

B Technical Audit of Water Companies

- Describing the technical audit process for checking water companies' compliance with the Drinking Water Quality Regulations in force during the year 2002.

The Technical Audit Process

Technical audits are carried out by the Inspectorate to check that water companies are complying with their statutory obligations. The audit process also allows the Inspectorate to observe whether current good practice is being followed. The process consists of three elements:

Annual assessment	<ul style="list-style-type: none"> – A check on the quality of water supplied throughout the year, based on information provided by the water companies. – Checks that companies have met their obligations in respect of sampling programmes and improvement programmes.
Inspection	<ul style="list-style-type: none"> – Audit inspections of selected activities for each water company, relevant to any of its quality-related water supply duties.
Interim checks	<ul style="list-style-type: none"> – Carried out on aspects of compliance and based on information provided periodically by companies. – Unannounced audit inspections of specific activities.

Although the key elements of the technical audit process remain the same as those introduced in 1990, the detailed application of the process is kept under continuous review. During 2002 the major part of the technical audit process was carried out by teams of Inspectors. Consultants, acting as Temporary Technical Assessors and working under the general direction of an Inspector, carried out a number of the audit inspection tasks.

All audit inspections are tailored to the individual water company, and a number of core tasks are carried out for every company. The inspection tasks covered for one or more companies in 2002 are listed in Table 1 below.

Table 1. Inspection tasks covered during 2002

Actions taken on recommendations made during 2001*	
Sampling arrangements	<ul style="list-style-type: none"> – Review of sampling programme and sample points – Review of pesticide monitoring – Audit of sampler
Reporting arrangements	<ul style="list-style-type: none"> – Audit trails* – Specific parameter audit trails^(a)
Compliance programmes	<ul style="list-style-type: none"> – Audit of selected schemes ^(a) – Review of programmes to meet the new and revised regulatory standards ^(a) – Review of distribution system undertakings ^(a) – Review of plumbosolvency treatment for lead ^(a)
Water treatment	<ul style="list-style-type: none"> – Inspection of water treatment works
Water distribution	<ul style="list-style-type: none"> – Inspection of service reservoirs – Inspection of <i>in situ</i> lining of mains ^(a)
Water quality complaints	<ul style="list-style-type: none"> – Audit of response to selected complaints
Cryptosporidium	<ul style="list-style-type: none"> – Inspection of monitoring installations ^(a) – Inspection of membrane treatment processes – Sampler audits – Inspection of laboratories ^(a) – Unannounced audit of laboratories

* Task carried out for all companies

(a) Task allocated to consultants

In 2002, all 26 companies were inspected by a combination of visits, and assessment of information and documents provided by them. The inspection programme generally ran smoothly and the Inspectorate continues to be grateful to companies for providing full facilities to its staff and consultants. The Inspectorate is continuing to move towards using detailed checklists for each inspection task, which can be completed in draft and presented to the company soon after the inspection visit. This approach is both effective and efficient in terms of communicating the outcome of the inspection to the company. Each inspection report summarises the findings of the inspection, along with the main conclusions and any recommendations made. Where relevant, inspection report summaries are available in the ‘Business and Technical’ section of the Inspectorate’s web site under ‘Audit and Inspection’.

A clear distinction is made in the inspection reports between recommendations, which require a formal written response from the company, and suggestions. **Recommendations** are made only where, in the Inspector’s opinion, action is required in order to avoid a foreseeable risk of a breach of a regulatory duty. If such a breach has occurred then enforcement action may be considered. **Suggestions** are made in relation to matters which do not present such a risk, but which concern general good practice.