

Independent Audit Post-Approval Requirements

This fact sheet will help stakeholders and the community understand the revised process for independent auditing of state-significant projects.

The Independent Audit Post-Approval Requirements (PAR) is one of a suite of documents prepared by NSW Department of Planning, Industry and Environment that set out requirements on proponents¹ of State significant projects, where required by conditions of consent or approval.

The Independent Audit PAR (2020) sets out the requirements for:

- the process, content and frequency of independent audits
- the selection of an independent auditor and technical specialists (if required)
- independent audit reports
- addressing the findings of an independent audit.

Updates to the Independent Audit PAR

The Independent Audit PAR, originally released in 2018, has been revised as part of the Department's continual improvement process. The revised Independent Audit PAR (2020) includes the following updates:

- removed the requirement for an audit submission schedule
- increased the frequency of independent auditing to offset the removal of pre- and during-construction reporting
- strengthened the definition.

Implementation and compliance

From May 2020, a revised standard condition will be included on consents and approvals of new projects requiring proponents to undertake independent audits in accordance with the Independent Audit PAR (2020).

This means that proponents must comply with the Independent Audit PAR (2020) unless the conditions require otherwise.

Transitional arrangements

Projects approved prior to the release of the Independent Audit PAR (December 2018) that have existing conditions requiring independent auditing will not have to undertake independent audits in line with either the revised Independent Audit PAR (2018 or 2020 versions). These projects will continue to undertake independent audits in accordance with the requirements of their conditions.

Proponents may elect to voluntarily comply with the revised Independent Audit PAR (2020), however they must still comply with their existing conditions (including approvals subject to the Compliance Reporting PAR (December 2018)).

Proponents can modify their conditions to require compliance with the revised Independent Audit PAR (2020) in consultation with the Department.

¹ The proponent is the person or entity referred to as the proponent in an approval or the applicant in a consent. This includes any person carrying out any part of the development to which the approval or consent applies.

The Integrated Mining Policy documents may continue to apply to new mining projects.

Audit frequency

The Independent Audit PAR (2020) establishes minimum timeframes for undertaking independent audits. These timeframes are:

- within the 12 weeks of the commencement of and during the construction phase of a project
- within six months of commencement of operations
- at intervals no greater than three years from the initial operational audit.

Independent audits must be undertaken in accordance with the minimum timeframes specified in the Independent Audit PAR (2020), unless the conditions specify alternative time frames.

Selection of independent auditors

The Independent Audit PAR (2020) requires selected auditors to have suitable qualifications, training and experience and be independent of the project.

The auditor and any technical specialists engaged under the conditions must provide a written declaration of their independence from the project. Their appointment must be agreed to by the Secretary of the Department of Planning, Industry and Environment prior to commencing the audit.

Audit methodology and report

The Independent Audit PAR (2020) sets out requirements for evaluating compliance with conditions. Compliance status can be identified as 'compliant', 'non-compliant' or 'not triggered'.

The Independent Audit PAR (2020) also sets out the requirements for the content of independent audit reports, including audit findings.

Proponent's obligations

The proponent's obligations under the Independent Audit PAR (2020) include:

- proposing the auditor and technical specialists (if required) and ensuring the auditor has reasonable access to key site personnel
- providing the auditor with reasonable access to all requested development areas, activities and documentation
- reviewing the draft audit report and supplying additional information or evidence (if required)
- submitting the final audit report and their response to the Department
- making the final audit report and their response to the audit findings publicly available (if required by the conditions).

Auditor's tasks

The auditor under the Independent Audit PAR (2020) is required to:

- consult with agencies, the community consultative committee (if one is in place) and the Department in relation to the audit scope
- prepare the audit scope
- undertake the audit
- provide a draft audit report to the proponent
- submit the final audit report to the Department with the proponent's response
- sign an independent audit report declaration form.

Department's functions

In administering the Independent Audit PAR (2020), the Department will:

- provide written agreement of appointment of the auditor (and technical specialist(s) if required) and provide input into the scope of the audit
- review the final audit report
- review the proponent's response to the final audit report

More information

- Visit www.planning.nsw.gov.au/-/media/Files/DPE/Other/independent-audit-post-approval-requirements-2018-06.pdf
- Call on 1300 305 695
- If English is not your first language, call 131 450. Ask for an interpreter in your language and then request to be connected to our Information Centre on 1300 305 695
- Email: compliance@planning.nsw.gov.au

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