

## Service providers—SAMP/SLMP spot audits

This fact sheet explains the power of the regulator under the *Water Supply (Safety and Reliability) Act 2008* (the Act) to arrange a spot audit of a service provider's strategic asset management plan (SAMP) and/or system leakage management plan (SLMP).

The regulator is the Director-General of the Department of Environment and Resource Management (the department).

### Why spot audits are done

Spot audits can be undertaken for a number of reasons:

- if a service provider is not complying with its SAMP and/or SLMP
- if the SAMP/SLMP is no longer adequate for the service provider's registered services. The registered services are the water or sewerage services for which the provider is a registered service provider
- if a service provider is not complying with regular audit obligations or has not given the regulator a copy of the audit report.

Spot audits may be arranged even if regular audits have been carried out.

### Show cause notice

If the regulator intends to undertake a spot audit the regulator will issue a show cause notice to the service provider requiring the service provider to show cause as to why a spot audit should not be conducted. A service provider may make a submission as to why a spot audit should not be carried out.

### Who prepares a spot audit report?

The spot audit report must be prepared by a registered professional engineer, (the auditor), as defined under the *Professional Engineers Act 2002*.

### Spot audit report statutory declaration

A statutory declaration by the auditor must accompany the spot audit report. 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's declaration must also certify that:

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

### Reporting spot audit results

A service provider must summarise the findings of the spot audit report and any recommendations and include this in its SAMP/SLMP annual report.

Spot audit reports do not have to be made available to the public for inspection and purchase.

### Consequences of a spot audit

The regulator must give the service provider an information notice if the spot audit report concludes that the SAMP/SLMP:

- does not contain a key element required under the Act and relevant guidelines
- and/or
- was not properly carried out by the service provider.

The notice will require the inadequacy to be rectified, or the SAMP/SLMP to be properly carried out by the service provider, whichever is relevant, within a stated reasonable time.

The service provider must comply with the notice unless there is a reasonable excuse for not complying.

The service provider can apply to the regulator for a review of the decision. If the service provider is not satisfied with the review decision, arbitration can be sought from the Queensland Competition Authority.

### Who pays for a spot audit?

The regulator may recover the cost of completing a spot audit report from the service provider if the spot audit report concludes that the SAMP/SLMP:

- does not contain a key element required under the Act and relevant guidelines
- and/or
- was not properly carried out by the service provider.

## 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.

However, these people must not enter the premises of a service provider's customer unless the customer agrees.

## Further information

For more information about service provider issues, email the Office of the Water Supply Regulator at <[owsr.enquiries@derm.qld.gov.au](mailto:owsr.enquiries@derm.qld.gov.au)>.

General information regarding Queensland's water industry regulator can be found on the department's website at <[www.derm.qld.gov.au](http://www.derm.qld.gov.au)>.

The *Water Supply (Safety and Reliability) Act 2008* and related regulations can be obtained from the Office of the Queensland Parliamentary Counsel website at <[www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)>.

*April 2010  
W123*

For general enquiries contact the  
Queensland Government call centre 13 13 04  
or visit [www.derm.qld.gov.au](http://www.derm.qld.gov.au)