

Shire of Morawa Post Review Implementation Plan					
Reference (no./year)	Asset System Deficiency (Rating / Asset Management System Component & Effectiveness Criteria / Details of Asset System Deficiency)	Auditor's recommendation	Management action taken by end of Review Period	Person Responsible	Date for Completion
PR1/2017	<p>B2 <i>Asset Planning – Asset management plan covers key requirements</i></p> <p>Although the asset management system package provided by the ERA that the Shire uses includes a Financial Budget spreadsheet, the Shire does not utilise this spreadsheet.</p>	<p>We recommend that the Shire uses the Financial Budget spreadsheet to consolidate all of the financial information related to the income/revenue and expenditure related to providing the sewerage service.</p>	<p>Financial budget spreadsheet to be utilised as part of annual budget process.</p>	EMDA	31 May 2017 then annually
R2/2017	<p>B2 <i>Asset Planning – Likelihood and consequences of asset failure are predicted</i></p> <p>The mitigation and management strategies for the highest risks are included in the Asset Management Plan. However, the Shire has recognised that the main risk event impacting on the sewerage service is power outages and this is not included in the risk assessment.</p>	<p>The Shire has recently developed a Contingency Plan and this includes mitigation actions related to power outages.</p> <p>We recommend that this risk event is included in the next review of the risk register.</p>	<p>Risk register in asset management plan to be updated to include power outages.</p>	EMDA	30 June 2017
R3/2017	<p>B2 <i>Asset Planning – Plans are regularly reviewed and updated</i></p> <p>Although the Shire reviews the Asset Management Plan annually, the document states in Section 7.2 that the asset register will be reviewed annually in the improvement plan in</p>	<p>We recommend that the Shire revises the information provided in Section 7.3 to state that the Asset Management Plan should be reviewed, and updated where necessary, annually. This review process provides the opportunity to refine and keep this information up-to-date and relevant.</p>	<p>Asset management plan to be reviewed and updated annually with statement in section 7.3 of the plan to confirm that this is to be done. Requirement to conduct review to be entered in the electronic diary of EMDA and PWS as well</p>	EMDA	30 June 2017

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	Section 7.2 but that it will be reviewed every five years in Section 7.3.	Therefore, the next review of the AMP would be expected to be completed in August 2017.	as in the WWTP Compliance Calendar and Governance alendar.		
R4/2017	<p>B2 <i>Asset Creation - Ongoing legal / environmental / safety obligations of the asset owner are assigned and understood</i></p> <p>Although the AMP includes information on the recycled water scheme assets, the legal, environmental and safety obligations related to the reuse scheme are not specified in the AMP (e.g. the <i>Health Act 1911</i>, the <i>Metropolitan Water Supply and Sewerage Act 1909</i> and <i>Environmental Protection Act 1986</i>).</p>	We recommend that the legislative requirements associated with the licensee's reuse scheme are included in the next update of the AMP.	Asset Management Plan to be updated to include legal environmental and safety applications related to the reuse scheme including applicable legislation..	EMDA	30 June 2017
R5/2017	<p>B2 <i>Environmental Analysis - Compliance with statutory and regulatory requirements</i></p> <p>The Shire has identified statutory and regulatory requirements in its Section 2.2 of the AMP. However, it makes reference to the <i>Water Services Licensing Act 1995</i> which has been superseded by the <i>Water Services Act 2012</i>.</p>	We recommend that the AMP be updated to reflect the new legislative framework at the next review of the document.	Section 2.2 of the Asset management plan to be updated to remove references to the <i>Water Services Licensing Act 1995</i> . Where references are to be made to applicable legislation, they will be to the <i>Water Services Act 2012</i> .	EMDA	30 June 2017
R6/2017	B2	We recommend that the Shire completes the overdue Recycled Water Quality Management Plan	Recycled water quality management plan is underway. This will be	EMDA	31 July 2017

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	<p><i>Environmental Analysis - Compliance with statutory and regulatory requirements</i></p> <p>There was also a requirement for the Shire to develop a Recycled Water Quality Management Plan by the end of 2016 that has not yet been completed.</p> <p>The Shire is waiting for the disinfection system installation to be completed prior to the Recycled Water Quality Management Plan being prepared.</p> <p>As such, the Plan is expected to be completed within the next few months.</p>	that it is required to complete by the Department of Health once the proposed disinfection system has been installed.	completed within the required time frame. The Department of Health template is being used for this.		
R7/2017	<p>B2</p> <p><i>Asset Operations – Risk management is applied to prioritise operations tasks</i></p> <p>Risk management related to the treated effluent reuse supply are included in the AMS. However, we observed that although the Risk Register has been updated to include the effluent reuse assets, it does not include any risk related to the water quality of the effluent.</p>	We recommend that the risk event of reused effluent being of unsuitable quality for irrigation of the sports oval be included in the next review of the Register.	Risk management register in the Asset Management Plan to include the Water Reuse Scheme and the risk of unsuitable quality reuse water being used on the sports oval.	EMDA	31 June 2017
R8/2017	<p>B2</p> <p><i>Asset Operations - Assets are documented in an Asset Register</i></p>	We recommend that the Shire revises its asset register to	A physical audit of the scheme assets will be carried out by a qualified	EMDA	30 June 2017

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	<p><i>including asset type, location, material, plans of components, an assessment of assets' physical/structural condition and accounting data</i></p> <p>We note that the asset register does not record the pipe diameters or materials. The Asset Management Plan does provide information on pipe sizes and diameters.</p> <p>In addition, that the asset register does not provide any information on asset sizes/dimensions (e.g. pump and motor sizes/capacities, treatment plant pond sizes, storage tanks) or materials (e.g. storage tanks).</p> <p>We also note that the rising main from the pump station to the treatment plant is not recorded as a rising main pipe.</p>	include this information at the next update of the AMS.	consultant, with updated information included in the asset management plan.		
R9/2017	<p><i>B2</i></p> <p><i>Asset Maintenance – Regular inspections are undertaken of asset performance and condition</i></p> <p>The Shire has not completed a recommendation from the last asset management review to engage a Health & Safety consultant to carry out a survey of the below ground overflow structure at the Shire's pumping station.</p>	We recommend that the Shire completes this recommendation that was included in the 2015 asset management system review.	A health and safety consultant from LGIS to be appointed to inspect and survey the pumping station overflow structure to confirm whether the open tank and ladder into the tank meet compliance requirements. If upgrades are recommended, the Shire will repair or replace	PWS	30 June 2017

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	This recommended work should assess the pumping station overflow structure to confirm, or otherwise, whether the open tank needs a cover/cage and whether the ladder into the tank is required and, if it is, whether it meets the current Australian Standards for ladders.		equipment as requested by the consultant.		
R10/2017	<p>B2 <i>Risk Management – Risks are documented in a risk register and treatment plans are actioned and monitored</i></p> <p>The risk consequences related to customers and community are assessed and used to derive an overall consequence score based on the maximum individual score. The licensee's risk assessment does not include risk consequences associated with the water licence, financial impact, the environment and workplace health and safety.</p>	We recommend that the Shire's risk assessment be updated to include these risks when the register is next reviewed.	Risk assessment to be updated to include risk consequences associated with the water licence, financial impact, the environment and workplace health and safety.	EMDA	30 June 2017
R11/2017	<p>B2 <i>Risk Management – Risks are documented in a risk register and treatment plans are actioned and monitored</i></p> <p>Although the Shire has developed a Contingency Plan that includes the mitigation/management strategies for the key asset risk events, and these</p>	Therefore, we recommend that the Shire review the non-asset risks and identifies Mitigation & Management Strategies for these non-asset risks.	The Risk Register to be updated to include mitigation and management strategies for the significant risks included in the Water Services Operating Licence Risks.	EMDA	30 June 2017

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	are also included in the Asset Management Plan, the Risk Register does not include any Mitigation & Management Strategies for any of the significant risks included in the Water Services Operating Licence Risks.				
R12/2017	<p><i>D4</i> <i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</i></p> <p>The Shire has developed the Contingency Plan that was included in the previous asset management review's recommendations after the end of the review period but prior to the completion of this report.</p>	As the Contingency Plan was not completed until after the review period, we are required to recommend that the Shire develops a Contingency Plan. The Shire can refer to the actions that have been completed to address this recommendation in its Post-Review Implementation Plan.	No action required.	N/A	N/A
R13/2017	<p><i>D4</i> <i>Contingency Planning - Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks</i></p> <p>The Shire has only recently prepared its Contingency Plan for its sewerage system. No testing of the Plan has been completed.</p>	In our review of the recommendations from the last asset management system review, we have recommended that the Shire conducts a desktop test of its Contingency Plan during 2017 (recurring annually) using a mock scenario to test and confirm that its mitigation strategies and the listed actions under each strategy are appropriate.	Annual desktop exercises of contingency plans to be carried out prior to 30 June of each year. Event to be entered in the electronic diaries of Shire officers as well as in the WWTP Compliance Calendar.	PWS	30 June 2017 then annually
R14/2017	<p><i>B1</i> <i>Financial Planning – The financial plan provides for the operations and maintenance, administration and</i></p>	We recommend that the Shire includes a five year financial plan that includes the breakdown of the	A five year detailed financial plan to be included in the Asset Management Plan	EMDA	31 May 2017 then update annually

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	<p><i>capital expenditure requirements of the services</i></p> <p>With the exception of the renewals program, the Asset Management Plan does not include any financial forecast data related to the operations and maintenance of the sewerage and reuse systems.</p>	<p>revenue/income and different components of the expenditure (e.g. electricity, materials, labour, licensing costs, contractor expenditure, overheads, insurance etc.) and the forecast money to be put into the sewerage reserve fund, in order to provide the financial adjustments in each year and the overall annual financial situation over the period. The Shire has this information included in its financial plan as well as the actual costs incurred in the year recorded in Synergy so providing this financial overview and forecast in the Asset Management Plan should be a reasonably straightforward process.</p>	<p>including operational cost component break down, capital expenditure and reserve transfers. This will be updated annually as part of the Asset Management Plan review carried out each year.</p>		