customer if the use the complaint resolution procedure instead of the procedures under the Act. 	reload on to the BW website.		
153 (15/2016)	<ul style="list-style-type: none"> • A 2; • LO: Code of Conduct: clause 37(1) and WSOL – Version 7: clause 5.3; and • Details: <ul style="list-style-type: none"> • Paxon has noted that the document entitled: "Our Customer Commitments", which is also available on BW's website, includes a reference to the restriction of supply. However, no reference is made to the fact that reductions in water flow may be made after 30 days after water service charges became due. 		<ul style="list-style-type: none"> • The document entitled: "Our Customer Commitments" should make reference to the fact that reductions in water flow may be made after 30 days after water service charges became due. 	1. The 'Our Customer Commitments' document to be amended to reflect recommendation.	WTIA [REDACTED]	1. Due 31/12/2016
				2. BW should include appropriate references to Clauses 37(1) (e), (h) and (i) in its public documents.	WTIA [REDACTED]	2. Due 31/12/2016
				3. Reload amended document on to the BW website.	WTIA [REDACTED]	3. Due 31/12/2016

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B. Unresolved at End of Current Audit Period						
Reference ⁴ (no./year)	Control and Compliance Rating		Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)					
	Details for Control and/or Compliance Rating					
164 (17/2016)	<ul style="list-style-type: none"> A 2; Act: clause 12 and WSOL - Version 7: clause 15.1(d); and Details: <ul style="list-style-type: none"> BW has stated that it did not report to the Authority within 10 business days of providing or undertaking water service works that were general works during the Audit Period. 		<ul style="list-style-type: none"> BW should inform the Authority within 10 business days of providing or undertaking water service works that are major works or general works. 	BW has subsequently informed the ERA of the 2 instances on 2/6/2016. See correspondence D16/3223	Technical Officer Asset and Risk Management (TOARM) ██████████	Completed No longer applicable in new Water Services Licence V8
166 (18/2016)	<ul style="list-style-type: none"> B 2; Act: clause 12 and WSOL - Version 7: clause 16.2; and Details: <ul style="list-style-type: none"> Paxon has noted that the Action Sheet for 2015 indicates that BW did comply with this compliance obligation; and Paxon has noted that the Compliance Report for the period 1 July 2014 to 30 June 2015 was dated 30 September 2015. As a result this Compliance Report was submitted late. 		<ul style="list-style-type: none"> BW should ensure that: <ul style="list-style-type: none"> Action Sheets disclose instances of non-compliance; and The Compliance Report covering the year ending 30 June 2016 discloses this contravention of clause 16.1 of the WSOL. 	1. BW to note instances of non-compliance on Action Sheet	1. A/GMBS (██████████)	1. Due 31/12/2016
				2. BW to ensure this non-compliance is recorded in the 2015-16 Compliance report.	2. A/GMBS (██████████)	2. Due 31/08/2016
2011 Operational Audit	<ul style="list-style-type: none"> Not disclosed; LO: Clause 5.1 of WSOL Versions 5 and 7; and Details: 		<ul style="list-style-type: none"> The SOP manual should at least make reference to: <ul style="list-style-type: none"> Recording of amendments to or new legislation affecting BW; Keeping staff informed of any 	Amend SOP 4.1.20 to reflect recommendation	TOARM ██████████	Due 31/12/2016

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Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
2011 Operational Audit (cont.)	<ul style="list-style-type: none"> A document entitled: "Production and Supply - Standard Operating Procedures" (SOP Manual) was issued on 27 November 2012. Paxon has noted that the Technical Officer, Asset and Risk Management is specifically tasked in procedure number 4.1.20 to keep up to date with the latest legislation passed by the Australian Government; and However, this procedure is silent about the implementation of any new legislation. 	<p>changes; and</p> <ul style="list-style-type: none"> Incorporating those changes into the SOP Manual. 			

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Table 2 below lists the recommendations that that are **discretionary** for Busselton Water to remediate. It refers directly to the first three columns of Table 13 of the Operational Audit and Asset Management Review Report by Paxon. The last three columns comprise Busselton Water’s responses to the recommendations. The rating scales used in the Audit/Review can be found as appendices to this document. Rows shaded out indicate action completed.

b. Table 2

Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
1 (01/2016)	<ul style="list-style-type: none"> B 1; LO: Act: clause 21(1)(a) and WSOL – Version 7: clause 27.1; and Details: <ul style="list-style-type: none"> Paxon has noted that for a material number of obligations, the Responsibility, Action, Comments and Status columns have not been completed. 	<ul style="list-style-type: none"> The Action Sheet should, as far as practical, assign responsibility for all compliance obligations to a designated officer or section in BW; All compliance obligations listed in the Action Sheet should be linked to BW's procedure manuals and/or Work Instructions; and BW should implement a breach register in respect of its licence conditions as stated in section 9.3.2.3 of the Authority's document entitled: "Audit and Review Guidelines: Water Licences – July 2014". 	1. Amend Action Sheet to reflect the first 2 recommendations. Assemble key staff to assist.	1. General Manager Operations (GMO) [REDACTED]	Due 31/12/2016
			2. Create a BW licence breach register	2. GMO [REDACTED]	Due 31/12/2016
70 (02/2016)	<ul style="list-style-type: none"> B 1; LO: Water Services Regulations 2013: regulation 42(2) and WSOL – Version 7: 	<ul style="list-style-type: none"> The procedure entitled: "Backflow Prevention Device", as contained in the Procedure Manual, should include an appropriate reference to 	Amend procedure P13.PR09 to reflect recommendation	WTIA [REDACTED]	Due 31/12/2016

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Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
70 (02/2016) (cont.)	<ul style="list-style-type: none"> clause 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that the Procedure Manual includes a specific procedure entitled: "Backflow Prevention Device". However, this procedure does not refer to Regulation Number 42(2) at all. 	Regulation Number 42(2).			
76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87 (03/2016)	<ul style="list-style-type: none"> B 1 (16-79), B n/a (80-87); LO: Water Services Regulations 2013: regulations 65(1), 65(2), 65(4), 67, 68(5), 68(6), 68(7), 68(8), 69(3), 70(2), 74(1), 74(2) and WSOL – Version 7: clause 5.1; and Details: <ul style="list-style-type: none"> Paxon has noted that the Action Sheet specifically lists this compliance obligation, however, it indicates that this Regulation is: "N/A GRV". 	<ul style="list-style-type: none"> The Action Sheet should be appropriately changed to recognise Water Services Regulations 2013 – Number 65(1), 65(2), 65(4), 67, 68(5), 68(6), 68(7), 68(8), 69(3), 70(2), 74(1), and 74(2) as being applicable to Busselton Water. 	Ref; 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87 Amend action sheet to reflect recommendation	76, 77, 78, 79, 80, 81, 82, 83, 84, 85, WTIA (██████████) 86, 87 TOARM (██████████)	76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, Completed
126 (11/2016)	<ul style="list-style-type: none"> B 1; LO: Code of Conduct: clause 26(3) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> This was a once-off compliance obligation and specific systems, processes and controls are not expected to be in place on a perpetual basis therefor; and Paxon has noted that the Action Sheet 	<ul style="list-style-type: none"> The Action Sheet should be appropriately changed to indicate that this was a once-off compliance obligation. 	Amend action sheet to reflect recommendation	WTIA ██████████ ██████████	Completed

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Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
	specifically lists this compliance obligation and states that it complied therewith in both 2014 and 2015.				
127 (12/2016)	<ul style="list-style-type: none"> n/a n/a; LO: Code of Conduct: clause 26(4) and WSOL – Version 7: clause 5.3; and Details: <ul style="list-style-type: none"> This was a once-off compliance obligation and specific systems, processes and controls are not expected to be in place on a perpetual basis therefor; Paxon has noted that the Action Sheet specifically lists this compliance obligation and states that it complied therewith in both 2014 and 2015; and BW's Water Services Operating Licence commenced on 1 October 1996. As such, it was in place before the commencement of the Act. Consequently this clause is not applicable to BW. 	<ul style="list-style-type: none"> The Action Sheet should be appropriately changed to indicate that this clause is not applicable to BW. 	Amend action sheet to reflect recommendation	TOARM (██████████)	Completed
170 (19/2016)	<ul style="list-style-type: none"> B n/a; Act: clause 12 and WSOL - Version 7: clause 20.1; and Details: <ul style="list-style-type: none"> Paxon has noted that the Action Sheet specifically lists this compliance obligation 	<ul style="list-style-type: none"> The Action Sheet should be appropriately changed to indicate that this was a once-off compliance obligation. 	Amend Action Sheet to reflect recommendation	TOARM (██████████)	Completed

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Table 13: Current Audit: Non-Compliances and Recommendations			BW's Plan		
B. Unresolved at End of Current Audit Period					
Reference ⁴ (no./year)	Control and Compliance Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Legislative Obligation (LO)				
	Details for Control and/or Compliance Rating				
	and states that it complied therewith in both 2014 and 2015.				
184 (20/2016)	<ul style="list-style-type: none"> • B n/a; • Act: clause 12 and WSOL - Version 7: clause 31.1; and • Details: <ul style="list-style-type: none"> • This was a once-off compliance obligation and specific systems, processes and controls are not expected to be in place on a perpetual basis therefor; and • Paxon has noted that the Action Sheet specifically lists this compliance obligation and states that it complied therewith in both 2014 and 2015. 	<ul style="list-style-type: none"> • The Action Sheet should be appropriately changed to indicate that this was a once-off compliance obligation. 	Amend Action Sheet to reflect recommendation	TOARM ██████████ ██████████	Completed

3. Asset Management System Review

There are no recommendations in the review that are mandatory for Busselton Water to remediate.

Table 3 lists the recommendations that are **discretionary** for Busselton Water to remediate. It refers directly to the first three columns of Table 18 of the Operational Audit and Asset Management Review Report by Paxon. The last three columns comprise Busselton Water’s responses to the recommendations. The rating scales used in the Audit/Review can be found as appendices to this document. Rows shaded out indicate action completed.

a. Table 3

Table 18. Current Review: Issues and Recommendations			BW's Plan		
B. Unresolved at End of Current Review Period					
Ref. (no./ year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Asset Management System Component				
	Criteria/Details of Asset Management System Issue				
01/2016	<ul style="list-style-type: none"> Rating: B 1; Component: Asset Planning; and Details: <ul style="list-style-type: none"> Supply pressures and flow rates stipulated in its WSOL, are set out in BW's Customer Charter. Although stated in Section 6.5 – “Operational Planning” in its 2016 Asset Management Strategy, the information is not sufficiently prominent and (as for water quality), should also be addressed in its Policy and Procedure manuals. 	<ul style="list-style-type: none"> It is recommended that BW include details of its WSOL <i>maximum</i> and minimum pressure and minimum flow rates in its Policy and Procedures manuals. 	Amend Asset Management procedure P16.PR01 to include WSOL details of pressure and flow.	TOARM [REDACTED]	Amended procedure submitted to GMO for endorsement

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Table 18. Current Review: Issues and Recommendations			BW's Plan		
B. Unresolved at End of Current Review Period					
Ref. (no./ year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Asset Management System Component				
	Criteria/Details of Asset Management System Issue				
02/2016	<ul style="list-style-type: none"> Rating: A 2; Component: Asset Management Information System; and Details: <ul style="list-style-type: none"> Servers "B", "C", and "D" are all located in the treatment plant No.2 communications room; The close proximity of servers "B", "C" and "D" introduces a significant risk that all could be lost in the event of a fire, flood or similar event. Reviewer understands that BW is considering the competing options of re-locating the final server "D" to an area external to the plant, or to storing the final backup to a cloud system. Reviewer considers action to mitigate this risk is both pressing and essential; and Although not previously implemented, the "Data Check" facility in "Confirm" was operated during the review and indicated no errors. Business Services Manager advised this facility will be implemented weekly in future. 	<ul style="list-style-type: none"> That BW urgently investigate and implement options of housing computers "B", "C" and "D" separately - including relocating the final backup server "D" away from the No.2 Plant site or to store the final back-up on a cloud system; and That BW ensures that the "Data Check" facility in "Confirm" be implemented weekly. 	1. Investigate the options of housing computers "B", "C" and "D" separately - including relocating the final backup server "D" away from the No.2 Plant site or to store the final back-up on a cloud system	1. WTIA [REDACTED]	1. Due 31/12/2016
			2. Run the "Data Check" facility in "Confirm" be implemented weekly.	2. Business Services Administrator (BSA) [REDACTED]	2. Completed, recommendation implemented.
03/2016	<ul style="list-style-type: none"> Rating: B 1; Component: Risk Management; and Details: <ul style="list-style-type: none"> The consequence of Risk No.71 - Reticulation Failure is noted only as "loss of supply" and the initial risk as "high". Reviewer considers the 	<ul style="list-style-type: none"> That BW assesses the risk associated with a major distribution or reticulation pipe burst which in addition to loss of supply, could cause flooding of residences, flooding and undermining of 	Assess the risk associated with a major distribution or reticulation pipe burst which in addition to loss of supply, could cause flooding of residences, flooding and undermining	TOARM [REDACTED]	Due 31/12/2016

BW Post Operating Licence Audit and Asset Management Review

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Table 18. Current Review: Issues and Recommendations			BW's Plan		
B. Unresolved at End of Current Review Period					
Ref. (no./ year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Asset Management System Component				
	Criteria/Details of Asset Management System Issue				
03/2016 (cont.)	consequence could also extend to flooding of residences, flooding and undermining of roads, intersections, power poles and street furniture. The controls stated relate only to restoration of supply, which is inadequate for the flooding situation.	roads, intersections, power poles and street furniture.	of roads, intersections, power poles and street furniture. In conjunction with GMO (Robin Belford)		
04/2016	<ul style="list-style-type: none"> Rating: B 2; Component: Contingency Planning; and Details: <ul style="list-style-type: none"> The plans do not address a situation where a major distribution or reticulation pipe burst can cause flooding of residences, flooding and undermining of roads, intersections, power poles and street furniture. Reviewer considers this emergency should be included in the emergency plans; and The emergency response plans are considered (with the exception of a pipe burst) very good. However it is considered they could in many cases be simplified by avoiding repetition. Also, there may be benefit in allocating response activity and protocol response to different team members in each emergency area. Also, a wider spread of in-house tests is necessary in order to ensure a better staff knowledge of the procedures. 	<ul style="list-style-type: none"> It is recommended that: <ul style="list-style-type: none"> An emergency response plan be prepared for a situation where a major distribution or reticulation pipe burst causes flooding of residences, flooding and undermining of roads, intersections, power poles and street furniture; Consideration is given to simplifying the plans by amalgamation (e.g. the Treatment Plant sites) and avoidance of repetition. Also to allocating response activity and protocol response to different team members in each emergency area; and 	<ol style="list-style-type: none"> Prepare an Emergency Response Plan to address the situation in the recommendation. Simplify the ERP's for Plants 1, 2, 3 and Admin. Initiate a wider regular spread of in-house tests as per recommendation 	<ol style="list-style-type: none"> TOARM ██████ Planning/Safety Officer ██████ Planning/Safety Officer ██████ 	<ol style="list-style-type: none"> Due 31/12/2016 Completed 2/6/2016 Due 31/12/2016

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Table 18. Current Review: Issues and Recommendations			BW's Plan		
B. Unresolved at End of Current Review Period					
Ref. (no./ year)	Asset Management System Effectiveness Rating	Auditor's Recommendation	Management Action	Responsible Officer	Status
	Asset Management System Component				
	Criteria/Details of Asset Management System Issue				
04/2016 (cont.)		<ul style="list-style-type: none"> Initiate a wider regular spread of in-house tests in order to ensure a better relevant staff knowledge of the procedures. 			
05/2016	<ul style="list-style-type: none"> Rating: B 2; Component: Review of Asset Management System; and Details: <ul style="list-style-type: none"> The individual procedures contained within supporting manuals often number in excess of twenty. At present, reviews and revision of these are noted within the procedure index, but the overall document is not noted as reviewed and frequently is not dated; and Overall the review intervals and documentation are appropriate as the major documents are reviewed as planned. However reviewer was confused by an inconsistency in the naming of documents and in some cases, which documents superseded, or were superseded by others. The term "Strategy" appears to have been used to describe differing document types eg, Asset Management <i>Strategy</i> Plans and Water Operating <i>Strategy</i>. The former are produced at three yearly intervals and the latter annually. The differing document titles make it difficult for the 	<ul style="list-style-type: none"> All major asset management documents display the month and year of the latest revision on the front cover and that uniform titles be adopted for sequential documents; Superseded documents are to be identified as such and stored in a separate file from those which are current; An index of asset management files must be prepared and updated as documents are added or removed; and To help recognise many documents containing a large number of individual sub-documents of 	1. Amend AM documents as per recommendation	1. TOARM ██████ ██████	1. Due 31/12/2016
			2. Title superseded AM documents with 'Superseded'	2. TOARM ██████ ██████	2. Due 31/12/2016
			3. Prepare index of current AM documents	3. TOARM ██████ ██████	3. Due 31/12/2016
			4. Re-issue the main document (AM Strategy) annually with the month and date and a list of sub-documents and revisions on the front cover.	4. TOARM ██████ ██████	4. Due 31/12/2016

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Table 18. Current Review: Issues and Recommendations			BW's Plan		
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	Asset Management System Component				
	Criteria/Details of Asset Management System Issue				
05/2016 (cont.)	reader to confidently determine the relevance or, which document precedes or succeeds another.	unchanged long standing, it is suggested that BW considers re-issuing the main document annually with the month and date and a list of sub-documents and revisions on the front cover.			

4. Appendix 1 Operational Audit Rating Scales

Operational Audit Compliance and Controls Rating Scales			
Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
NP	Not performed	NR	Obligation was not rated as no activity took place to exercise the obligation during the Audit Period
		NA	Obligations identified as not applicable during the Audit Period.

5. Appendix 2 Asset Management Rating Scales

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).
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).

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.