



Electrical Safety Office Supply and Networks

Prescribed electricity entities

Safety management system, audit and
governance guide



Electrical Safety Office
electricalsafety.qld.gov.au



Document change summary

Version	Date	Change
1	7 Dec 17	Consultation draft
2.0	7 Nov 18	Initial release
2.1	7 Feb 19	Minor editorial changes and reference to “Three Lines of Defence” risk governance model
3.0	June 2020	Major update to the structure incorporating three distinct areas <ul style="list-style-type: none"> • SMS • SMS audits • SMS Accredited auditor administration and conduct Changed title to reflect content
4.0	March 2022	Preface disclaimer added Amendments to Section 7.1 Amendments to Section 8 to clarify SMS types of audits and audit planning Definition of <i>document</i> and <i>writing</i> included in Appendix A New Appendix F inserted – SMS lifecycle flowchart Appendix G updated – example annual SMS certificate Appendices renumbered from Appendix F

Preface

About the Electrical Safety Office (ESO)

Our vision

Prevention of death, injury and destruction of property caused by electricity.

Our goals

People work and live safely around electricity.

Our approach

- Use an evidence-based approach to target services and interventions that focus on priorities and those most at risk.
- Be a visible, accessible, mobile and capable organisation that delivers effective and efficient services throughout Queensland.
- Partner and collaborate with industry, government, community and other stakeholders to identify problems and implement solutions.
- Apply internal governance and auditing processes to ensure our services are relevant, consistent, high quality and timely.
- Evaluate and continually review our services and interventions to maximise outcomes.
- Exemplify the public service values.

Disclaimer: The Safety management system, audit and governance guide is a reference to provide guidance for implementing and maintaining a safety management system (SMS). It does not constitute as audit criteria or replace the technical expertise/experience of an accredited auditor or prescribed electricity entity.

Provision of this guide does not remove the responsibility of a prescribed electricity entity or an accredited auditor to ensure their responsibilities, functions or duties have been recognised and fulfilled.

The prescribed electricity entity or accredited auditor should not solely rely on this guide when periodically assessing or auditing a SMS.

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1 Background

The *Electrical Safety Act 2002* (ES Act) and the *Electrical Safety Regulation 2013* (ES Regulation) require prescribed electricity entities to have and give effect to a safety management system (SMS).

The Office of Industrial Relations acts as the Regulator for the ES Act, the ES Regulation and the Electrical Safety Codes of Practice. Delegation authorities exist from the Regulator to Officers within the ESO (ES Act s. 122(b)).

2 Purpose

The purpose of this document is to provide prescribed electricity entities, accredited auditors and other stakeholders, guidance for applying the legislative requirements under the ES Act and the ES Regulation and standards for implementing and maintaining a SMS including the objectives for the different types of audits i.e. initial, modification and annual.

3 Scope

This document applies to the SMS of prescribed electricity entities as mandated by Queensland electrical safety legislation.

The document includes:

- legislation requirements
- responsibilities and accountabilities
- elements of a SMS
- ESO expectations of SMS and giving effect
- legislated SMS audits
- SMS accredited auditor governance.

While a SMS is mandatory for prescribed electricity entities, other entities and duty holders are encouraged to adopt a SMS to manage their electrical risk.

4 Glossary of terms

The meaning of words and phrases used in this document are defined in Appendix A.

5 Legislation

Legislative requirements for prescribed electricity entities relevant to this document are summarised below for reference.

5.1 Duties

- Duty of electricity entity, ES Act s. 29
- Primary duty of care, ES Act s. 30
- Duty of officers (includes due diligence), ES Act s. 38A
- Duty of worker, ES Act s. 39
- Duty of other person, ES Act s. 40

5.2 SMS and accredited auditors

- SMS for prescribed electricity entities, ES Act ss. 66–67
- SMS requirements, ES Regulation ss. 233–234
- Accredited auditors, ES Act ss. 129–136B
- Accredited auditors, ES Regulation ss. 235–237

5.3 Works

- Works of an electricity entity, ES Regulation ss. 195–216
- Electrical Safety Code of Practice 2020 - Works
- Electrical Safety Code of Practice 2013 - Managing electrical risks in the workplace

5.4 Failure to comply

Failing to comply with legislative requirements will result in enforcement action and may result in financial penalties (maximum penalty units are provided by relevant sections of the ES Act and ES Reg).

Offences and penalties for failing to comply with electrical safety duties are provided by the ES Act ss. 40A–40F.

If a *worker* dies as a result of carrying out work, senior officers in particular circumstances may be subject to criminal industrial manslaughter charges in accordance with the ES Act ss. 48L–48O.

6 Responsibilities and accountabilities

6.1 Electrical Safety Office

The ESO, on behalf of the Office of Industrial Relations, administers the ES Act, the ES Regulation and the Electrical Safety Codes of Practice. With regards to prescribed electricity entities this includes:

- monitoring and enforcing compliance with electrical safety legislation
- regulatory oversight of prescribed electricity entities' SMS and audits
- appointment and administration of accredited auditors
- conducting and defending proceedings under the ES Act before a court
- providing advice and information on electrical safety to duty holders under the ES Act
- communicating to prescribed electricity entities and accredited auditors any significant legislative changes that may impact on the SMS.

6.2 Prescribed electricity entities

Prescribed electricity entities must:

- ensure works are electrically safe and are operated in a way that is electrically safe
- ensure a SMS is in place
- ensure the SMS is devised in consultation with workers, their representatives and principal and primary contractors
- give effect to the SMS
- ensure the SMS is audited annually by an accredited auditor
- involve the accredited auditor in the planning of annual audits
- submit the SMS annual audit plan to the Regulator

- submit information the Regulator reasonably requires about the prescribed electricity entity's SMS and how the prescribed electricity entity is giving effect to this system. This includes
 - SMS annual audit report
 - prescribed electricity entity action plans to address audit findings.

6.3 Accredited auditors

Accredited auditors are required to:

- comply with the Regulator's conditions of office for an accredited auditor (refer to Appendix B) including applying this guide
- acquit themselves in accordance with the Code of Conduct for the Queensland Public Service. (www.forgov.qld.gov.au)
- ensure audit findings are objective, technically correct, assessed against legislative requirements
- ensure nominee representatives maintain their skills, knowledge and abilities to conduct audits
- ensure nominee representatives work jointly according to the instrument of appointment in each of their areas of expertise
- ensure, in general, accredited auditors (or nominee representatives) conduct no more than three consecutive annual SMS audits for the same prescribed electricity entity or as otherwise approved in writing by the Regulator.

7 Safety management system

7.1 Overview

It is recognised that a SMS is not a stand-alone document, and it is more than the existence of forms, processes, policies or documents that describe various safety aspects of an organisation. However, regardless of the individual elements of a SMS, a prescribed electricity entity must have a written document containing and detailing the specific characteristics of their SMS as prescribed in the ES Act and ES Reg.

A safety management system must contain details of the following:

- the system's safety objectives
- the systems and procedures by which the objectives are to be achieved
- the performance criteria to be met
- the way in which adherence to the performance criteria is to be maintained.

The SMS must also include details of how the document is to be developed and periodically updated.

This section presents elements of a SMS as an organising construct as shown by Figure 1 - SMS elements below. Within each element, legislative requirements, relevant standards and evidence of giving effect are provided.



Figure 1 - SMS elements

Australian Standard AS 5577 Electricity network safety management systems (AS 5577) and AS/NZS ISO 45001:2018 Occupational health and safety management systems (AS/NZS ISO 45001) have been used to provide guidance to assist in how a prescribed electricity entity can give effect to a SMS. Note that it is a condition of accredited auditors' accreditation that elements of AS 5577 are included in the annual prescribed electricity entity SMS audit. Appendix C provides a comparison of legislative requirements and Australian Standards for safety management systems.

Prescribed electricity entities must assure themselves that their SMS is in place and have the capacity to demonstrate it is effective. Use of the three lines of defence (refer to Appendix D) in effective risk management is recommended to provide such assurance. Note that the ESO accredited auditors are not considered to be part of the three lines of defence; rather in their audit role they must be seeking evidence that the three lines of defence of prescribed electricity entities are in place and effective.

7.2 Communication and consultation

7.2.1 Description

The SMS must be devised in consultation with workers and their representatives of industrial organisations whose members are employees of the prescribed electricity entity, and with principal or primary contractors for the prescribed electricity entity.

The SMS must be readily accessible and clearly communicated throughout the organisation and to contractors.

Internal and external communication with relevant parties is also important to ensure:

- public awareness of relevant risks and actions required
- external party collaboration in the management of risks
- organisation continual improvement
- appropriate awareness of lessons or actions from incident investigations.

7.2.2 Legislative requirements

Reference	Requirement
ES Act s 66(a)	The SMS devised by the prescribed electricity entity in consultation with: <ul style="list-style-type: none"> • persons who are broadly representative of industrial organisations of employees whose members are employees of the prescribed electricity entity; and • principal or primary contractors with the prescribed electricity entity for the performance of electrical and other work for the prescribed electricity entity.
ES Act s. 30 ES Regulation s. 11	Engage with others over risks encountered during design, construction, maintenance and operation of the works.

7.2.3 Relevant standards

Reference	Guidance
AS 5577 4.4.6.1	Consultation
AS 5577 4.4.6.2	Communication and reporting
AS 45001 5.1	Leadership and commitment

AS 45001 5.4	Consultation and participation of workers
AS 45001 7.4	Communication

7.2.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Records of consultation with workers, contractors and other relevant parties during the development, planning, implementation, performance evaluation and actions for improvement.
- Accessible, clear, understandable and relevant safety information being available.
- Processes for sharing routine, urgent and emergency safety information with workers, contractors, external parties and the public.
- Communication and consultation processes which enable workers to contribute to continual safety management improvement.

7.3 Leadership, commitment and goals

7.3.1 Description

Senior management commitment is required for safety to be effectively integrated into an organisation and its safety culture. A senior manager who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business or undertaking must exercise due diligence to ensure they comply with their duties under the ES Act s 38A.

Prescribed electricity entities report safety performance to the public and stakeholders; for example, in annual reports. For prescribed electricity entities, this is consistent with Queensland Treasury's guidelines on the release of information. This provides the general public and the prescribed electricity entity's workforce with information about how a prescribed electricity entity is managing the risks they may be exposed to by working, living or being near the prescribed electricity entity's works.

7.3.2 Legislative requirements

Reference	Requirement
ES Act s 29	The SMS covers the duty of a prescribed electricity entity
ES Act s 30-40	The SMS recognises accountabilities including the duty of officers
ES Regulation s. 234(2)(a)	A SMS must contain details of the systems safety objectives
ES Regulation s. 234(2)(c)	A SMS must contain details of performance criteria
Qld Treasury, Release of Information - Principle 3 ¹	Qld Government expects all government owned corporations to provide information to the public as a matter of course unless there are good public interest reasons for not doing so.

7.3.3 Relevant standards

Reference	Guidance
AS 5577 4.2	Policy and Commitment
AS 5577 4.4.2	Implementation Resourcing
AS 5577 4.4.3	Management Structure
AS 5577 4.4.4	Responsibilities, accountabilities and authorities
AS 45001 5.1	Leadership and commitment

¹ Release Of Information Arrangements available at treasury.qld.gov.au

7.3.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Organisational commitment towards safety is clearly expressed and widely communicated.
- Safety objectives clearly expressed.
- Goals and plans include measurable performance targets.
- Clearly defined responsibility and accountability for safety outcomes.
- Sufficient resources allocated to achieve safety outcomes.
- Routine reporting of safety outcomes against performance targets to senior management.
- For Government Owned Corporations, public reporting of safety objectives, goals, plans and outcomes.

7.4 Risk planning

7.4.1 Description

Prescribed electricity entities must proactively identify, assess and plan the control of hazards and risks to ensure that their works are electrically safe and operated in a way that is electrically safe. The risk management process must include all aspects of the asset life cycle (e.g. design, construction, operation and maintenance and decommissioning of the prescribed electricity entity's works).

7.4.2 Legislative requirements

Reference	Requirement
ES Act s. 66(b)	A SMS must detail hazards and risks associated with the design, construction, operation and maintenance of the prescribed electricity entity's works. This includes how the prescribed electricity entity is to manage the hazards and risks to ensure that its electrical safety obligation is properly discharged.
ES Regulation s. 234(2)	A SMS must contain details of the following: <ul style="list-style-type: none">• The systems safety objectives• The systems and procedures by which the objectives are to be achieved• The performance criteria to be met• The way in which adherence to the performance criteria is to be maintained.
ES Regulation s. 11	Hierarchy of controls applied.
Electrical Safety Code of Practice 2020 - Works	The risk management process.
ES Act s. 38A(5)(b)	Due diligence includes—gaining an understanding of the nature of the operations of the business or undertaking of the person conducting the business or undertaking and generally of the hazards and risks associated with those operations.

7.4.3 Relevant standards

Reference	Guidance
AS 5577 4.3.2	Planning for safe operation
AS 5577 4.3.3	Planning and preparation for abnormal operations
AS 5577 4.3.4	Standard and codes
AS 5577 4.4.7	Emergency preparedness and response

AS 45001 6	Planning
AS/NZS ISO 31000	Risk Management

7.4.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Risk management processes are clearly documented and accessible to workers and contractors as applicable.
- All risks are proactively identified, assessed, documented and appropriately treated.
- Risk management plans being available, which
 - have been developed in consultation with relevant functional areas, workers, contractors and other relevant parties as applicable
 - are approved by delegated and competent persons
 - reflect variables including asset type, age and condition, operational practices, and environmental conditions
 - outline how safety obligations and goals are to be achieved in normal, abnormal and emergency situations for the life cycle of the prescribed electricity entity's works
 - have implementation timeframes assigned
 - employ the hierarchy of controls approach to risk management (refer to Appendix E), with decisions not to use higher level controls adequately justified and documented as demonstration of meeting the requirements of minimising risks SFARP.
 - allocate risk controls to competent persons who are responsible, accountable and adequately resourced to ensure their delivery
 - identify performance criteria, including lead and lag indicators, to monitor the implementation and effectiveness of risk management plans and legislative compliance
 - are communicated and available to workers, contractors, external parties and the public as applicable.
- Risk management processes are embedded in the engineering design process and apply safety in design principles.
- Records of legislative compliance requirements.

7.5 Implementation

7.5.1 Description

The SMS and all risk controls must be integrated into all applicable aspects of the prescribed electricity entity's activities. SMSs, and their implementation, form the first and second lines of defence in accordance with the "Three Lines of Defence" risk model (as described at Appendix D).

First line of defence elements includes:

- plans to address prescribed electricity entity risks
- safe work methods
- operational policies and procedures
- worker training and competency
- change management
- emergency preparedness
- processes for incident reporting and investigation.

Second line of defence implementation elements include processes managed by functional areas, including:

- risk management processes
- procurement processes

- contractor management
- asset design, construction, operation and maintenance
- document and data control
- quality systems.

7.5.2 Legislative requirements

Reference	Requirement
ES Regulation s. 234(2)(b)	The systems and procedures by which the objectives are to be achieved.
ES Regulation s. 234(2)(c)	The SMS must contain details of the systems and procedures by which the objectives are to be achieved.
ES Act s. 38A(5)(c)(e)	Due diligence includes: <ul style="list-style-type: none"> • ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to electrical safety from work carried out as part of the conduct of the business or undertaking • ensure that the PCBU has, and implements, processes for complying with any duty of the PCBU under this Act.

7.5.3 Relevant standards

Reference	Guidance
AS 5577 4.4.1	Implementation General
AS 5577 4.4.5	Training and competency
AS 45001 7	Support
AS 45001 8	Operation
Institute of Internal Auditors, Three Lines of Defence	Refer Appendix D

7.5.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Implementation of risk management plans such as appropriate funding, resources, performance measures, responsibilities, accountabilities and reporting systems.
- Asset management plans which incorporate risk controls.
- Work tasks/procedures which incorporate requirements of risk controls.
- Competency requirements for all persons involved with the design, construction, commissioning, operation, maintenance and decommissioning of the network clearly defined and documented.
- Risk controls are implemented through documented procedures of functional support areas (e.g. procurement, contractor management, quality, executive reporting, internal auditing).
- Documented processes for reporting and investigation of accidents and incidents which:
 - incorporates root cause failure analysis
 - aligns with the performance evaluation processes
 - meets senior management reporting requirements.
- Readily accessible processes for feedback and reporting improvement opportunities which include defined risk-based response timeframes, and mechanisms for assigning responsibilities.

7.6 Conformance

7.6.1 Description

Conformance checks ensure that prescribed electricity entity processes, procedures, standards and plans are followed. Conformance checks should be performed by operational delivery areas and functional support areas (e.g. safety, procurement, contractor management, quality, executive reporting).

Conformance audits may be in the form of management or functional area audits (Level 1 and 2 lines of defence).

Systems should be in place to enable management, workers and contractors to readily provide feedback to allow continual improvement of processes and procedures which do not lend themselves to conformance (i.e. incomplete, inadequate, ambiguous, cumbersome, inappropriate, or inaccessible).

7.6.2 Legislative requirements

Reference	Requirement
ES Act s. 67	A prescribed electricity entity must have, and must <i>give effect</i> to, a safety management system for the prescribed electricity entity.
ES Regulation s. 234(2)(d)	A SMS must contain details of ways of maintaining adherence to the performance criteria.
ES Act s. 66(d)	The SMS details what the prescribed electricity entity will do to ensure that contractors for the performance of electrical and other work for the prescribed electricity entity comply with the requirements of the safety management system.
ES Act s. 38A(5)(f)	Due diligence includes - verify the provision and use of the resources and processes mentioned in ES Act s 38A(5)(c)-(e).

7.6.3 Relevant standards

Reference	Guidance
AS 5577 4.5.1	Monitoring and measurement
AS 5577 4.5.4	System audits

7.6.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Documented management reviews or audits and resulting actions.
- Documented functional area reviews or audits (e.g. procurement, contractor management, safety, design, construction, maintenance) and resulting action.
- Records of worker and contractor conformance checks and actions.
- Records of competency checks and resulting prescribed electricity entity action.
- Documented feedback and continual improvement suggestions and organisation response.

7.7 Performance evaluation

7.7.1 Description

Performance must be monitored, measured, analysed and evaluated. This includes the delivery of planned activities, results of conformance checks and resulting safety incidents and outcomes.

Internal and external audits should also be used by prescribed electricity entities to provide

feedback on the effectiveness of the SMS and risk management plans. Independent internal audits for a third line of defence in accordance with the “Three Lines of Defence” risk model (described at Appendix D).

High reliability organisations will use lead and lag indicators to evaluate the performance of SMS’s and management of risks.

7.7.2 Legislative requirements

Reference	Requirement
ES Act s. 67	A prescribed electricity entity must have, and must give effect to, a safety management system for the prescribed electricity entity.
ES Act s. 38A(5)(d)	Due diligence includes - to ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding in a timely way to that information.

7.7.3 Relevant standards

Reference	Guidance
AS 5577 4.5.1	Monitoring and measurement
AS 5577 4.5.2.1	Accident/incident investigation and reporting
AS 5577 4.5.2.2	Corrective and preventive action
AS 5577 4.5.3	Records
AS 5577 4.5.4	System audits
AS 5577 4.6.1	Management review
AS 5577 4.6.2	Change management
AS 45001 9	Performance evaluation
AS 45001 10	Improvement

7.7.4 Evidence of giving effect

Evidence of giving effect is expected to include records of:

- Monitoring, measurement, analysis and evaluation of:
 - progress against leadership performance targets
 - SMS and risk management plan lead and lag indicators
 - risk management plan implementation progress
 - conformance levels
 - network operational, maintenance and reliability data which affects the safe operation of the electrical network
 - incident/accident investigations
 - other electrical safety related incidents.
- Relevant internal audit reports (safety, functional areas, corporate) and status of corrective actions.
- Relevant external audit reports and status of corrective actions.
- Benchmarking (against historical data and with external organisations).
- Review of Coronial (and other significant) inquiry recommendations.
- Review of incident learnings from other prescribed electricity entities.
- Feedback to senior management and the Board on performance and plan achievement.
- Trend and statistical analysis.
- Reviews and improvements to data quality identified and implemented.
- Analysis of performance and incident data to determine systemic issues.
- Feedback provided and resulting actions in accordance with process.
- Communication of performance evaluation results with workers, contractors, external parties and the public as applicable.
- Evaluation of meeting legislative compliance requirements.

7.8 Review and innovation

7.8.1 Description

SMSs should be subject of periodic reviews and modification audits. Performance evaluation results should also be used to inform reviews.

Innovation should be used by prescribed electricity entities to help achieve step changes in the management of risks. Safety innovation would generally involve the application of technologies or techniques which may enable the elimination of risks, assist in providing a higher level of risk controls (in accordance with the hierarchy of controls), or improve other risk controls.

Risk management plans should be reviewed in accordance with pre-determined timeframes or triggers (identified during the risk assessment process), or more frequently if monitoring of assigned performance indicators show a need. Reviews should include:

- Performance evaluation results.
- Suitability of risk control measures in accordance the hierarchy of controls and the availability of applicable technology and process innovations to eliminate risks or shift to higher level controls.
- Validity of any assumptions.
- Senior management review and assessment of electrical safety performance indicators (against set goals and plans).
- Review of lessons learned by others and safety performance against best practice outcomes for the sector.
- Ensuring safety related incidents are appropriately investigated and resulting recommendations completed.

7.8.2 Legislative requirements

Reference	Requirement
ES Act s. 38A(5)(a)	Due diligence includes - acquiring up to date knowledge of electrical safety matters.
ES Act s. 38A(5)(f)	Due diligence includes - verify the provision and use of the resources and processes mentioned in ES Act s. 38A(5)(c)–(e).
ES Regulation s. 11	Risk management and use of the hierarchy of controls.
Electrical Safety Code of Practice 2020 - Works	The risk management process.

7.8.3 Relevant standards

Reference	Guidance
AS/NZS ISO 45001: Section 0.3 Success factors Section 5 Leadership and worker participation Section 6 Planning Section 7 Support - Resources Section 8 Management of change Section 10 & Annex A.10 Improvement	Systems in place to encourage workers safety innovation.
	Systems in place to monitor relevant industry research and development.
	Systems are in place for the regular review of risks and review of controls against contemporary practices and available technologies.

7.8.4 Evidence of giving effect

Evidence of giving effect is expected to include:

- Documented reviews and updates of risk management plans (in accordance with pre-determined time frames or triggers) with consideration of performance measures and the application of innovation with the view to eliminating or minimising risks. (Decisions not to use higher level controls should be adequately justified and documented as demonstration of meeting the requirements of minimising risks SFARP.)
- Safety goals progressively improved consistent with available technologies, innovations and best practice.
- Partnerships with academic institutions or technology providers to help develop step changes in safety performance.
- Records of consideration of workers, contractor and public improvement suggestions.
- Documented reviews of applicable research and development.
- Documented reviews of the applicable lessons of other prescribed electricity entities.
- Public reporting of safety outcomes.

8 SMS audits

8.1 Context

The ES Act requires prescribed electricity entity's SMS to be audited by an ESO accredited SMS auditor. Audits are to verify that prescribed electricity entities have a certified SMS, are giving effect to their SMS, and report on the current level of compliance of their certified SMS.

When the SMS is first put into effect or is modified, prescribed electricity entities must submit to the ESO:

- a copy of the SMS in its current form
- a certificate in the approved Form 28 – Safety management system certificate from the accredited auditor.

Prior to commencing an audit, accredited auditors must verify that the SMS version being audited is the current certified SMS without modifications. The SMS version and certificate must be evidenced in the audit plan.

Audits conducted by accredited auditors are external audits outside the three lines of defence, as described in Appendix D. As such, accredited auditors should establish the presence and adequacy of internal audits (1st, 2nd and 3rd lines of defence) in support of their audits.

The accredited auditor is to use professional judgment, consistent with the requirements of AS/NZS ISO 19011 - Guidelines for auditing management systems to determine what is appropriate and whether compliance has been demonstrated.

8.2 Type of audits and certificates

8.2.1 Types of SMS audits

The three main types of SMS audits are; initial, modification and annual. Other types include regulator required audits and prescribed electricity entity initiated periodic audits (assessments).

A flowchart of the lifecycle of a SMS is provided in Appendix F.

In the overall framework of SMS auditing there are two main objectives:

- having a compliant SMS in place (initial and modification audit)
- whether the prescribed electricity entity is giving effect to the SMS (annual audit).

The methodology associated with conducting initial and modification audits is distinctly different to an annual audit. The audit objective, scope and criteria wording should be consistent across the plan, report and certificate for the different types of audits. These differences are detailed in the sections below.

8.2.2 SMS initial and modification audits

When a prescribed electricity entity's safety management system is first put into effect or is modified, the entity must give the regulator:

(a) a copy of the safety management system in its current form

(b) a certificate in the approved form from an accredited auditor that verifies the safety management system has been assessed and validated to ensure the system comprehensively identifies and addresses the hazards and risks associated with the design, construction, operation and maintenance of the entity's works

(c) any information the regulator reasonably requires to ensure that the design, construction, operation and maintenance of the entity's works complies with the requirements of the Act.

The scope of a modification audit extends only to the changes to the certified SMS.

A modification audit is not required for:

- document format changes or spelling corrections
- changes to operational tasks, work documents and associated risk assessments

8.2.3 SMS annual audit

An annual SMS audit must be completed at least once every year following the initial audit.

The purpose of an annual audit is to verify how the prescribed electricity entity is giving effect to the certified SMS. This is demonstrated by whether:

- the SMS is meeting details described in Section 7 of this document
- periodic assessments have been undertaken
- that SMS modification audits are performed as required.

The SMS must provide for;

- (a) auditing by an accredited auditor, at least once every year and at the expense of the prescribed electricity entity, of how the entity is giving effect to the SMS
- (b) submitting to the Regulator an annual audit plan for the auditing mentioned in paragraph (a) above
- (c) submitting to the Regulator, after each annual audit, a certificate of the accredited auditor who conducts the auditing mentioned in paragraph (a), stating the current level of compliance of the prescribed electricity entity with its SMS
- (d) giving the Regulator, after the Regulator's consideration of an annual audit plan under paragraph (b) or of a certificate of an accredited auditor under paragraph (c), the further information the Regulator reasonably requires about the prescribed electricity entity's SMS and how the entity is giving effect to the system.

Unlike the certificate required for an initial/modification audit, the certificate for the annual performance audit is not a gazetted document. The performance audit certificate is produced by the accredited auditor. Refer to Appendix G - Example – Annual Safety Management System Certificate.

8.2.4 SMS Regulator required audit

In addition to initial, modification and annual audits, a prescribed electricity entity's SMS must provide for additional auditing where reasonably required for by the Regulator. The purpose of this auditing is to verify how the prescribed electricity entity is giving effect to the SMS following modifications to the SMS reasonably required by the Regulator in accordance with ES Regulation s. 234(5)(a)-(b).

8.2.5 SMS certificate requirements

Accredited auditors are to ensure the correct certificate is issued:

- Initial and modification audits – Form 28
- Annual audit – certificate created by the accredited auditor in accordance with the ESO Audit and Governance Guide, Appendix G

Accreditation as a SMS accredited auditor is currently only provided to corporations and not an individual. The audit certificate and report submitted to the Regulator must be signed by the nominee or by the nominee representative under written delegation from the nominee. A copy of the written delegation should be provided to the entity and must be provided to the

Regulator.

The accredited auditor and electricity entity should establish and confirm the certificate/report signing arrangements during audit planning and prior to a certificate being issued.

8.3 Audit planning

8.3.1 Annual audit plan development and submission

It is the ESOs expectation that the annual audit plan content and timeframe be developed collaboratively between the prescribed electricity entity and the engaged accredited auditor.

The draft audit plan should be submitted to the Regulator for consideration. After consideration of the audit plan, the Regulator may request further information to ensure the prescribed electricity entity is giving effect to its SMS.³

Plan development should include, but not be limited to the prescribed electricity entity's:

- certified SMS that will be subject of the annual audit
- risk register
- safety performance data - incident and accident reports (including public shock reports), dangerous electrical events, serious electrical incident, safety statistics and trend analysis reports, asset failure reports.

The audit scope and criteria need to be addressed in the plan to meet individual entity requirements whereas the audit objective is a predetermined legislative requirement. Once developed, the audit objective, scope and criteria wording should be consistent across the plan, report and certificate.

Regulator considerations should be sourced by the accredited auditor prior to plan development to improve and assist timeframes regarding feedback on plan submission.

The final plan should be submitted to the Regulator at least two weeks prior to the opening meeting. For transparency throughout the process all parties (representatives from the accredited auditor and electricity entity) who are involved in the audit should be included in the audit plan submission correspondence to the Regulator.

To clearly identify the audit type, the audit plan title should include the following wording and reference the type of audit and year:

- *(Insert audit type)* Safety Management System (SMS) Audit Plan *(Insert year)*

The audit plan should include:

- Name of the entity including an overview of the company (e.g. services, number of employees/electrical workers, area of operation).
- Client audit stakeholder details including name, position title and business unit
- Name of the accredited auditor (company).
- Names of the nominee representatives conducting the audit.

8.3.2 Audit plan objective (purpose)

The audit objective defines the intent or outcome that needs to be achieved by the audit and can relate to conformance, effectiveness or efficiency of process or management systems.

The objective of a SMS annual audit and modification audits are defined by legislation.

SMS annual audit objective: To assess and validate how the entity is giving effect to its safety management system and report on the current level of compliance of the SMS as required under the ES Regulation.

SMS modification audit objective: To assess and validate the safety management system of the electricity entity to ensure that the system comprehensively identifies and addresses the hazards and risks associated with the design, construction, operation and maintenance of the entity's works in line with the requirement of the ES Act and the ES Regulation.

8.3.3 Audit scope

The audit scope should explore the elements described in Section 7 - Safety Management System targeting the effectiveness of risk management processes and describe the extent and boundaries of the audit in terms of factors such as physical locations, organisational units, activities and processes to be audited, as well as, where relevant, the period covered by the audit.

The audit scope should include:

- Reference to the certified SMS version that is subject of the annual audit.
- Review of previous accredited auditor findings and the status of corrective actions.
- Review of applicable internal and external audits, their findings and the status of corrective actions.
- An assessment of the prescribed electricity entity's current level of compliance with its SMS. (This is particularly critical to the annual audit as it forms primary criteria for that audit. The SMS should detail how it is to be maintained in accordance with legislation.)
- Any requirement for a modification audit should be detailed by the prescribed electricity entity and evaluated by the auditor.
- Evaluate and assess how effective the SMS is in addressing risks associated with the design, construction, operation and maintenance of the electricity network by obtaining a broad range of evidence that demonstrates giving effect to the SMS elements across a wide range of risks.
- Confirming end-to-end workings of the SMS. The accredited auditor should complete the audit by comprehensively assessing risks (minimum of 2 selected by the Accredited Auditor) against each of the SMS elements and report the outcome.
- Include assessment of what the entity does to ensure contractors comply with the SMS requirements.
- Identification of emerging risks. Examples of emerging risk may include but are not limited to;
 - risks presented to electricity networks due to renewable and storage technologies
 - risk exposure of electricity network asset initiated bushfires
 - risks from environmental influences such as natural events.
- Legislative requirements raised by the Regulator.

Making allowance for emergence issues due to audit findings (Audits will often lead to specific document trails being followed. Accredited auditors should follow a number of these trails to assess the adequacy of the organisational response and identify any issues in giving effect to the SMS).

8.3.4 Audit criteria

The audit criteria needs to be addressed in the plan to meet individual prescribed electricity entity requirements whereas the audit objective is a predetermined legislative requirement.

The criteria of the audit is a fundamental characteristic of the SMS audit process, and should include how the document is developed and periodically updated.

The date of the last modification audit should be documented (as the version being assessed) and the requirement to conduct a modification audit should be established prior to conducting the annual audit.

Evidence of the last modification audit should be supported with a copy of a Form 28 and correspondence proving the SMS document was lodged with the Regulator.

Accredited auditors are expected to develop their own audit criteria to test compliance with each relevant SMS element (described in Section 7 - Safety Management System of this document).

The audit criteria should include the principles of AS 5577 demonstrating the implementation and effectiveness (giving effect) of the SMS. This is to provide justified confidence that all risks have been identified and all reasonably practicable controls are in place. If the prescribed electricity entity elects not to use AS 5577 then the prescribed electricity entity will need to demonstrate to the Regulator a system that is equivalent to, or better than AS 5577.

Other standards should also be considered in the development of the audit criteria to ensure that the requirements of the ES Act and ES Regulation are met. The Standards Comparison table in Appendix C provides a key reference to Australian Standards to obtain an understanding of how the legislative requirements may be met. Accredited auditors are expected to clearly identify the evidence reviewed to test compliance against the audit criteria.

8.3.5 Audit plan program

A detailed audit program is part of the audit plan. The opening meeting or entry meeting is conducted to confirm the audit program activities and discuss any issues. The audit program should detail the activity arrangements - dates, times, locations of the business units to be audited, locations of any operational field visits to be conducted and names of staff involved.

Details of the opening meeting are to be included in the audit plan. The purpose of the opening meeting with senior management of the prescribed electricity entity is to set the scene, introduce the auditors and confirm the audit arrangements. The accredited auditor should:

- chair the meeting.
- prepare a meeting agenda
- record attendance and meeting minutes noting obstacles and issues
- distribute meeting minutes to all attendees for transparency.

Example agenda items could include, but not be limited to:

- confirming audit plan including audit timetable/program
- introducing audit team
- confirming access to personal and information including where required arrangement to induct audit team
- confirming formal communication channels
- methods of reporting
- answering any questions or concerns of the audit timetable/program
- closing meeting timeframe.

Regulator reporting timeframes (Appendix I: Regulator reporting timeframes) are to be included in the audit plan program.

8.4 Audit conduct

8.4.1 Systems approach

It is expected that audits critically assess the effectiveness of the SMS as a risk control system.

The approach should focus on reviewing the sequence and interaction of processes, their inputs and outputs and the application of effective feedback to ensure continual safety performance improvement. It should be understood that a SMS is not just a set of documented procedures, but rather a reactive system of processes that dynamically respond to business risks.

8.4.2 Site visits

It is expected that accredited auditors conduct site visits across various geographical locations of the prescribed electricity entity works to verify the level of compliance with the SMS. Site visit activities associated with design, construction and maintenance activities of the works may include but are not limited to:

- Validating network assets have been managed against maintenance and operational requirements.
- Validating maintenance programs such as vegetation management, service line and pole asset maintenance is in place.
- Management and worker compliance and understanding in applying relevant standards and other risk management controls (e.g. electric line construction standard, commissioning processes or field monitoring activities).

Note: Where a specific issue is identified as part of a site visit, such as overgrown vegetation encroaching the clearance zone, it is the expectation that accredited auditors investigate this finding at a systems level rather than simply reporting a one-off finding.

Accredited auditors should seek to understand site specific safety management requirements prior to attending site to ensure activities are completed in a timely manner and minimise disturbance of the prescribed electricity entity's operations. Accredited auditors are to conduct themselves in accordance with the Code of Conduct for the Queensland Public Service 2011.

8.4.3 Regulator involvement

For the purpose of monitoring the accredited auditor's performance the ESO may attend a component of the audit. The ESO will make arrangements with the prescribed electricity entity and the accredited auditor prior to attendance.

When issues or concerns arise during the course of an audit, either party may seek clarification from the ESO.

Complaints regarding the accredited auditors conduct or report should be initially dealt with through the accredited auditor's complaints management process.

8.5 Audit reports

The accredited auditor is to prepare the audit report consistent with the requirements of AS/NZS ISO 19011 - Guidelines for auditing management systems. As a minimum, it is expected that an audit report:

- be comprehensive and address all audit criteria
- provide sufficient detail to allow the ESO and prescribed electricity entities understand the audit findings
- be clear, unambiguous and free of error
- include audit findings that have been substantiated with objective evidence
- include good practices identified
- have outcomes focused recommendations
- provide dates and locations where the audit activities were conducted.

In accordance with section 6.2 the SMS audit report must be provided to the Regulator as it provides the current level of compliance of the prescribed electricity entity with its safety management system.

8.5.1 Audit finding classification and reporting

Adequate evidence is required and recorded to substantiate findings.

It is expected the following classifications are adopted when reporting on audit findings to ensure a consistent risk-based approach in conformance.

Classification	Details
Major non-conformance	Findings of SMS legislative requirements non-compliant. Findings where an element of the system is lacking, has not been met, or where there is a lack of assurance of the prescribed electricity entity giving effect to the SMS. Findings where inadequate systems or implementation failures (first line of defence in risk management) present a significant risk to people or property. Findings which show inadequate conformance management systems or internal audit (second and third lines of defence in risk management). A group of minor non-conformances in the same specific area may be elevated to a major non-conformance. Minor non-conformances raised in a previous audit that have not been properly addressed should be elevated to a major non-conformance.
Minor non-conformance	Findings where inadequate systems or implementation failures (first line of defence in risk management) present a minor risk to people or property. Findings relating to minor shortcomings with second and third layers of defence in risk management. A finding where there is an isolated (non-systemic) non-conformance of a SMS requirement despite assurance (lines of defence) being implemented.
Observations	Observations identifying areas of compliance that are of some concern and may be at risk of becoming non-conformances.
Improvement opportunities	Opportunities for improvement are areas that are compliant and may be enhanced or improved.
Compliance	Findings where an element of the system is compliant at the time of audit.

8.6 Audit actions

8.6.1 Prescribed electricity entity action plan

The Regulator requires evidence, in the form of an action plan that adequately addresses/rectifies any non-conformances identified during the audit.

In accordance with section 6.2 the prescribed electricity entity in consultation with the accredited auditor must develop the agreed action plan and submit the action plan to the Regulator.

The action plan should clearly detail what actions will be taken to address each finding and recommendation made in SMS audit report along with corrective action timeframes.

An example action plan is available in Appendix H for guidance. Prescribed electricity entities are encouraged to use their own internal processes when generating an action plan.

8.7 Annual SMS report review

The ESO will review the SMS certificate, associated audit report and action plan to determine whether further action is required. The ESO may seek further information about the prescribed electricity entity's SMS and how the prescribed electricity entity is giving effect to the system.

If reasonably required, the Regulator may instruct further auditing by an accredited auditor in addition to the annual SMS auditing.

9 Accredited auditor administration and conduct

9.1 Auditor accreditation and term of office

Accredited auditors are appointed by the Regulator in accordance with the ES Act to conduct work in relation to their instrument of appointment.

The application Form 47 – Application for appointment as an accredited auditor is available on the Electrical Safety website (www.worksafe.qld.gov.au). Forms should be completed fully utilising the guidance material within the Form.

Persons who apply to become accredited auditors must demonstrate the necessary expertise, experience or training.

The ESO will review the suitability of applicants; this may include a review of qualifications, experience and an interview with applicants.

The auditor's accreditation is evidenced by a signed copy of the instrument of appointment. A person's term of office as an accredited auditor is five years, or a lesser period if approved by the Regulator and shown on the person's instrument of appointment.

The list of current SMS accredited auditors is also available on the Electrical Safety Office website at [worksafe.qld.gov.au](http://www.worksafe.qld.gov.au).

9.2 Accredited auditor engagement and payment

The responsibility and cost of engaging accredited auditor's rests with the prescribed electricity entity.

9.3 Accredited auditor conduct

Accredited auditors are to acquit themselves in accordance with the Code of Conduct for the Queensland Public Service 2011. (www.forgov.qld.gov.au)

Principles of this Code of Conduct are:

- integrity and impartiality
 - committing to the highest ethical standards
 - manage all conflicts of interest
 - demonstrate a high standard of workplace behaviour and personal conduct
- promoting the public good
 - commitment to excellence in service delivery
- commitment to the system of government
 - commitment to the role and responsibilities of a nominated accredited auditor
 - maintain appropriate relationships
- accountability and transparency
 - ensure transparency in all relationships
 - commit to innovation and continuous improvement
 - ensure appropriate use and disclosure of official information.

Consistent with this Code of Conduct, accredited auditors must ensure that prior to accepting a proposal to conduct a SMS audit with a prescribed electricity entity all conflicts of interest are recognised, documented and managed appropriately.

Where a perceived matter in this regard relates to a complaint against the accredited auditors conduct or report, then the matter should be initially dealt with through the accredited auditor's own complaints management process.

Accredited auditors are responsible to ensure that audit findings are evaluated against appropriate legislation, standards, codes and guidance material and the technical correctness of their findings.

9.4 Accredited auditor assurance and monitoring

The work of SMS accredited auditors is important to the electrical safety in Queensland and is required to assist the Regulator in achieving the ESO's vision of the prevention of death, injury and destruction of property caused by electricity.

SMS accredited auditors may be subject to monitoring and review by the Regulator during the performance and/or following an audit to ensure compliance with accreditation terms and conditions. These activities will range from observing accredited auditor's conduct in the annual SMS audit's and field activities and performing desktop reviews of accredited auditor reports.

9.5 Suspension or revocation of appointment

The ESO may suspend or revoke an accredited auditor's appointment.

Appendices

Appendix A: Glossary of terms

Consultation	Means a timely exchange of relevant information and ideas in such a manner that the parties have the actual and genuine opportunity to influence the outcome. Refer also 'Consultation' definition in AS/NZS ISO 45001
Devise	To order or arrange; think out; plan; contrive; invent.
Document	Includes: <ul style="list-style-type: none"> any paper or other material on which there is writing; and any paper or other material on which there are marks, figures, symbols or perforations having a meaning for a person qualified to interpret them; and any disc, tape or other article or any material from which sounds, images, writings or messages are capable of being produced or reproduced (with or without the aid of another article or device). Refer to the Acts Interpretation Act 1954
Electric line	Refer to section 16 of ES Act.
Electrical safety	Means for a person or property that they are electrically safe. For more information, see definitions for electrically safe, electrical risk, and free from electrical risk in the ES Act s 10 and meaning of free from electric risk ES Act s 10 (4)
Electrically safe	Refer to ES Act s 10(2).
Give effect or giving effect	A definition of "give effect" is not provided in the ES Act. As a guide, for a prescribed electricity entity to demonstrate that it has given effect to a SMS, it must be able to demonstrate, as a minimum, giving effect to the SMS elements. Key outcomes include: <ul style="list-style-type: none"> a clearly documented safety management system which meets the obligations detailed in the ES Act s 66 and the ES Regulation s. 234 the elements or components forming the safety management system meet the requirements of the Three Lines of Defence approach to safety management clearly defined and documented accountabilities, responsibilities and competencies for all elements which form the SMS evidence of effective monitoring and evaluation of safety performance against set goals and plans clearly defined and documented feedback mechanisms for the correction of safety performance shortfalls (as identified through the monitoring and evaluation processes) evidence of front-line implementation and compliance of risk management processes and procedures.
Must	A mandatory requirement exists in the ES Act or the ES Regulation.
PCBU	Person conducting a business or undertaking. Refer to the ES Act s 21.
Person	Includes a reference to a corporation as well as to an individual. (Acts Interpretation Act 1954 s. 32D).

Regulator	The government agency responsible for governing Queensland's electricity industry to enforce legislated safety standards. Delegation authorities exist from the Regulator to Officers within the Electrical Safety Office. To assist with the administration of the ES Act, the regulator can delegate powers and functions to specific persons. When a person is performing a delegated function, the person is operating as the regulator and not in any other capacity.
Risk	The likelihood and consequence of injury or harm occurring. Refer also ES Act s 10 meaning of 'electrical risk'.
Risk Control	An action taken to eliminate or minimise health and safety risks so far as is reasonably practicable (SFARP). Risk controls should be detailed in risk management plans. Note: Safe Work Australia refer to risk controls as control measures; Queensland Workplace Health and Safety Regulations also refer to risk controls as either risk controls or risk control measures.
Risk management plan	As defined in AS/NZS ISO 31000 Risk Management – Principles and Guidelines
Risk management process	As defined in AS/NZS ISO 31000 Risk Management – Principles and Guidelines
Should	A requirement is not mandatory and is recommended
SFARP	So far as is reasonably practicable. This is the standard of risk treatment required by the ES Act. For more guidance refer to the Safe Work Australia interpretive guideline meaning of 'reasonably practicable'. Refer also ES Act s 28 'What is reasonably practicable' and the ES Act s 10 'free from electrical risk'.
SMS	Safety management system.
Worker	As defined in the ES Act s. 22.
Works	Of a prescribed electricity entity, means the electrical equipment, and electric line associated equipment, controlled or operated by the prescribed electricity entity to generate, transform, transmit or supply electricity. Examples of works of a prescribed electricity entity – an overhead distribution system of a distribution entity, including wires, transformers and switches. Refer to the ES Act s. 25.
Writing (written)	Includes any mode of representing or reproducing words in a visible form. Refer to the Acts Interpretation Act 1954.

Appendix B: SMS Accredited auditor conditions of office

The below conditions are subject to change.
Refer to the conditions applied under the instrument of appointment and signed notice.

The Regulator has appointed you to act in the capacity of an accredited auditor of **prescribed electricity entities' safety management system** under Part 10 of the *Electrical Safety Act 2002*. You hold office on the basis that you comply with these conditions.

Conditions

1. The Regulator reserves the right to add or alter these conditions of office.
2. Individuals who are accredited auditors must maintain their capabilities, skills, knowledge and abilities in relation to their work as an accredited auditor for the duration of their appointment.
3. A corporation which seeks appointment as an accredited auditor must nominate a director of the corporation as the nominee. The nominee of a corporation appointed as an accredited auditor will be responsible for the assessment and validation of prescribed electricity entity's safety management system.
4. Corporations which are accredited auditors must maintain their capabilities, skills, knowledge and ensure the nominee representatives associated with the assessment and validation of a safety management system, maintain their skills, knowledge and abilities. This includes ensuring the nominee representatives work jointly according to the instrument of appointment in each of their areas of expertise.
5. Nominees are to ensure only nominee representatives identified in the instrument of appointment assess and validate a safety management system.
6. In circumstances where the accredited auditor is a corporation then the certificate submitted must be signed by the nominee or by the nominee representative under written delegation from the nominee to the nominee representative. A copy of the written delegation is to be provided to the Regulator.
7. An accredited auditor must advise the Regulator of any changes that may affect their ability to act in the capacity of an accredited auditor including changes to insurance and nominee representatives.
8. In the event that a nominee representative no longer participates (utilises their expertise) in the assessment and validation of a safety management system audit then the nominee is to suspend work as an accredited auditor. Work is suspended until such time as the nominee submits an application to the Regulator outlining the change and the skills, knowledge and ability of an alternative nominee representative, and the Regulator approves such changes.
9. Appropriate types and levels of insurance for the work to be performed must be maintained for the duration of appointment. All work conducted by the accredited auditor must be within the scope and level of the insurance held.
10. The accredited auditor's annual SMS report must reflect the current level of compliance of the prescribed electricity entity's processes and systems as required by the Electrical Safety Regulation 2013 s 234.
11. An accredited auditor must advise the Regulator of changes in work-related contact details, including address, telephone or email contact details, within 14 days of the change.

12. In accordance with the *Electrical Safety Act 2002* s. 132, an accredited auditor must produce their identity card on request when performing a function of an accredited auditor.
13. The Regulator may suspend or revoke an accredited auditor's appointment at any time. A person whose interests are affected by this decision may apply for a review of the decision or appeal the decision in accordance with Part 12 of the *Electrical Safety Act 2002*.
14. In accordance with the *Electrical Safety Act 2002* s. 136, a person who ceases to be an accredited auditor must return the person's identity card to the Regulator within 21 days of ceasing to be an accredited auditor.
15. When carrying out audit related functions accredited auditors are at all times subject to the reasonable direction of the Regulator.
16. Accredited auditors must audit to the requirements of a safety management system provided in the *Electrical Safety Act 2002* ss. 66–67 and the Electrical Safety Regulation 2013 ss. 233–234.
17. Accredited auditors, the nominee, and all personnel associated with the assessment and validation of the safety management system are to treat all findings and reports made during audit activities as confidential between the Regulator, the prescribed electricity entity and the accredited auditor.
18. Fees payable for audit services are a commercial transaction between the accredited auditor and the prescribed electricity entity and not a matter for the Regulator.
19. Obtaining work as an accredited auditor is subject to market forces associated with the competitive marketplace. Accredited auditors are responsible for their own marketing decisions.
20. Accredited auditors, the nominee, and nominee representatives associated with the assessment and validation of the safety management system must not be directly involved with the development, implementation or management of the safety management system under review. This condition does not limit the accredited auditor's ability to provide information on relevant legislation, standards or codes of practice.
21. Accredited auditors, the nominee, and nominee representatives associated with the assessment and validation of the safety management system must not be an employee of a prescribed electricity entity responsible for the implementation of a safety management system.
22. The accredited auditor must prepare and keep a copy of the audit report for at least five (5) years.
23. An accredited auditor may be subject to monitoring and review by the Regulator during the performance and/or following an audit to ensure compliance with accreditation terms and conditions.
24. The accredited auditor must give the Regulator (or delegate of the Regulator) any information which the Regulator (or delegate) reasonably requires regarding a safety management system audit performed by that accredited auditor.
25. The accredited auditor must follow the Regulator's Safety Management System Audit and Governance Guide and include the elements from section 4 of Australian Standard AS 5577 Electricity Network Safety Management Systems within the audit scope.

26. The accredited auditor's nominee and nominee representative are to conduct audits consistent with the requirements of AS / NZS ISO 19011 - Guidelines for auditing management systems.
27. Accredited auditors, the nominee, and nominee representatives associated with the assessment and validation of the safety management system must not audit the same prescribed electricity entity more than three (3) times in consecutive years. Although this can be relaxed if approval is granted by the Regulator.
28. All nominee representatives have an obligation to act professionally and abide by the Code of Conduct for the Queensland Public Service 2011. (www.forgov.qld.gov.au) This Code of Conduct applies to a person such as an accredited auditor who works in a capacity for a Queensland public service agency such as the Electrical Safety Office.

Term of office

29. Unless otherwise revoked by the Regulator or there is a failure to meet a stated condition of office, the term of office is for three (3) years from the date of the signed instrument of appointment.

Appendix C: Comparison table – legislation and standards

The below table can be used as a cross reference to determine where a requirement is listed in detail. It lists the key requirements as documented in the *Electrical Safety Act 2002* (ES Act) and the *Electrical Safety Regulation 2013* (ES Regulation) and provides a key reference to Australian Standards documents to obtain an understanding of how the requirement may be met. In many cases, there may be more than one location in those documents that a requirement is described in more detail.

ES Act	ES Regulation	Brief description of requirements	AS/NZS 4801	AS 5577	AS / NZ ISO 45001
s. 66	No Reference	Prescribed electricity entity means an electricity entity, other than a generation entity, declared under a regulation to be a prescribed electricity entity under Part 5 of the ESA. SMS, for a prescribed electricity entity , means a written document having the following characteristics detailed below:	-	-	-
s. 66(a)	No Reference	The document is devised by the prescribed electricity entity in consultation with: (i) persons who are broadly representative of industrial organisations of employees whose members are employees of the prescribed electricity entity; (ii) principal or primary contractors with the prescribed electricity entity for the	4.4.3 Consultation, communication and reporting	4.4.6.1 Consultation	5.4 Consultation and participation of workers
S. 66(b)	s. 234(3)	The document details the hazards and risks associated with the design, construction, operation and maintenance of the prescribed electricity entity's works.	4.4.6 Hazard identification, risk assessment and control of hazards	4.3.2 Formal Safety Assessments	6.1.2 & 8.1.2 Hazard Identification, Eliminating Hazards and

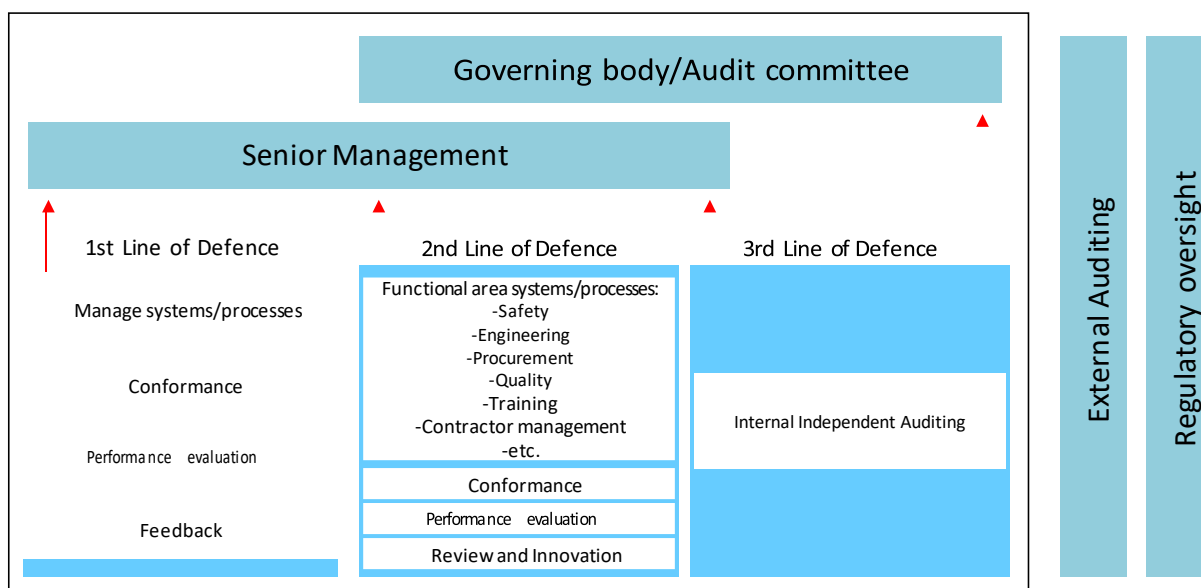
ES Act	ES Regulation	Brief description of requirements	AS/NZS 4801	AS 5577	AS / NZ ISO 45001
					reducing OH&s risks
s. 66(c)	s. 234(3)	The document details how the prescribed electricity entity is to manage the hazards and risks to ensure that its electrical safety obligation is properly discharged.	4.4.6 Hazard identification, risk assessment and control of hazards	4.3.2 Formal Safety Assessments	6.1.2 & 8.1.2 Hazard Identification, Eliminating Hazards and reducing OH&s risks
s. 66(d)	No Reference	The document details what the prescribed electricity entity will do to ensure that contractors for the performance of electrical and other work for the prescribed electricity entity comply with the requirements of the SMS.	4.4.1 Responsibilities and accountabilities	Referenced throughout	8.1.4.2 Contractors
s. 66(e)	s. 234(2)	The document otherwise complies with requirements prescribed under a regulation for SMS	4.2 OHS Policy	4.2 Policy and Commitment	5.2 OH&S Policy
s. 66(e)(i)	s. 234(2)	How the document is to be developed and periodically updated.	4.3 Planning 4.1 General Implementation 4.6 Management Review	4.4 Implementation 4.6 Management Review and Change Management	9.3 Management Review
s. 66(e)(ii)	s. 234(2)	Lodging the document with the regulator	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.

ES Act	ES Regulation	Brief description of requirements	AS/NZS 4801	AS 5577	AS / NZ ISO 45001
s. 66(e)(iii)	s. 234(3)(4)(5)	Initial and subsequent periodic assessments and validations of the document by accredited auditors to ensure that the document comprehensively identifies and addresses the hazards and risks associated with the design, construction, operation and maintenance of the prescribed electricity entity's works.	4.5.4 OHSMS audit	4.5.4 System Audits	9.2 Internal Audit
No reference	s. 234(2)(a)	The SMS must contain details of the system's safety objectives	4.3.3 Objectives and targets	No reference	6.2.1 OH&S Objectives
No reference	s. 234(2)(b)	The SMS must contain details of the systems and procedures by which the objectives are to be achieved.	4.3.4 OHS management plans	No reference	6.2.2 Planning to achieve OH&S objectives
No reference	s. 234(2)(c)	The SMS must contain details of the performance criteria to be met.	4.2 OHS Policy 4.3.3 Objective and Targets	4.2 OHS Policy	5.2 OH&S Policy 6.2.1 OH&S objectives
No reference	s. 234(2)(d)	The SMS must contain details of the way in which adherence to the performance criteria is to be maintained.	4.3.4 OHS management plans	No reference	6.2.2 Planning to achieve OH&S objectives
s. 66(e)	s. 234(3)(a)	When a prescribed electricity entity's SMS is first put into effect or is modified, the prescribed electricity entity must give the regulator a copy of the SMS in its current form.	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.
s. 66(e)	s. 234(3)(b)	When a prescribed electricity entity's SMS is first put into effect or is modified, the prescribed electricity entity must give the regulator a certificate in the approved form from an accredited auditor that verifies the SMS has been assessed and validated to ensure the system comprehensively identifies and addresses the	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.

ES Act	ES Regulation	Brief description of requirements	AS/NZS 4801	AS 5577	AS / NZ ISO 45001
		associated with the design, construction, operation and maintenance of the prescribed electricity entity's works.			
s. 66(e)	s. 234(3)(c)	When a prescribed electricity entity's SMS is first put into effect or is modified, the prescribed electricity entity must give the regulator any information the regulator reasonably requires to ensure that the design, construction, operation and maintenance of the prescribed electricity entity's works complies with the requirements of	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.
s. 66(e)	s. 234(4)(a)	(a) A prescribed electricity entity's SMS must provide for auditing by an accredited auditor, at least once every year and at the expense of the prescribed electricity entity, of how the prescribed electricity entity is giving effect to the SMS.	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.
s. 66(e)	s. 234(4)(b)	(b) A prescribed electricity entity's SMS must provide for submitting to the regulator an annual audit plan for the auditing mentioned in paragraph (a).	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.
s. 66(e)	s. 234 (4)(c)	(c) A prescribed electricity entity's SMS must provide for submitting to the regulator, after each annual audit, a certificate of the accredited auditor who conducts the auditing mentioned in paragraph (a), stating the current level of compliance of the prescribed electricity entity with its	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.
s. 66(e)	s. 234 (4)(d)	(d) A prescribed electricity entity's SMS must provide for giving the regulator, after the regulator's consideration of an annual audit	4.2.2 Legal and other requirements	No Reference	6.1.3 Determination of legal and other requirements.

ES Act	ES Regulation	Brief description of requirements	AS/NZS 4801	AS 5577	AS / NZ ISO 45001
		plan under paragraph (b) or of a certificate of an accredited auditor under paragraph (c), the further information the regulator reasonably requires about the prescribed electricity entity's SMS and how the prescribed electricity entity is giving effect to the system.			
s. 66(e)	s. 234(5)(a)(b)	<p>A prescribed electricity entity's SMS must also provide for—</p> <ul style="list-style-type: none"> (a) making modifications to the SMS in accordance with the reasonable requirements of the regulator; and (b) if reasonably required by the regulator, auditing by an accredited auditor, in addition to the auditing provided for under subsection (4) and at the expense of the prescribed electricity entity, of how the prescribed 	4.6 Management Review	4.6.2 Change Management	8.1.3 Management of change
s. 129(1)	s. 235	Auditor accreditation	N/A	N/A	N/A

Appendix D: Three lines of defence in effective risk management



Modified from: Institute of Internal Auditors Position Paper, “The Three Lines of Defence in Effective Risk Management and Control”, January 2013

The first line of defence (front-line functions that own and manage risks) is formed by managers and *workers* who are responsible for identifying and managing risk. They must have the necessary knowledge, skills, information, and authority to operate the relevant systems and procedures provided by second line defence functions. Managers at this level must monitor conformance and system performance, and actively engage in continual improvement through approved feedback mechanisms.

The second line of defence (functional areas that oversee or who specialise in compliance and the management of risk) provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line. This line of defence must monitor conformance and evaluate system performance, seek opportunities for continual improvement through monitoring and evaluating findings and from first line feedback.

The third line of defence (functions that provide independent assurance) is provided by internal auditing. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure that the first two lines are operating effectively and advise how they could be improved. Tasked by, and reporting to the board / audit committee, it provides performance evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal control to the organisation’s governing body and senior management. It can also give assurance to sector regulators and external auditors that appropriate controls and processes are in place and are operating effectively.

Initial, modification and annual safety management system audits are examples of external auditing and lie outside of the three lines of defence model.

Accredited safety management system auditors should seek evidence of the three lines of defence being applied to the risk management process and that these mechanisms are effective in delivering the SMS objectives.

Appendix E: Hierarchy of control approach to risk management

The methodology used must comply with the principles of Electrical Safety Code of Practice 2013 Managing electrical risk in the workplace. (www.worksafe.qld.gov.au)

When hazards have been identified and risks have been assessed, appropriate controls must be put into place with reference to the hierarchy of control.

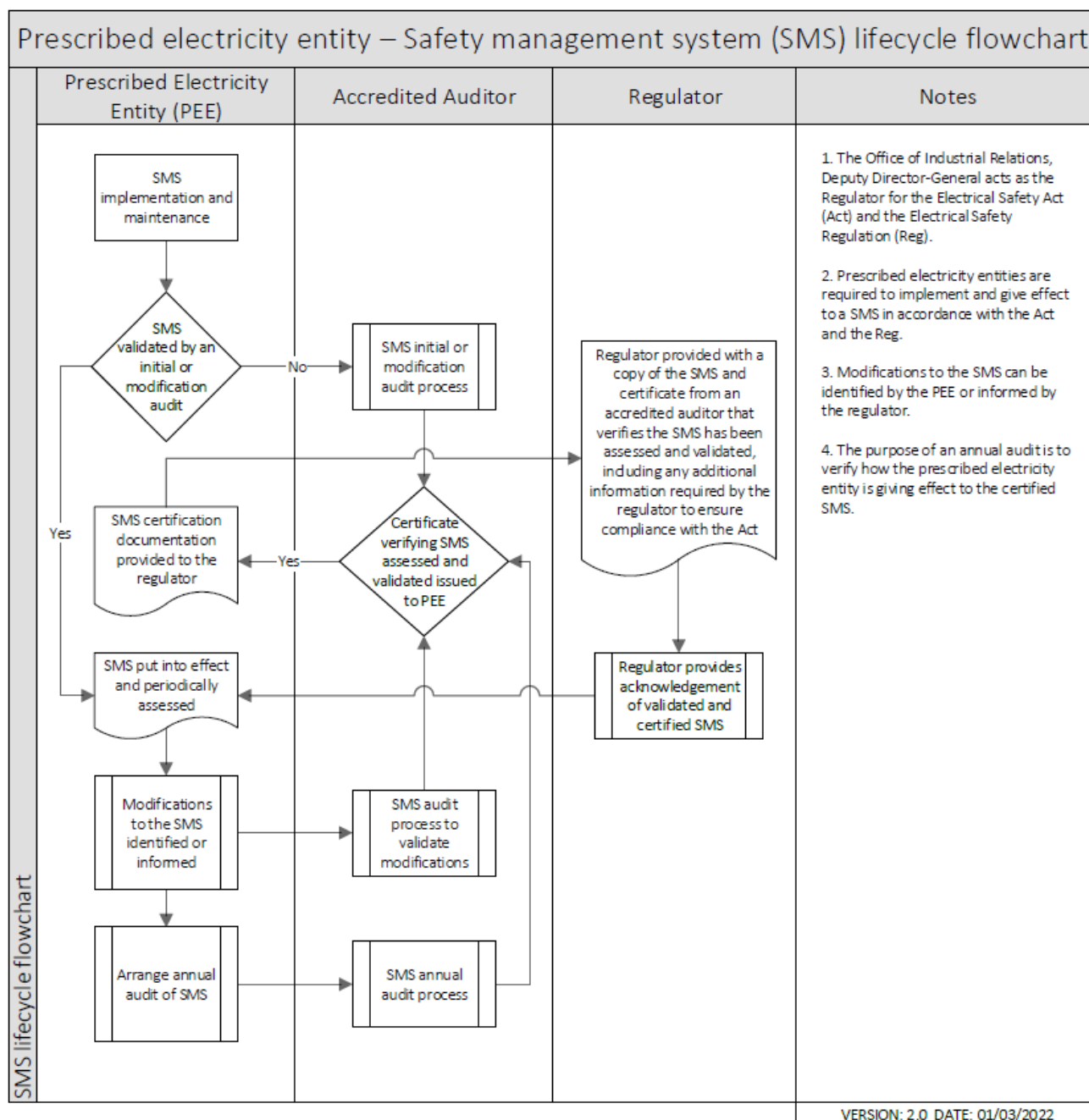
The hierarchy of control must also be utilised for emerging risks and/or identified high risk areas identified by the prescribed electricity entity. The prescribed electricity entity must work through this hierarchy to select controls that effectively eliminates or reduces the risk so far as is reasonably practicable.

Hierarchy of control

Elimination	Removal of the hazard altogether. For example: Remove or re-route the overhead or underground lines away from where construction, agricultural and/or farming work is being undertaken
Substitution	Substitute with a lower risk alternative. For example: Replace uninsulated overhead mains situated near construction, agricultural and/or farming work with XLPE/ABC covered insulating cables
Isolation	Separate the hazard from persons. For example: Install barriers or fencing to limit access to live conductors. Raise overhead conductors to a point where they cannot be reached by machinery or plant.
Engineering controls	Using engineering solutions to avoid risks being realised or mitigate consequences. For example: Use of Geo-fencing to prevent items of plant encroaching overhead line exclusion zones. Bare uninsulated overhead mains being covered with insulating tiger tails or insulating covers for the duration of the work being undertaken.
Administration controls / PPE	Processes, warning signs, education, training and personal protective equipment. These are the least effective and least preferred controls. For example, educating the community of the hazards of overhead and underground network assets. Application of hazard flags/markers on conductors. Use of safety observers.

The Electrical Safety Code of Practice 2020 – Works, (worksafe.qld.gov.au) gives practical advice on how to manage risks associated with prescribed electricity entity works.

Appendix F: Safety management system lifecycle flowchart



Appendix G: Example – Annual safety management system certificate

Annual safety management system certificate

(Insert year) Annual safety management system audit

Prescribed electricity entity:	
Accredited auditor (company):	
Accredited auditor number:	
Nominee:	
Nominee representative/s:	
Audit report name:	

Declaration of nominee or nominee representative

I (*Insert name*) , verify that the electricity entity noted above has been assessed and validated to confirm the entity is giving effect to its safety management system and report on the current level of compliance which is required under the Queensland Electrical Safety Regulation 2013, Section 234.

This certificate confirms that the (*Insert name of audit report*) reflects the current level of compliance of the prescribed electricity entity's safety management system as required by the Electrical Safety Regulation 2013, Section 234.

_____ (*Insert Signature*) _____

Signature of person making the declaration.

Issue Date: (*Insert certificate issue date*)

Note: This note is not intended to be included in the certificate. It serves as a reminder for the signature requirements. The certificate submitted must be signed by the nominee or by the nominee representative under written delegation from the nominee to the nominee representative. When the nominee representative only signs the certificate, a statement must be inserted under the signature stating – Under written delegation from and on behalf of (*insert nominee name*), a copy of the written delegation is to be provided to the Regulator.

Appendix H: Entity action plan template

SMS report pg. no/ref	Finding	Recommendation	Risk rating	Prescribed electricity entity action	Person responsible	Target completion date	Date completed	Comments

Appendix I: Regulator reporting timeframes

Entity document	Legislative reference	Timeframe
Copy of safety management system (SMS)	Electrical Safety Regulation 2013 s. 234(3)(a)	When the SMS is first put in effect or modified.
Form 28 – Safety management system certificate	Electrical Safety Regulation 2013 s. 234(3)(b)	When the SMS is first put in effect or modified.
Draft annual audit plan	Electrical Safety Regulation 2013 s. 234(4)(b)	Four weeks minimum prior to annual audit commencing.
Final annual audit plan	Electrical Safety Regulation 2013 s. 234(4)(b)	Two weeks minimum prior to annual audit commencing.
Annual audit certificate and report	Electrical Safety Regulation 2013 s. 234(4)(c)	Two weeks after entity receives from accredited auditor.
Annual SMS action plan	Electrical Safety Regulation 2013 s. 234(4)(d)	Four weeks after entity receives the final audit report.

Appendix J: References

A reference to standards and other documents has the same application as section 6 of the Electrical Safety Regulation 2013.

- *Electrical Safety Act 2002*
- Electrical Safety Regulation 2013
- *Work Health and Safety Act 2011*
- Work Health and Safety Regulation 2011
- Superseded Guide to Safety Management Systems (Electrical Safety Office)
- Code of Conduct for the Queensland Public Service 2011
- Electrical Safety Action Plan 2017-2019 (Electrical Safety Office)
- Australian Standard AS 5577 Electricity Network Safety Management Systems
- AS/NZS ISO 45001:2018 Occupational health and safety management systems – Requirements with guidance for use
- Electricity Networks Audit Guideline (Independent Pricing and Regulatory Tribunal)
- AS/NZS ISO 31000 Risk Management Standard
- The Electrical Safety Codes of Practice
- Work Health and Safety Codes of Practice
- WorkSafe Australia interpretive guideline meaning of ‘Reasonably Practicable’
- Institute of Internal Auditors Position Paper, “The Three Lines of Defence in Effective Risk Management and Control”, January 2013
- Occupational Health and Safety Systems – Review of their Effectiveness and Occupational Health and Safety Management Systems – Information Paper
- ‘Information Systems: A Management Perspective’
- AS/NZS ISO 19011 – Guidelines for auditing management systems



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