



Service providers—SAMP and SLMP: Review, audit and reporting requirements

The *Water Supply (Safety and Reliability) Act 2008* (the Act) requires service providers to prepare a strategic asset management plan (SAMP) and a system leakage management plan (SLMP) unless the regulator has granted an exemption. The regulator is the Director-General of the Department of Environment and Resource Management (DERM).

This fact sheet explains the provisions of the Act concerning review, audit and reporting requirements for SAMPs and SLMPs.

Required reviews, audits and reports

Under the Act the following may be required for a SAMP and SLMP:

- regular review (s. 106)
- regular audit (s. 108)
- annual report (s. 141).

Regular reviews

When regular reviews are required

The notices approving the SAMP and SLMP, issued under ss. 74 and 87 of the Act, must tell the service provider the intervals at which reviews are required. Regular reviews cannot be required more than once a year.

Why regular reviews are required

The Act requires regular reviews of a SAMP and SLMP to ensure the SAMP and SLMP remain relevant and consider best practice industry standards for the types of services provided.

Changing the SAMP/SLMP following review

If a review indicates that the SAMP should be changed to reflect best practice industry standards, then the service provider must, within 30 business days after the review ends, give the regulator a modified SAMP including the indicated changes.

If a review indicates that the SLMP should be changed, the service provider must, within 30 business days after the review ends, give the regulator a copy of a new plan. The new plan must indicate actions and improvements made or planned since the SLMP under review was

approved. If a SLMP review does not indicate any changes are necessary, the service provider must give the regulator a further copy of the existing SLMP.

Regular audits

When regular audits are required

The notice approving the SAMP and SLMP, issued under ss. 74 and 87 respectively, must tell the service provider if and when regular audits are required. Regular audits cannot be required more than once every two years.

Why regular audits are required

Regular audits are prepared to:

- assess compliance with the SAMP/SLMP
- verify the accuracy of any performance data provided through the SAMP/SLMP annual report
- assess the service provider's technical ability to meet the standards identified in its SAMP/SLMP.

Reporting results of regular audits

The regular audit report must be given to the regulator within 30 business days of its completion. The service provider must make the report publicly available for inspection and purchase (s. 575(1)(b)).

Who prepares the regular audit report?

Under s. 108 the regular audit report must be prepared by a registered professional engineer (the auditor), as defined in the *Professional Engineers Act 2002*.

The auditor must not be:

- an employee of the service provider
- the engineer who prepared or certified the SAMP/SLMP
- an engineer employed in operating the service provider's infrastructure.

Under s. 109 of the Act, statutory declarations by the service provider and the auditor must accompany the regular audit report.





The service provider's declaration must state that the provider has:

- not knowingly given any false or misleading information to the auditor
- given all relevant information to the auditor.

The auditor's declaration must state:

- the auditor's qualifications and relevant experience
- that the auditor has not knowingly included any false, misleading or incomplete information in the report
- that the auditor has not knowingly failed to reveal any relevant information or document to the regulator.

The auditor must also certify that:

- the regular audit report addresses the relevant matters for the evaluation and is factually correct
- the opinions expressed in the report are honestly and reasonably held.

Obligation to allow access for audits

A service provider must give free access to its infrastructure and related records to the auditor and any person employed or authorised by the auditor for the audit (s. 112 of the Act). However, these people must not enter the premises of a service provider's customer unless the customer agrees.

Spot audits

Section 110 of the Act allows the regulator to arrange a spot audit if the regulator is satisfied, or reasonably believes:

- a service provider is not complying with its SAMP/SLMP; or
- the SAMP/SLMP is no longer adequate for the provider's registered services.

The regulator can also arrange a spot audit under s. 110 if a service provider does not:

- comply with its regular audit obligations; or
- provide the regulator with a copy of a regular audit report that has been prepared.

A spot audit may be arranged even if a regular audit has been carried out.

Annual reports

Section 141 requires SAMP/SLMP annual reports to be prepared for each financial year after a SAMP/SLMP is approved.

A local government service provider does not have to prepare a separate SAMP/SLMP annual report if the required information is included in a report under s. 531 of the *Local Government Act 1993* and a copy of the

s. 531 report is given to the regulator within 30 business days of its adoption by the local government.

In all other cases, a copy of the SAMP/SLMP annual report must be given to the regulator within 120 business days of the end of the relevant financial year. Service providers must make the annual report publicly available for inspection and purchase.

Information to be included in an annual report

A SAMP/SLMP annual report must:

- measure the service provider's performance for the financial year for its registered services, against the SAMP/SLMP
- document actions taken to implement the SAMP/SLMP, including the application of funds
- state the outcome of any review and how matters raised have been addressed by the service provider
- summarise the findings and recommendations of any audit report (including spot audits) given to the regulator in the relevant financial year.

A SAMP/SLMP annual report may be combined with an annual report about customer service standards.

Further information

Further information can be found in the following service provider fact sheets on NRW's website:

- W99—Service providers—strategic asset management plans
- W104—Service providers—small service provider exemptions
- W106—Service providers—system leakage management plans
- W108—Service providers—system leakage management plan exemptions
- W123—Service providers—spot audits of service providers.

For more information about service provider issues, phone DERM on (07) 3224 2733 or email the Office of the Water Supply Regulator (OWSR) at <owsr.enquiries@nrw.qld.gov.au>.

General information regarding Queensland's water industry regulator can be found on the DERM website <www.nrw.qld.gov.au>.

The Act and related regulations can be obtained from the Queensland Office of Parliamentary Counsel website <www.legislation.qld.gov.au>.

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For further information phone 13 13 04