

Independent Audit – Post Approval Requirements

Fact Sheet

July 2018

This Fact Sheet has been prepared to assist stakeholders and the community to understand the new process for independent audits of State significant projects.

Independent Audit Post Approval Requirements

The Independent Audit Post Approval Requirements (PAR) is one of a new suite of documents prepared by the Department of Planning and Environment NSW (Department) which sets out requirements for post approval independent auditing, to be complied with by proponents¹ of State significant projects where required by conditions of consent or approval.

The Independent Audit PAR will apply to new State significant projects under conditions of consent or approval (conditions). The Independent Audit PAR 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

Implementation and compliance

From July 2018 a new standard condition requiring independent audits to be undertaken in accordance with the Independent Audit PAR will be imposed on consents and approvals of new projects.

This means that the Independent Audit PAR must be complied with, unless the conditions require otherwise.

Transitional arrangements

Projects approved prior to the release of the Independent Audit PAR that have existing conditions requiring independent auditing will not have to undertake independent audits in line with the Independent Audit PAR. These projects will continue to undertake independent audits in accordance with the requirements of their conditions.

However, proponents may elect to voluntarily comply with the Independent Audit PAR but must still comply with their existing conditions.

Proponents may also seek to modify their conditions to require compliance with the Independent Audit PAR in consultation with the Department.

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

Audit frequency

The Independent Audit PAR establishes minimum timeframes for undertaking independent audits:

- at the commencement of and during the construction phase of a project
- within a year of commencement of operations

¹ The person or entity that is referred to as the proponent in an approval or the applicant in a consent and includes any person

carrying out any part of the development to which the approval or consent applies

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- at intervals no greater than three (3) years from the initial operational audit

Independent audits must be undertaken in accordance with the minimum timeframes specified in the Independent Audit PAR unless the conditions specify alternate timeframes.

Independent Auditor selection

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

The auditor and any technical specialists that may be required to be engaged under conditions must provide written declaration of their independence from the project and be agreed to by the Planning Secretary prior to commencing the audit.

Audit methodology and report

The Independent Audit PAR sets out requirements for evaluating compliance with conditions and describing the compliance status as either:

1. Compliant
2. Non-compliant
3. Not triggered

The Independent Audit PAR 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 include:

- preparing the audit schedule and program
- proposing the auditor and technical specialists (if required)

- 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 is required to:

- consult with Agencies, 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 the draft Audit Report to the proponent
- submit the final Audit Report to the proponent
- sign the Independent Audit Declaration Form

Department's functions

In administering the Independent Audit PAR the Department will:

- provide written agreement of auditor (and technical specialist(s) – if required)

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- provide input into the scope of the audit
- review the final Audit Report
- review the proponent's response to the final Audit Report

Where can I find out more?

- <http://www.planning.nsw.gov.au/independentauditpar>
- Call on 1300 305 695
- If English isn't your first language, please 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