

# NATIONAL HEAVY VEHICLE ACCREDITATION SCHEME

## NHVAS AUDIT FRAMEWORK

**August 2015**



# FORWARD

The National Heavy Vehicle Accreditation Scheme (NHVAS) allows heavy vehicle operators to use management systems operating within their business to demonstrate that vehicles and/or drivers comply with regulatory standards.

To achieve NHVAS accreditation, heavy vehicle operators arrange for an NHVAS approved auditor registered with the National Heavy Vehicle Regulator (NHVR) to audit their management systems. Where the auditor confirms that the operator has systems in place that meet the relevant module's standards, the operator may apply to the NHVR to establish accreditation. Once accredited, the operator continuously maintains and improves their management systems, as verified by internal reviews and other processes. The operator then arranges for these systems to be periodically audited by an NHVAS approved auditor as a condition of maintaining accreditation.

It is vital for the credibility and viability of the scheme that operator compliance with the NHVAS Business Rules and Standards is objectively and independently assessed. Equally, it is important that NHVAS approved auditors registered by the NHVR apply the highest standards of integrity, consistency and professionalism.

This Audit Framework helps to achieve these goals. It applies a common set principles, processes and audit methodologies for the conduct, documentation and reporting of NHVAS audits. It also provides guidance relating to the conduct of an approved auditor registered with the NHVR.

The document is divided into four sections:

- Section 1:** Provides a brief overview of the NHVAS.
- Section 2:** Outlines the principles that apply to independent auditing.
- Section 3:** Details the NHVAS audit process and the use of audit documentation in that process.
- Section 4:** Outlines a code of conduct for NHVAS approved auditors, including a review/appeal process.

I commend the NHVAS Audit Framework to you and trust that it will provide assistance in effective and consistent auditing under the NHVAS.

Geoff Casey  
Executive Director  
Productivity & Safety  
National Heavy Vehicle Regulator

# Table of Contents

<b>1</b>	<b>INTRODUCTION .....</b>	<b>6</b>
	1.1 Overview .....	6
	1.2 Purpose .....	6
	1.3 Scope .....	6
	1.4 Related Documents .....	7
	1.5 How the Audit Framework may be amended .....	7
<b>2</b>	<b>PRINCIPLES RELATING TO AUDITS.....</b>	<b>7</b>
	2.1 Objectives .....	7
	2.2 Scope of Audits .....	8
	2.3 Types of Audit .....	8
	2.3.1 Entry Audits .....	8
	2.3.2 Compliance Audits .....	8
	2.3.3 Other Audits.....	8
	2.4 Timing of Audits .....	8
	2.5 Location of Audit .....	9
	2.5.1 Entry Audits .....	9
	2.5.2 Compliance Audits .....	9
	2.5.3 Approvals for Variation.....	9
	2.5.4 Multi-Site Locations.....	9
	2.5.5 Change of Sites between Audits.....	10
	2.6 Audit Documentation.....	10
	2.6.1 Uniform Report Styles and Formats .....	10
	2.6.2 Audit Matrix.....	10
	2.6.3 Audit Completion Notification (ACN) Form .....	11
	2.6.4 Audit Report .....	11
	2.7 Selection of Auditor.....	12
	2.7.1 Auditor Competence .....	12
	2.7.2 Auditor Scope .....	12
	2.7.3 Auditor Nomination by NHVR.....	12
	2.7.4 Conflict of Interest.....	12

2.7.5	“Two Audit” Rule .....	12
<b>3</b>	<b>CONDUCTING THE NHVAS AUDIT.....</b>	<b>13</b>
3.1	Audit Process.....	13
3.1.1	Initiating the Audit.....	13
3.1.2	Preparing for the Audit.....	13
3.1.3	Opening Meeting.....	14
3.1.4	Generating Audit Findings .....	14
3.1.5	Collecting and Verifying Evidence .....	15
3.1.6	Sampling Documentation .....	17
3.1.7	Interviewing Personal.....	18
3.2	Audit Findings.....	18
3.2.1	Audit Matrix.....	18
3.2.2	Preparing Audit Conclusions.....	19
3.2.3	Corrective Action Requests (CARs).....	20
3.2.4	Conducting the Closing Interview.....	20
3.2.5	Audit Completion Notification.....	20
3.2.6	Closing out CARs .....	20
3.2.7	The Audit Report.....	21
<b>4</b>	<b>PRINCIPLES APPLYING TO AUDITOR CONDUCT .....</b>	<b>24</b>
4.1	Applying to register with the NHVR .....	24
4.2	Auditor Code of Conduct.....	24
4.2.1	Conflict of Interest .....	25
4.2.2	Independence .....	26
4.2.3	Financial Benefit .....	26
4.2.4	Confidentiality .....	27
4.2.5	Professionalism.....	27
4.2.6	Identification.....	27
4.2.7	Accountability .....	27
4.2.8	Duty to Disclose .....	27
4.3	Auditor Performance Review .....	27
4.3.1	Triggers for Performance Review .....	28
4.3.2	Remedial Actions .....	28



4.3.3	Review and Appeals.....	29
5	<b>GLOSSARY .....</b>	<b>30</b>

# 1 INTRODUCTION

## 1.1 Overview

The National Heavy Vehicle Accreditation Scheme (NHVAS) is an audit-based compliance scheme established under section 458 of the Heavy Vehicle National Law (HVNL) and administered by the National Heavy Vehicle Regulator (NHVR).

The scheme allows heavy vehicle operators to demonstrate, through the audit of their management systems, that the operation of vehicles and/or drivers complies with NHVAS Business Rules and Standards. In return, accredited operators are permitted access to alternative compliance methods or concessions, such as increases in mass or more flexible work hours under the HVNL.

The NHVAS is an important component of an integrated, risk based safety assurance system for heavy vehicles in Australia. The long-term objectives of the NHVAS are to:

- a) improve road safety;
- b) increase the productivity of the transport industry through adoption of good risk management practice by participating operators; and
- c) improve operational efficiency for these operators.

## 1.2 Purpose

This *NHVAS Audit Framework* document (“the Audit Framework”) provides NHVAS approved auditors with guidance on the principles, processes and audit methodology that comprise the NHVAS audit system. The purpose of the Audit Framework is to provide NHVAS approved auditors with a basis for consistent decision making in the tasks requiring judgement during the NHVAS audit process.

In particular, the Audit Framework provides:

- a common set of principles relating to the conduct of an audit and the conduct of auditors;
- a common approach to auditing across all accreditation modules;
- a reference source for audit terminology and practices that will help foster a common understanding by participants in the NHVAS – both auditors and operators.

Consistency across these areas will enhance the quality of audits overall and provide operators with certainty in managing their business.

## 1.3 Scope

The Audit Framework applies to all three (3) accreditation modules as described in Table 1.

Each of these modules includes Standards that provide the scope and basis for audits. The Standards establish the responsibilities, policies, procedures and records that if adopted by operators, will demonstrate compliance with key elements of heavy vehicle legislation relating to vehicle maintenance, vehicle mass and driver fatigue.

The Standards reflect a systematic approach to managing safety risks through a set of organised actions, involving:

- identification, assessment and control of heavy vehicle risks;
- monitoring of management systems to maintain safety performance and;
- continuous improvement of the overall performance of the operator’s management system.

Under the Scheme, operators are required to have their management systems periodically audited by NHVAS approved auditors. Between these audits, operators are expected to monitor, review and improve upon their management systems. The internal review and improvement process forms part of the scope of the audits.

NHVAS Module	Accreditation Requirement
<b>Maintenance Management</b>	A management system demonstrating that vehicles are appropriately inspected, serviced, repaired and maintained.
<b>Mass Management</b>	A management system demonstrating that the legal mass of vehicles is appropriately controlled for both axle mass and gross mass.
<b>Fatigue Management (2 options available)</b>	<b>Basic Fatigue Management (BFM)</b> A management system demonstrating that driver fatigue is appropriately controlled via schedules, driver rostering, fitness for duty, management monitoring and controls.
	<b>Advanced Fatigue Management (AFM)</b> A management system that meets the BFM standard and applies additional standards for driver health, work environment, management practices and operational limits.

## 1.4 Related Documents

The Audit Framework is one of a number of documents pertaining to the NHVAS. The Framework should be read in conjunction with:

- *NHVAS Business Rules*;
- *Advanced Fatigue Management Business Rules*;
- *Accreditation Standards* for each of the Management modules;
- *The Audit Matrix* for each of the accreditation modules;
- *The Audit Summary Report template* common to all modules.

## 1.5 How the Audit Framework may be amended

The Audit Framework will be periodically revised to reflect changes in the NHVAS, legislation, new requirements and continuous improvement as a result of consultation with key stakeholders. Revisions may include a part or the whole of this document.

Any amendments will be issued with a release number and date reflected in the footer of the document and on the NHVR website.

# 2 PRINCIPLES RELATING TO AUDITS

## 2.1 Objectives

Under the NHVAS, operators undergo an audit at regular intervals by an NHVAS approved auditor who is approved and registered with the National Heavy Vehicle Regulator (NHVR).

The purpose of the audit is to:

- verify objective evidence related to an operator's management systems;
- assess how successfully these systems have been implemented;
- determine the effectiveness of the operator's systems in meeting NHVAS Standards;
- provide evidence concerning the mitigation of problem areas; and
- Identify opportunities for improvements in the operator's management system.

An audit is an effective way to ensure the operator's management system meets the required Standards and is continuously improved over the life of the business. It aims to ensure that only operators, who can demonstrate an

appropriate level of compliance with the NHVAS Business Rules and Standards, achieve and maintain accreditation under NHVAS.

## 2.2 Scope of Audits

The scope of the audit is determined by the Standards for the particular NHVAS module that the operator is seeking to establish or maintain.

## 2.3 Types of Audit

There are two main types of audits that are to be performed on an operator's management system under the NHVAS: Entry Audit and Compliance Audits.

### 2.3.1 Entry Audits

An Entry Audit is the first audit undertaken of the operator's management system and verifies that the operator's policies, procedures and record keeping systems will comply with the relevant accreditation standards (i.e. Maintenance, Mass, Fatigue).

A successful Entry Audit is one (1) pre-requisite for the applicant being approved by the NHVR as an accredited operator under the NHVAS.

### 2.3.2 Compliance Audits

A Compliance Audit is conducted periodically once the operator is accredited. The purpose of compliance audit is to confirm that the operator's management system is in place, that it continues to adhere to the relevant NHVAS Standards, and that management and staff are aware of, and comply with, the relevant policies and procedures; in other words that the management system for which accreditation was granted is functioning effectively within the operator's business.

A conforming Compliance Audit is necessary for the operator to maintain accreditation.

### 2.3.3 Other Audits

In certain circumstances, the NHVR may initiate other types of audits such as Random Audits, Triggered Audits and Spot Checks; for example where a complaint has been made or there is evidence or suspicion of a failure in an operator's management system. In such circumstances the NHVR will provide appropriate guidance to the assigned auditor in relation to aspects of the audit to be carried out.

## 2.4 Timing of Audits

An Entry Audit may be arranged at any time provided that the operator is confident they have a management system in place that meets the relevant accreditation standards for the module.

In contrast, there are strict timeframes associated with Compliance Audits. In the operator's first accreditation period, two Compliance Audits must take place:

1. **The initial Compliance Audit:** conducted between the **6 - 7 months** after Accreditation is granted
2. **A second Compliance Audit:** conducted within a period **9 months** prior to the expiry of the accreditation period.

For subsequent accreditation periods, only one Compliance Audit is required for each accreditation period.

Within these timing rules, the scheduling of the audit is to be negotiated through consultation between the operator and the NHVAS approved auditor. Auditors and operators should ensure that management and staff relevant to the management system are available on the dates arranged for the audit. Wherever possible, the audit should take place when it is convenient for all parties. For example, the audit could take place at a less busy period for the operator's company so as not to hinder business operations.

For all audits, the Audit Report is only valid for 9 months from the date of being issued to the operator.

## 2.5 Location of Audit

The location of NHVAS audits will depend on the purpose of the audit; namely whether the audit is an Entry Audit or a Compliance Audit.

### 2.5.1 Entry Audits

The purpose of an Entry Audit is to verify that the operator has policies, procedures and record keeping processes in place (in other words, a management system) that complies with the relevant accreditation standards. As a result, the Entry Audit will generally take place where the operator’s records are held.

### 2.5.2 Compliance Audits

The purpose of a Compliance Audit is to verify that the operator’s management system adheres to the relevant accreditation standards and is *fully implemented* within the company’s operations. As a result, this audit needs to take place at the site of principle operation. This is so that relevant staff can be interviewed and the integration of procedures and processes into the company’s operations can be verified.

The primary place for a Compliance Audit is agreed by the NHVR at the time of the operator’s entry into the NHVAS. Generally, this will be the “Primary Physical Operating Address” nominated by the operator on the *NHVAS Accreditation Application*.

### 2.5.3 Approvals for Variation

In certain circumstances, the NHVR may consent to an audit being performed at a location other than the operator’s primary physical operating address, provided that the number of audits conducted away from the operator’s nominated premises is limited to two consecutive audits.

In all cases, the location of the Compliance Audit must be included on the:

- *Compliance Audit Notification;*
- *Audit Completion Notification; and*
- *NHVAS Audit Summary Report.*

A description of the purpose and content of each of these documents is provided in Chapter 3.

### 2.5.4 Multi-Site Locations

Where an operator has a number of geographically distinct operating sites (and where a single NHVAS accreditation applies to those sites) auditors must ensure that Compliance Audits are conducted on a representative sample of these sites. The representative sample should be based on the number of operational sites that are included in the operator’s accreditation. The sample of sites should be determined in accordance with the following table.

TOTAL NUMBER OF OPERATOR’S SITES	SAMPLE SIZE FOR COMPLIANCE AUDITS
1-2	ALL
3-8	3
9-15	5
16-25	8
26-50	13
51-90	20
91-150	32

TOTAL NUMBER OF OPERATOR'S SITES	SAMPLE SIZE FOR COMPLIANCE AUDITS
151-280	50
281-500	80
501-1200	125

**Table 2: Sample Size for Multi-site Operators**

In determining which sites to select, auditors should consider:

- The size of the respective sites (generally, larger sites should be considered over smaller sites);
- The nature of activities undertaken at sites. For example, sites where freight is loaded or secured onto vehicles may be a more appropriate target for mass management auditing. Sites where vehicle servicing/repairs are conducted may be a more appropriate target for maintenance management auditing.

### 2.5.5 Change of Sites between Audits

Where an operator adds sites or closes sites during accreditation periods, this needs to be factored into the audit process. In such circumstances, the number of sites to be audited should be calculated from the new total in accordance with the above table. The new sites should also be prioritised for inclusion in the sample at the next audit.

**The operator must advise the NHVR of any changes to their accreditation within 14 days. In such circumstances an auditor may recalculate the number of sites audited based on the table above.**

## 2.6 Audit Documentation

### 2.6.1 Uniform Report Styles and Formats

Auditors are required to adhere to the *NHVAS Business Rules and Standards* and the *HVNL*, and to ensure consistency in audit reporting. The NHVR helps achieve this consistency by requiring that audit results are recorded on the NHVAS audit matrices and NHVAS Audit Summary Report template. It is a condition of registration that auditors use this documentation when conducting audits under the NHVAS.

A description of the purpose and content of these audit documents is outlined below.

### 2.6.2 Audit Matrix

The Audit Matrix is the primary on-site audit tool under the NHVAS. It provides a template for the auditor to systematically record evidence about the operator's compliance with the accreditation standards.

There is a separate Audit Matrix for each of the three (3) NHVAS accreditation modules (Maintenance Management, Mass Management and Fatigue Management which has two (2) options: BFM and AFM).

Auditors must use the relevant Audit Matrix approved and published by the NHVR when undertaking an NHVAS audit and complete all of the fields in the Matrix.

Once completed, auditors must retain a copy of the Audit Matrix for a period of three (3) years from the audit date.

Detailed instruction on completing the Audit Matrix is provided at section 3.2.1 of the Audit Framework.

### 2.6.3 Audit Completion Notification (ACN) Form

After conducting an audit, the auditor is required to complete and submit an *Audit Completion Notification (ACN)* form. This standard form may be downloaded from the NHVR website and submitted to the NHVR electronically.

The ACN provides notification to the NHVR that the audit has been conducted, who conducted the audit, where and on what date. It includes a summary of the result of the audit with confirmation that the operator meets the

standards for the accreditation module, including any Corrective Action Requests (CARs) arising from the audit and the date on which they will be closed out by the operator.

The ACN does not contain a detailed report of the audit; this information is documented in the NHVAS Audit Summary Report.

#### **2.6.4 Audit Summary Report**

Auditors must record the findings of all NHVAS audits on the current NHVAS Audit Summary Report template that is approved and published by the NHVR.

The NHVAS Audit Summary Report is the critical document that verifies whether the operator is compliant or non-compliant with the standards of the particular accreditation module. It records the outcome of the audit findings based on evidence gathered and recorded in the relevant Audit Matrix.

Where the operator does not meet a Standard, a non-compliance is recorded on the NHVAS Audit Summary Report and a Corrective Action Request (CAR) is prepared. The CAR outlines the actions required to be undertaken by the operator to meet the Standard and an agreed timeframe for it to be completed.

Audits are system audits and therefore need to focus on the management system used by the operator to ensure compliance with the relevant NHVAS Standards. Where CARs are identified, they should focus on the failure in the system that led to non-compliance.

For example, one of the Standards in the BFM module requires that drivers be periodically assessed by a medical practitioner and certified as fit to drive. Where an auditor discovers that the date for the driver's last medical examination has expired, the Corrective Action Request generated should focus on the failure in the operator's system that has allowed this to occur rather than on the need for the individual driver to obtain a medical assessment.

The operator is responsible for taking the corrective action identified in the CAR. The auditor provides the final NHVAS Audit Summary Report to the operator only when satisfied that the operator has addressed all corrective actions. Once this is achieved, the auditor may provide the Audit Report signed by both parties acknowledging that all CARs are closed, to the operator who will submit it to the NHVR.

Where an action has been agreed but may take some time to be completed it is the operators responsibility to advise the auditor when it is complete. It is the auditor's responsibility to follow-up any actions where an operator fails to advise that an action has been completed by the due date and advise the NHVR accordingly.

Detailed instruction on completing the NHVAS Audit Summary Report is outlined in section 3.2.7 of this Audit Framework.

**The operator retains a copy of the completed NHVAS Audit Summary Report for a period of three (3) years from the date the document is provided by the auditor.**

**Auditors may request a copy of the most recent NHVAS Audit Summary Report from the operator during subsequent NHVAS audits.**

## **2.7 Selection of Auditor**

### **2.7.1 Auditor Competence**

Only NHVAS approved auditors registered with the NHVR may undertake NHVAS Entry and Compliance Audits. To be approved an auditor must meet a number of criteria outlined in Section 14 of the *Business Rules and Standards* (June 2015).

These criteria establish the professional qualifications, certification, experience, skills and insurance that is required of auditors.

Those who audit maintenance management and mass management accreditation systems also need to have:

- Relevant technical competencies; or
- Training recognised by the NHVR; or
- Proof that they have a formal arrangement with a suitably competent person to provide technical input into the audit.

### **2.7.2 Auditor Scope**

There are three (3) accreditation modules under the NHVAS: Maintenance, Mass and Fatigue which has two (2) options: BFM and AFM). Only an auditor with scope to conduct audits in a particular accreditation module may do so. For example, an auditor with scope to conduct Mass or Maintenance audits may not conduct Fatigue audits unless they are also have scope for auditing the fatigue module.

Normally an operator would select the auditor from the current list of registered NHVAS approved auditors on the NHVR website. The operator must inform the NHVR of their selection by submitting a *Compliance Audit Notification* (CAN) form to the NHVR. This process is outlined in more detail in Chapter 3.

It is the auditor's responsibility to ensure that they hold scope for the module for which the operator is seeking accreditation. It is an offence under section 478 of the HVNL for an auditor to falsely represent that they are an auditor of a particular approved class.

### **2.7.3 Auditor Nomination by NHVR**

The NHVR can provide a list of names from which the operator can choose an alternative auditor. The NHVR may, at its discretion, reject the nomination of an auditor and either appoint an alternative or request the operator to select another auditor. This will also occur when there is a perceived conflict of interest or other risk to the integrity of the audit that has been brought to the NHVR's attention. In such circumstances, on receiving the CAN from an operator, the NHVR would notify the operator that their choice of auditor had been refused and would provide a list of alternative auditors to the operator.

### **2.7.4 Conflict of Interest**

An individual auditor cannot develop a management system on behalf of an operator and then, subsequently, to audit the same system. In other words, an auditor cannot provide an operator with a consultancy service for the design of their management system when applying for accreditation, then conduct the Entry or subsequent Compliance Audits on that system.

This rule does not apply when the management system developed by the auditor as a consultant is different from the system being audited by that auditor. For example, an auditor who assists an operator to establish a vehicle maintenance system is still permitted to audit the operator's mass or fatigue management systems (provided they hold the required registration) but is not permitted to audit the maintenance system.

### **2.7.5 "Two Audit" Rule**

Auditors are only permitted to conduct two consecutive audits per accreditation module. This includes both Entry and Compliance Audits (i.e. the Entry Audit and initial Compliance Audit or two consecutive Compliance Audits).

After two consecutive audits utilising the same auditor, the operator must choose a different auditor. The NHVR reviews the operator's *Compliance Audit Notification* (CAN) to ensure that this rule is maintained (refer 3.1.1).

The exception to this rule is in relation to the fatigue module where an auditor is, for example, permitted to undertake two BFM audits followed by an AFM audit.

Regardless of this provision, and as detailed in section 2.7.3, the NHVR has absolute discretion to nominate an alternative auditor in order to maintain the integrity of the scheme.

## 3 CONDUCTING THE NHVAS AUDIT

### 3.1 Audit Process

#### 3.1.1 Initiating the Audit

Compliance audits are initiated by the operator. Once the auditor has been selected and an audit date agreed, the operator must submit to the NHVR a *Compliance Audit Notification (CAN)* at least 28 days prior to the scheduled audit date. This form specifies the date the audit will take place, the proposed location of the audit, the name of the auditor and other relevant details.

When received, the CAN is reviewed by the NHVR to ensure that all the requirements as outlined previously have been adhered to. The CAN also includes a section allowing the operator to request relevant NHVAS information, including the current vehicle list (Mass and Maintenance), Interception Reports and previous audit results from the NHVR.

**The operator must provide this information on request to the auditor.**

**In circumstances where the NHVR has requested a different auditor be utilised. A new CAN form must be submitted.**

#### 3.1.2 Preparing for the Audit

Once selected by an operator, it is important that the auditor acquires an understanding of the likely audit process prior to physically undertaking the site visit. This requires the auditor to assess the circumstances of the operator, draft an audit plan, schedule an opening meeting and liaise with the operator to determine (for example):

- the time that the audit will commence (it is suggested that this be at least an hour after the operator's opening hours to ensure that relevant management and staff are available and prepared for the auditor's arrival);
- the name of the person who will meet the auditor on arrival and take overall responsibility for facilitating the audit process. Normally this would be the person who will sign the "Operator Declaration and Consent" on the Audit Report at the end of the audit (refer 3.2.7);
- any security and workplace health and safety (WHS) requirements such as site inductions and Personal Protective Equipment (safety vests, safety boots, etc) that will be needed by the auditor to enter the work site;
- a request for a person to escort the auditor around the site;
- documents that the auditor will want to access (refer 3.1.5);
- managers and staff that the auditor will want to interview (refer 3.1.6);
- any administrative arrangements (e.g. office space, photocopier and other facilities) needed for the visit.

The auditor should confirm these arrangements with the operator at least seven (7) days prior to the agreed audit date.

The purpose of this process is to provide structure to the audit and to allow both the operator and auditor to make the necessary arrangements to ensure that the audit proceeds smoothly.

#### 3.1.3 Opening Meeting

The opening meeting should include all relevant staff who may be involved in the audit, including senior management and relevant administrative staff. During this meeting, the scope, timeframe, information needs and other matters relevant to the audit should be confirmed.

The opening meeting gives the auditor the opportunity to detail the purpose, scope and program for the audit, to explain the audit process and to confirm the availability of interviewees. The meeting should cover:

- **Introductions:** Enabling the auditor to learn the names and positions of the relevant staff present (including the person/s who will guide the auditor from one location to another as required) and to complete an attendance list. This list forms part of the audit record and is included in the NHVAS Audit Summary Report (refer 3.2.7);
- **Purpose:** Allows the auditor to explain the purpose and scope of the audit and, if necessary, to confirm the auditor's authority to conduct the audit;
- **Review of the audit program:** The auditor should confirm with the operator that relevant records, information and personnel with an understanding of the management system processes are available;
- **Documentation:** Confirmation of the status of various documents e.g. policies procedures and protocols that the auditor will need to undertake the audit.
- **Communication:** Outlining who the auditor should communicate with in the event of a serious problem during the audit, e.g. a failure by personnel to co-operate with the auditor.
- **Logistics:** Confirmation of arrangements such as a work space for the auditor, access to photocopier and facilities, operational constraints on the audit process, transport around the site/s, and time and place for the closing meeting.

### 3.1.4 Generating Audit Findings

Compliance audits are *system* audits and need to focus on the management system used by the operator to ensure compliance with the relevant NHVAS Standards. The audit must address the thresholds, tests, and criteria set by the Audit Matrix for each Standard in the relevant module.

The findings generated by the audit (and recorded in the Audit Matrix) must be based on information and other evidence gathered from the operator and/or persons or organisations performing functions in the operator's management system. This will generally require the auditor to:

- Review the operator's policies, procedures and other records,
- Understand the operator's business processes,
- Test various parts of the management system for compliance with the applicable accreditation standards, laws and regulations,
- Discuss the system with the operator or managers and staff to ensure their commitment and understanding, and
- Observe work practices and operations.

The reason for undertaking these activities is to arrive at a finding of compliance or non-compliance for each Standard in the relevant module. The auditor is responsible for taking all reasonable steps to determine that there is sufficient evidence to support a finding for each Standard in the relevant module.

It is the operator's responsibility to provide appropriate and sufficient evidence to support the audit. Where the evidence presented to the auditor is insufficient, they should make further enquires, however if no further evidence is available, the auditor should record a non-conformance for that Standard.

### 3.1.5 Collecting and Verifying Evidence

The evidence gathered by the auditor focuses on the management system required by the operator for the particular accreditation module/s (as outlined in the Audit Matrix) and whether elements of that system demonstrate compliance with the relevant Standards. Some types of evidence are common to all accreditation modules; others are specific to each module. Examples of the documents to be examined by auditors are outlined in Table 3. For a full list of evidence types, auditors should refer to the Audit Matrix for each module.

<b>Accreditation Module</b>	<b>Document</b>	<b>Description</b>
<b>ALL</b>	<b>Policies and Procedures</b>	All NHVAS modules require the operator to develop, implement and maintain policies and procedures covering their work practices. Auditors must review these documents to ensure that they meet the specific criteria of each management standard (e.g. for the maintenance management module, that there is a procedure for drivers to check vehicles on a daily basis and record/sign that the check has been completed).
<b>ALL</b>	<b>Training Records, Position Descriptions and Personnel Records</b>	All Modules require that persons involved in the particular activity (e.g. vehicle maintenance, mass or fatigue management) understand their responsibilities and are competent to carry them out. Position descriptions, training records and personnel records may provide evidence of compliance with such standards.
<b>ALL</b>	<b>Previous Audit Reports</b>	Operators are obliged to retain copies of previous Audit Reports for a period of three years.  These are a valuable resource, particularly where a different NHVAS approved auditor performed the operator's previous audit.  Auditors should request a copy of the most recent Audit Report from the operator and ensure that all Corrective Actions, as outlined in the CARs, have been implemented by the operator.
<b>ALL</b>	<b>Internal Audit Documentation (Annual Review)</b>	All Accreditation modules require the operator to review their management system on an annual basis. The auditor must request documentation from the operator demonstrating that this annual review has taken place.
<b>ALL</b>	<b>Quarterly Compliance Statements:</b>	As part of the internal review standard for each module, an operator is required to complete Quarterly Compliance Statements.  These statements include a record of compliance with the key outcomes required for each module. For maintenance management the key outcomes include: <ul style="list-style-type: none"> <li>• the number of vehicles in the accredited fleet,</li> <li>• the number of daily checks undertaken on vehicles and the number of times that checks were not performed,</li> <li>• the number of services and number of incidences where services were not conducted,</li> <li>• the number of fault repairs and the number of incidences where faults were not rectified.</li> </ul> <i>For mass management the key outcomes include:</i> <ul style="list-style-type: none"> <li>• the number of vehicles in the accredited fleet,</li> <li>• the number of daily trips undertaken by vehicles and</li> </ul>

<b>Accreditation Module</b>	<b>Document</b>	<b>Description</b>
		<ul style="list-style-type: none"> <li>• the number of trips that were not compliant with the vehicle's mass limits,</li> <li>• The amount of mass excess for each non-compliant trip,</li> </ul> <p><i>For fatigue management the key outcomes include:</i></p> <ul style="list-style-type: none"> <li>• The number drivers operating under the accreditation</li> <li>• The number of new drivers inducted for the quarter</li> <li>• The number of work &amp; rest records checked</li> <li>• The number of complaint &amp; non-compliant records for the quarter</li> <li>• The number of driver medicals completed for the quarter</li> <li>• The number of driver medicals missed for the quarter</li> <li>• The number of fatigue related incidents for the quarter</li> </ul>
<b>Mass and Maintenance</b>	<b>Vehicle List</b>	<p>It is a condition of accreditation that operators maintain a current list (including registration numbers and other details) of all vehicles operated under the mass or maintenance accreditation modules.</p> <p>This list is important for sampling purposes (refer 3.1.6)</p>
<b>Maintenance</b>	<b>Vehicle Defect Books, Vehicle Logs, Repair and Test Records</b>	<p>This module requires operators to have systems in place to enable drivers to report defects/faults for individual vehicles.</p> <p>Auditors need to ensure that documentary evidence exists to enable drivers to identify vehicle faults and that these vehicle faults have been promptly remedied and tested by workshop staff.</p>
<b>Mass and Maintenance</b>	<b>Interception Reports</b>	<p>Operators accredited for Mass and Maintenance must keep an Interception Report Book in each vehicle.</p> <p>These reports indicate that the vehicle has been intercepted and if a defect or breach has been issued by the Enforcement Officers it should be recorded.</p> <p>Such records may indicate a non-conforming element of the operator's system and therefore a sample of these Reports needs to be reviewed.</p>
<b>Mass and Maintenance</b>	<b>Vehicle Inspection Records/ Checklists</b>	<p>These Modules require individual vehicles to be checked (for faults and for mass) prior to departure. Auditors should request a copy of the operator's current vehicle list, and review vehicle inspection/mass records from a sample of vehicles selected from the list.</p>
<b>Mass and Maintenance</b>	<b>Service Schedules and Weight/Load Records</b>	<p>Both Modules require records of vehicle maintenance schedules or weight/loads. For maintenance, this includes inspection/service records incorporating tolerances and wear limits for major components.</p> <p>For mass, this includes vehicle suspension records.</p>
<b>Fatigue (BFM and AFM)</b>	<b>Driver List</b>	<p>It is a condition of accreditation that operators maintain a current list (including names and other details) of staff included in the fatigue management system.</p> <p>This list is important for sampling purposes (refer 3.1.6)</p>

<b>Accreditation Module</b>	<b>Document</b>	<b>Description</b>
<b>Fatigue (BFM and AFM)</b>	<b>Driver Medical Records</b>	Both fatigue modules require that driver's health is periodically assessed by a medical practitioner in line with Austroads requirements.  Auditors need to access these records to ensure that the appropriate medical checks have taken place.
<b>Fatigue (BFM and AFM)</b>	<b>Driver rosters and schedules</b>	NHVAS Fatigue Standards require that the work/rest rosters of drivers incorporate fatigue management strategies.  Auditors should request a copy of the operator's current driver list, and review individual rosters from a sample of drivers selected from the operator's list.

**Table 3: Audit Documentary Evidence**

### 3.1.6 Sampling Documentation

It is impractical for auditors to review the records of every vehicle or driver within the operator's business. The audit process therefore requires that auditors review a sample of records, dependent on the size and scope of the operation. The purpose of sampling is to provide the auditor with a reasonable basis from which to draw conclusions in regard to the integrity of the system covered by the operator's accreditation.

As a minimum the sample of vehicle/drivers should be determined in accordance with the following table. An auditor may sample more than is recommended.

<b>TOTAL NUMBER OF VEHICLES/DRIVERS</b>	<b>SAMPLE SIZE FOR COMPLIANCE AUDITS</b>
1-10	5
10-15	7
16-25	8
26-50	13
51-90	20
91-150	32
151-280	50
281-500	80
501-1200	125

**Table 4: Sample Size for Accredited Vehicles/Drivers**

The sample records should be drawn from the Vehicle List/Driver List that operators are required to keep as a condition of accreditation. To ensure the sample is representative of vehicles/drivers as a whole, auditors could, for example, choose every fifth vehicle/driver on the operator's list until the representative sample size was achieved.

Where the records sampled indicate deficiencies within the operator's management system, auditors should increase the sample size to gain a greater appreciation of the nature and extent of the systemic issues.

### 3.1.7 Interviewing Personal

Auditors should not rely solely upon documentation to confirm that a management system is operational. The veracity of documentation needs to be tested during Compliance Audits using interviews with relevant staff and observation of operational activities on site (if available).

For example, where a procedure indicates that a person has responsibility for a particular activity, the person should be interviewed to determine whether they understand the process and their responsibilities within it. Similarly, where drivers are required to undertake a daily check of their vehicle, a sample of drivers should be interviewed to determine if and how they undertake this check.

Auditors should adhere to the following principles when interviewing staff during an NHVAS audit:

- Interviews should be targeted at persons performing the tasks being audited. For example, for the Maintenance Management module, this would include both personnel responsible for checking the vehicle and those responsible for servicing/rectifying faults on the vehicle;
- The auditor should advise the interviewee of the reason for the interview and assure them that the interview is about the NHVAS rather than the individual's work performance;
- The auditor should avoid asking leading questions; rather they should ask the person to describe what they do and how they do it;
- Where possible, interviews should be conducted where personnel are undertaking their work functions so that the auditor can observe how these functions are being performed;

The potential findings should be confirmed with other interviewees if possible to ensure that the system is being utilised in all relevant areas of the operator's business.

## 3.2 Audit Findings

### 3.2.1 Audit Matrix

The auditor must use the relevant Audit Matrix to record audit findings and on-site activities. The Audit Matrix contains a summary of the auditable standards for each accreditation module. It provides space for the auditor to include details about supporting evidence during the audit and whether the relevant criteria for each Standard have been met.

The Audit Matrix is divided into the following sections:

#### a) Standard

The Matrix is divided into Standards for each module.

#### b) Criteria

Each Standard is further broken down into auditable criteria. The operator's management system must comply with each criterion for the auditor to record a conformance to that Standard.

#### c) Assessment Step

This identifies what the auditor must do as a minimum in order to assess the criteria. An auditor is not limited to only reviewing the suggested step outlined in the Matrix. However, as a minimum, the auditor must undertake this step.

#### d) How does the operator's system address the requirement?

On reviewing the operator's systems, the auditor must be satisfied that it addresses the requirement for each criterion. This must be recorded on the Matrix. A failure in one of the criteria will result in non-conformance with that Standard.

#### e) Indicate evidence of implementation sighted

The auditor must record details of the evidence sighted that indicated that the operator’s system was functioning and that management processes were being adhered to. The information recorded by the auditor must be sufficiently detailed to describe the activities undertaken, the evidence obtained and the basis of the outcomes reached. Evidence should include dates and version numbers of sample documentation sighted, registration numbers of sample vehicles and the names of employees interviewed.

**f) Compliance Audit Only**

While the same Audit Matrix is used for both Entry and Compliance Audits, separate criteria in the Matrix will apply to each type of audit. As a result, there are certain criteria in each Standard that apply only to Compliance Audits and not to Entry Audits.

**g) Compliance Code**

The compliance code indicates the auditor’s assessment of whether the operator’s management system complies with the audit criteria (refer Table 5).

Audit Matrices may be requested by the NHVR for review either on a random basis or where an audit outcome is of concern or requires clarification.

**3.2.2 Preparing Audit Conclusions**

The audit conclusions arrived at by the auditor should be based on the evidence they have recorded in the Audit Matrix and whether this evidence indicates that the operator’s management system meets relevant standards in the NHVAS accreditation module.

Each accreditation module contains a number of Standards that, in turn, contain a number of criteria. A Compliance Code must be recorded against each criterion in each Standard in the Audit Matrix. There are five possible Compliance Codes:

COMPLIANCE CODE		EXPLANATION
<b>V</b>	<b>Conformance Verified</b>	Operator fully complies with the criterion
<b>NC</b>	<b>Non-Conformance</b>	Operator does not comply with the criterion
<b>SFI</b>	<b>Suggestion for Improvement</b>	Recorded as an additional Code to a Non-Conformance
<b>NAP</b>	<b>Not Applicable</b>	For example, the audit is an Entry Audit and the criterion relates to a Compliance Code
<b>NA</b>	<b>Not Assessed at this Audit</b>	Relevant for Spot, Triggered and Random Audits

**Table 5: Explanation of Compliance Codes**

The operator’s management system must comply with all criteria related to a particular Standard in order to record a conformance for that Standard.

For example, to comply with the Standard, “Recording and Reporting Vehicle Faults” within the Maintenance Management module, the operator must be able to demonstrate evidence covering the five (Entry Audit) or eight (Compliance Audit) criteria within that Standard. Where the operator meets only seven of the eight criteria, a non-conformance would be recorded for that Standard, and a CAR issued.

**3.2.3 Corrective Action Requests (CARs)**

As outlined earlier, CARs should focus on the system failures that led to non-compliance in a particular Standard (refer 2.7.3).

Whenever a non-conformance to the NHVAS Business Rules and Standards is identified the auditor must issue a corrective action request (CAR).

The non-conformance identified should be explained to the operator so suitable corrective actions can be formulated.

In some circumstances, the corrective action taken in response to the CAR may be quite simple and the non-conformance may be rectified by the operator at the time of the audit thus providing the necessary evidence for the auditor to close the CAR at the time of the audit. For non-conformances that will take more work on the part of the operator to address, an agreed date for the completion of the CAR is nominated and identified on the CAR.

### 3.2.4 Conducting the Closing Interview

At the completion of the audit, the auditor should conduct an interview with the nominated representative of the operator.

This should be the same person involved in the Entry Interview and who has the authority to sign the “Operator Declaration” on the NHVAS Audit Summary Report (refer 3.2.7).

The purpose of the closing interview is to:

- Summarise the audit findings;
- Outline any non-conformances identified;
- Provide the operator with the opportunity to query the auditor’s findings, particularly non-conformances, and to clarify any misunderstandings;
- Discuss the corrective actions needed to remedy non-conformances and provide the operator with copies of CARs;
- Explain the process from that point forward, particularly dates by which the CAR’s will need to be completed.

### 3.2.5 Audit Completion Notification

After completing the audit, the auditor is required to complete and submit to the NHVR an **Audit Completion Notification** (ACN). The ACN may be completed online or may be downloaded from the NHVR website, and submitted to the NHVR electronically.

The ACN provides notification to the NHVR:

- that the audit has been conducted, and the location and date of the audit;
- a summary of the audit results and the number of CARs issued for each Standard if applicable.

### 3.2.6 Closing out CARs

As outlined at 3.2.3, a CAR should be prepared for all non-conformances identified during the audit.

For a non-conformance remedied immediately at the time of audit or by the agreed date the CAR is signed off by both the auditor and operator and closed out.

Where the operator identifies a suitable corrective action, that, in the opinion of the auditor, would remedy the non-conformance, if implemented, the CAR is signed off by both the auditor and operator as conditionally closed.

The CAR is conditionally closed out at this point.

In this instance the “signing off” of a CAR by the auditor does not mean that the non-conformance has been rectified. Rather, it signifies that the operator has agreed to undertake remedial action by a certain date, and the auditor is satisfied that the action planned will be sufficient to remedy the non-conformance.

For any corrective action that is not immediately identified as having been implemented the auditor will set a date by which the operator will provide notice to them that the corrective action has been implemented. . The auditor

may, at their discretion, request evidence from the operator that the corrective action has been completed by a certain date.

It is the operator's responsibility to ensure that all action identified in CARs is completed by the dates agreed with the auditor.

In some instances, the corrective action the auditor accepted on the CAR may take some time to implement and complete.

In such circumstances, an agreed date will set whereby the operator must notify the auditor that the corrective actions have been completed. The auditor may, at their discretion, request evidence from the operator that the corrective action has been completed by a certain date.

The auditor is not required to revisit the place of audit to confirm completion of the corrective action.

Where the operator fails to provide notification or evidence by the required date, the auditor must advise the NHVR for follow up action to be taken.

Once all of the CARs have been closed or conditionally closed the auditor is to sign the audit report and provide it to the operator.

### 3.2.7 The Audit Report

The auditor must complete and issue the NHVAS Audit Summary Report to the operator when:

- (a) the audit reveals no non-conformances; or
- (b) the audit reveals non-conformances and these are subsequently closed out by the operator.

It is the auditor's obligation to ensure that the NHVAS Audit Summary Report is complete, with CARs for all non-conformances rectified by the agreed dates and signed off.

The Audit Report is divided into a number of sections:

- **Contact Information:** for the auditor, Operator and Attendees at the Audit;
- **Audit Summary Sheet:** of the more detailed audit documents that follow;
- **Summary of Audit Findings:** outlining the auditable criteria for the relevant Accreditation Standards and providing space for the auditor to include details (documentation and other evidence) of how the operator demonstrated compliance with each criterion.
- The *Summary of Audit Findings* should summarise the more detailed information included in the Audit Matrix;
- **List of Vehicle Registration Numbers (mass and maintenance modules only):** outlines details of all vehicle records examined as part of the NHVAS audit.
- **List of Driver Records Examined (BFM and AFM only):** outlines details of all driver records examined as part of the NHVAS audit;
- **Corrective Action Requests (CARs):** list each non-conformance uncovered by the audit and include a space for the Corrective Action to be undertaken by the operator and the completion date.
  - The auditor provides the completed NHVAS Audit Summary Report to the operator when all CARs are closed out.
- **The Auditor's Declaration:** this is completed and signed by the auditor when they are satisfied that the operator's management system (including the corrective action implemented by the operator) complies with the relevant Standards for each module.
- **The Operator's Declaration:** This is the operator's acknowledgement of the veracity of the information contained in the Audit Report and provides the NHVR with the operator's consent to share accreditation information with other agencies.

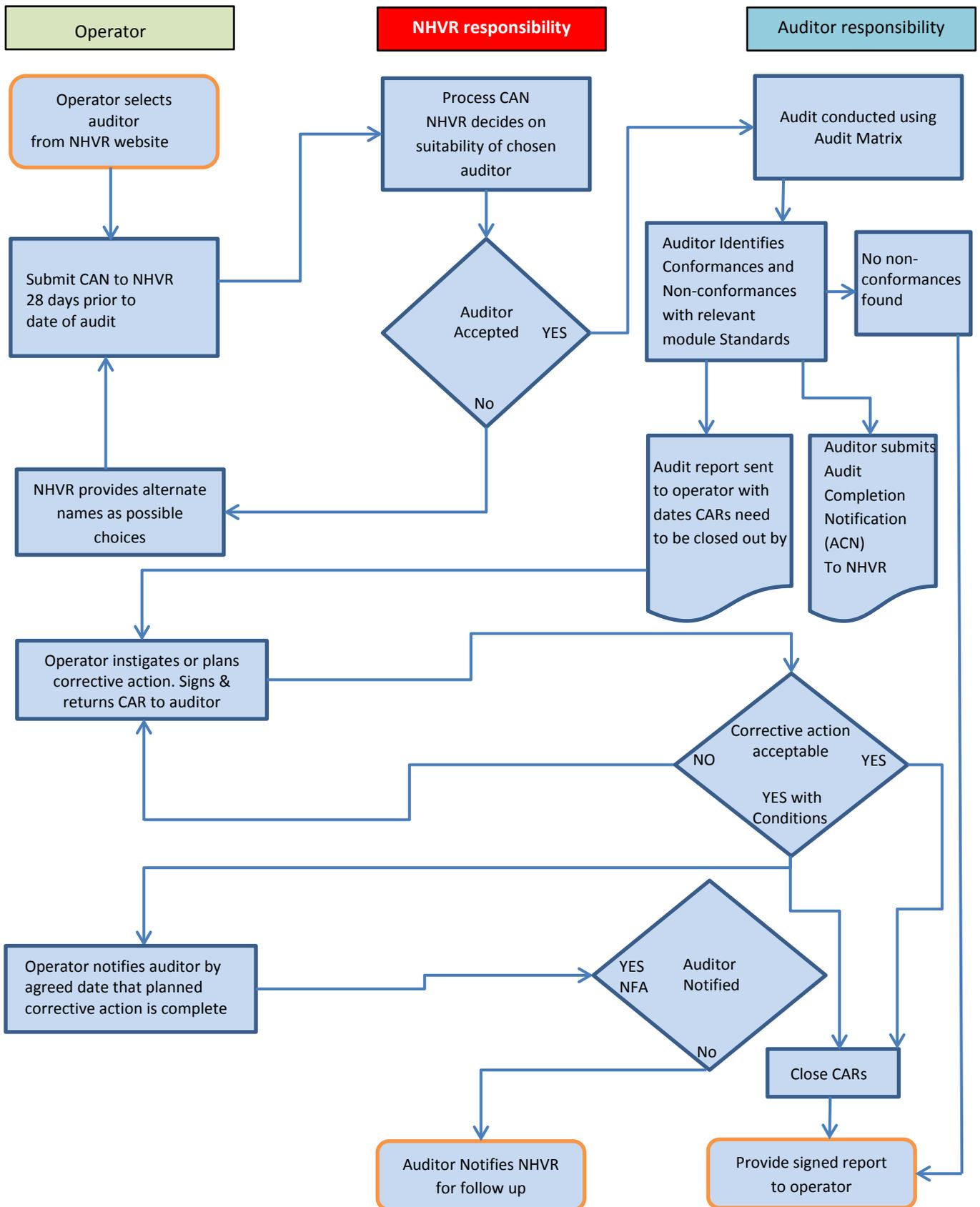


Where the auditor is satisfied that the operator's management system complies with the relevant standards and that any CARs have been closed out, the auditor provides the report to the operator.

It is the operator's responsibility to submit the Audit Summary Report to the NHVR. If an NHAAS Audit Summary Report is submitted to the NHVR with an open or incomplete CAR, it will be returned to the operator for follow-up.

The NHVR will periodically review NHAAS Audit Summary Reports for the purposes of validation, or to ensure audit consistency and identify where changes may be made to the NHAAS audit system.

A summary of the NHAAS Audit Process is outlined in Table 6 page 23.



**Table 6: Summary of NHVAS Audit Process**

## 4 PRINCIPLES APPLYING TO AUDITOR CONDUCT

### 4.1 Applying to register with the NHVR

Only an individual may apply to register with the NHVR as an NHVAS approved auditor.

The person applying must meet the registration criteria established in the *NHVAS Business Rules and Standards* (Business Rules).

The applicant shall not have previously had their registration as an NHVAS approved auditor cancelled by the NHVR. The NHVR may refuse to appoint an applicant due to the person's criminal record or other relevant misconduct including fraud.

A current register of NHVAS approved auditors is maintained by the NHVR and published on the NHVR website.

### 4.2 Auditor Code of Conduct

Once registered by the NHVR, NHVAS approved auditors act on behalf of the NHVR in regards to auditing under the NHVAS and are subject to the terms of the NHVR Code of Conduct for auditors.

The Code of Conduct outlines the principles and the standards of behavior expected of NHVAS approved auditors. Auditors must ensure that these principles are adhered to at all times while undertaking functions under the NHVAS.

This code of conduct provides a framework to support consistent, independent and fair decision making by NHVAS approved auditors. This code of conduct is made under section 14.10 of the National Heavy Vehicle Accreditation Scheme (NHVAS) Business Rules and Standards June 2015.

Regulatory frameworks involving third-party certification are widely used to provide assurance that regulated activities are completed or are being conducted in accordance with scheme requirements.

The code of conduct seeks to ensure that NHVAS approved auditors and persons seconded by them to assist with completing the audit who perform functions under the NHVAS Business Rules and Standards carry out their role appropriately.

The code of conduct will also be made available to participants of the NHVAS and the public so that they may know what behaviours to expect from NHVR registered auditors. When conducting audits a NHVAS approved auditor must comply with all of the following principles:

- Exercise due care, diligence and professional judgement in performing the audit functions for which the auditor is approved.
- Auditors must provide accurate, timely and detailed information.
- Conduct all professional activities associated with performing audit functions including but not limited to giving advice or information to suitably qualified persons, their clients or other parties with an interest in the outcome of the performance of an audit function in a manner that is honest, objective and free from misrepresentation or bias.
- Do not accept instructions to adopt or reject a particular opinion from any person in relation to a matter relevant to the performance of an auditor function. Only provide opinions that are honestly and reasonably held, and that have regard to the requirements of the NHVAS Business Rules and Standards. Give information or advice in a way that does not conceal or omit information in circumstances where the concealment or omission of that information might serve to mislead or deceive or otherwise alter the conclusions that could be drawn from the relevant information or advice.
- Do not rely on information that the auditor knows, or should reasonably believe, contains incorrect and/or misleading information, including but not limited to relying on such information in support of the person's application for approval as an auditor.

- Take all necessary steps to correct any inaccurate, false or misleading information or advice provided by an auditor to any person or entity the auditor knows, or reasonably suspects, might rely on that inaccurate, false or misleading information or advice.
- The auditor must only perform an audit function where the auditor has no direct or indirect financial interest or other interest that may, or may reasonably be perceived to, cause the auditor to perform the function with bias or with a conflict of interest. This requirement does not apply to an auditor receiving reasonable and agreed payment for undertaking the audit..
- The auditor must only perform an audit function that is within the auditor's area of expertise. This requirement does not apply to the extent that an auditor is relying on a support expert's report or certification to perform a particular auditor function and the support expert's report or certification meets the requirements of the auditor's conditions of approval.
- The auditor must only endorse information supplied by another person (be it a support expert, suitably qualified person or other entity relevant to the performance of the audit function) once reasonable steps have been taken by the auditor to determine the validity and accuracy of the information.
- The auditor must maintain a level of professional indemnity insurance that is reasonably commensurate with the potential liabilities the auditor might be exposed to in performing their approved audit functions for the period of their registration.
- The auditor must maintain and develop the knowledge, skills and expertise relevant to performing audit functions for which the auditor is registered by the NHVR, including but not limited to complying with all continuing professional development requirements of an auditor's registration.
- Comply with any lawful and reasonable direction given by the NHVR.
- Behave in a way that upholds the values, the integrity and reputation of the NHVR.
- Maintain appropriate confidentiality and professionalism about dealings that the auditor has with any staff of the NHVR.
- Maintain appropriate confidentiality and professionalism about any information gained through audit activities.
- Auditors are not to accept inducement or favour that may reasonably be perceived to be an attempt to influence an audit outcome, and/or a response to a non-conformance finding.
- Auditors are reminded that providing false or misleading information to the NHVR may be a contravention of section 478 of the HVNL.

#### 4.2.1 Conflict of Interest

A conflict of interest may be actual or apparent and may benefit the auditor, the operator, or be of mutual benefit to the auditor and heavy vehicle operator.

***“Actual conflict of interest”*** means when the NHVR would conclude that an auditor's ability to conduct an audit with honesty and integrity has been compromised by their private or business interests in the client's business.

***“Apparent conflict of interest”*** means the NHVR could reasonably considers the personal or business interests of an auditor may interfere, unduly benefit, or disadvantage their ability to conduct a fair and transparent audit of a client's business.

In the event of an auditor learning that an actual or apparent conflict of interest may exist, the auditor shall immediately inform the relevant officer within the NHVR.

Where an audit has already commenced the NHVR is to be notified and the audit must be immediately suspended and until a determination has been made by the relevant officer within the NHVR.

The NHVR officer will conduct an investigation, make a determination and (NHVR):

- advise the auditor whether they may continue to audit the operator or

- may provide one or more alternative names of auditors to the operator from which the operator must select to conduct an audit.

As part of the investigation the auditor may be required to provide information in writing to the NHVR.

Examples of situations that are considered to constitute an actual or apparent conflict of interest include:

- Conducting an entry or initial (6 month) compliance audit where the auditor or an associate has designed and/or implemented the operators management system;
- Conducting an audit for an operator where the auditor has a direct family relationship or financial interest or derived benefit involving the operator (the remuneration provided to conduct an audit does not constitute a conflict of interest).
- Preferential treatment of an operator as a result of an auditor's previous association with that operator.

Failure to declare a conflict of interest may result in the suspension or cancellation of an auditor's registration by the NHVR.

If an auditor has any doubt as to whether they may have a conflict of interest they should seek advice from the NHVR prior to accepting or commencing an audit.

Situations which are NOT considered to be a conflict of interest include:

- providing general advice to the operator on how to manage a risk associated with its accreditation management systems where such information is limited to general information freely available in the public domain;
- discussing non-conformances raised during an audit.

If a person who is registered with the NHVR as an NHVAS approved auditor, under the relevant provisions of the NHVAS Business Rules and Standards does not comply with this code of professional conduct, the non-compliance can be used in deciding to suspend or cancel their registration.

#### **4.2.2 Independence**

NHVAS audits are to be undertaken by an NHVAS approved auditor independent of, and external to the heavy vehicle operator. An NHVAS approved auditor must not have (or have had) a personal or business relationship with the operator. Auditors who have acted as consultants to the operator or who have assisted the operator to develop their management system/s are not permitted to act as an NHVAS approved auditor of that operator until two audits have been conducted of that operator by a different auditor.

Auditors are required to immediately report any potential conflict of interest to the NHVR. Examples of situations where conflicts of interest can arise include where:

- the auditor has previously provided consultancy services to the operator with regard to the NHVAS.
- the auditor has, or has had, a financial relationship with the operator (other than the fees provided for NHVAS auditing).
- the auditor's decision would or may affect a family member or friend.
- the auditor is employed by the operator (or by a related entity).
- the auditor has some other direct interest in the client's business.

Where a real or perceived conflict of interest arises which may impact their independence, auditors must not act as an NHVAS approved auditor for that operator.

#### **4.2.3 Financial Benefit**

The auditor must not benefit inappropriately from the work undertaken for the operator. The payment of an auditor under the NHVAS should be limited to undertaking Entry or Compliance Audits.

#### **4.2.4 Confidentiality**

Under the NHVAS, auditors have access to a range of information. Auditors must ensure that such information remains confidential.

Auditors must not divulge information obtained during the conduct of the audit to any third party.

However, this obligation does not extend to any request for information by the NHVR in relation to the operator's performance or activities under the NHVAS.

#### **4.2.5 Professionalism**

While acting on behalf of the NHVR, NHVAS approved auditors must act professionally and ethically at all times. This extends to the way auditors communicate with the operator (both verbally and in writing), and to their conduct on site.

Auditors must treat heavy vehicle operators, members of the public, jurisdictional officers and NHVR officers with courtesy and respect. NHVAS approved auditors must exercise a duty of care and strive for the highest standards of professional performance. They must also maintain accurate records and keep up to date with any changes to the NHVAS and NVNL.

#### **4.2.6 Identification**

Auditors must carry their NHVR auditor identification card when entering an operator's work site and must produce this identity on request.

Where NHVAS registration has been suspended or cancelled, auditors must immediately return their NHVAS Identity Card to the NHVR. It is an offence under the NHVR, subject to penalties of up to \$10,000, for a person to falsely represent that they are an approved auditor.

#### **4.2.7 Accountability**

NHVAS approved auditors must be willing and prepared to account for their actions and performance to the NHVR and the respective heavy vehicle operators.

**It is a condition of registration that auditors agree to be reviewed and/or investigated by the NHVR as required.**

Auditors are required to provide must allow the NHVR full access to NHVAS audit documentation and any documentation relative to their role as an NHVAS approved auditor upon request.

#### **4.2.8 Duty to Disclose**

Auditors have an obligation to immediately report any suspected breach of the Code of Conduct to the NHVR. In addition, auditors must report any practice by an operator that, in their opinion, may pose an imminent risk to safety.

All reports made by the auditor in this regard shall remain confidential pending further investigation by the NHVR.

### **4.3 Auditor Performance Review**

The NHVAS plays a vital role in maintaining safe and reliable heavy vehicles for the benefit of the public and other road users. The competence and integrity of auditors operating under the NHVAS is essential to the success of the Scheme.

To ensure that auditors abide by the conditions of the Business Rules, Audit Framework and Code of Conduct, the NHVR may review the performance of NHVAS approved auditors.

This may involve a review of the NHVAS Audit Summary Report, Audit Matrices and background documentation used during an audit and may also include a review of an auditor's competence on-site during the performance of an NHVAS compliance audit.

NHVR will investigate any written complaint made against an auditor in relation to fraudulent, dishonest or negligent conduct under the NHVAS.

The NHVR reserves the right to refer any complaint or allegation made to it to the police, state road authority or other enforcement authority for further investigation.

#### 4.3.1 Triggers for Performance Review

A review of an auditor's performance as an NHVAS approved auditor may be triggered by a number of events:

- **Audit Reports:** Poor performance by a particular auditor may be identified through NHVR's review of Audit Reports, for example where:
  - An auditor is using identical findings/wording in Audits Reports across a range of different operators;
  - Any other material in an Audit Report leads to NHVR concerns or suspicions of a conflict of interest.
- **Heavy Vehicle Incident: A performance review of an auditor may be triggered by** a formal investigation of a vehicle incident or a serious safety breach by an NHVAS accredited operator.
- **Complaint:** A complaint (verbal or written) may be received by the NHVR from an operator, state agency, another auditor or a member of the public. The NHVR will investigate any complaint provided to the NHVR in writing but will use its discretion whether to investigate a verbal complaint, especially where the complaint is made by an anonymous caller.

An auditor must reply within the stated timeframe to any request from the NHVR for clarification or further information in relation to an audit or audits.

In addition, where the NHVR suspects fraudulent, dishonest or negligent behaviour on the part of an auditor, it may ask a heavy vehicle operator for feedback on the performance of a particular auditor or have an investigation conducted.

#### 4.3.2 Remedial Actions

A number of options are available to the NHVR to manage performance and/or take remedial action against auditors. These options are outlined in the NHVAS Business Rules and include the following actions:

- Providing the auditor with feedback, advice and/or counselling;
- Recommending that the auditor undertakes remedial training;
- Providing written warning advice;
- Permanently withdrawing approval and removing the person's name from the NHVAS register of auditors; and
- Causing the relevant audit/s to be cancelled in all or part, and a new audit conducted (having regard to the potential impact on the operator).

Remedial actions imposed on an auditor under the NHVAS do not preclude penalties under the HVNL or other legislation.

#### 4.3.3 Review and Appeals

Section 14.15 of the NHVAS Business Rules and Standards provides NHVAS approved auditors with access to an internal review process in relation to decisions by the NHVR.



An auditor wishing to contest a decision to suspend or cancel their registration must lodge a request for an internal review within 28 days of the posting date of the notification. Appeals should be forwarded to:

The National Heavy Vehicle Regulator  
PO Box 492  
Fortitude Valley  
Queensland 4006

An independent NHVR officer will undertake the internal review.

The NHVR will consider all information provided by the auditor and may affirm the decision, or set it aside and replace it by another decision it considers to be appropriate. The auditor will be advised in writing of the NHVR's decision and where appropriate, of the appropriate mechanism for appeal of the decision.

If the original decision is upheld by the internal review, the auditor may appeal under section 647 of the HVNL to an external appeal body, including the Administrative Appeals Tribunal or Ombudsman.

## 5 GLOSSARY

<b>Accreditation</b>	In the context of the NHVAS, accreditation means acceptance into the NHVAS following confirmation that the operator's management system meets the required standards set by the NHVR
<b>Accreditation Module</b>	A set of standards pertaining to a type of NHVAS accreditation. There are four modules under the NHVAS: maintenance management, mass management, BFM and AFM.
<b>AFM</b>	An Advanced Fatigue Management System as described under the HVNL
<b>Audit Completion Notification (ACN)</b>	Form submitted by the auditor to the NHVR following the conduct of a Compliance Audit. The ACN is not a confirmation that the operator meets the Accreditation Standard/s, merely that an audit has been conducted.
<b>Audit</b>	A systematic, planned and documented activity performed by independent auditors to verify that an operator's management system has been developed, documented and implemented in accordance with the relevant NHVAS Standards.
<b>Audit Matrix</b>	The document approved by NHVR as the primary on-site auditing tool to be used by auditors when undertaking NHVAS audits. There are separate Audit Matrices for each of the four Accreditation Modules.
<b>Auditor</b>	A person registered with the NHVR to conduct NHVAS audits.
<b>Audit Report</b>	The NHVR approved document used by auditors to record the results of an NHVAS audit and whether the operator has met the standards of a particular Accreditation Module.
<b>Authorised Officer</b>	State and territory police, and officers appointed under the HVNL to enforce laws and regulations pertaining to heavy vehicles.
<b>BFM</b>	A Basic Fatigue Management System as described under the HVNL.
<b>Compliance Audit Notification (CAN)</b>	Form submitted by the operator confirming that a Compliance Audit has been arranged with an auditor. This form must be submitted to the NHVR at least 28 days prior to the date of the audit.
<b>Compliance Audit</b>	Scheduled audit undertaken on accredited operators under the NHVAS. These audits examine whether the operator's management system is in place, operational and fully adheres to the Accreditation Standard. Compliance audits occur twice during the operator's first accreditation period and once for every subsequent accreditation period.
<b>Conformance</b>	The operator's management system fulfills the requirements of a particular NHVAS standard or criteria.
<b>Corrective Action</b>	Action nominated by an operator and confirmed by an auditor to remedy a non-conformance in order to prevent reoccurrence.
<b>Corrective Action Report (CAR)</b>	The documented remedial action where an operator's management system fails to meet an Accreditation Standard. CARs are included by the auditor in the Audit Report and must have an agreed proposed corrective action before accreditation can commence or continue.
<b>Entry Audit</b>	The audit undertaken on the system of an operator applying for NHVAS accreditation. This audit confirms that the operator has a management system that conforms to the relevant NHVR standard.
<b>Enforcement Officer</b>	Refer Authorised Officer
<b>Interception Report Book</b>	Document used to record the details and condition of an operator's vehicle (including any defects issued) during an on-road interception by an Authorised Officer.
<b>Internal Review</b>	A planned and documented examination undertaken by a person within an operator's organization, to determine the effectiveness of the operator's management system. Internal Reviews are a mandatory requirement for all accreditation modules.

<b>Management System</b>	The organizational structure, responsibilities, procedures, activities, capabilities, resources and records established by an operator with the aim of ensuring compliance with an NHVAS Accreditation Module.
<b>Non conformance</b>	Deficiencies which render the operator's management system as not fulfilling one or more criteria within an NHVAS standard.
<b>NHVAS</b>	The National Heavy Vehicle Accreditation Scheme.
<b>HVNL</b>	The Heavy Vehicle National Law as it applies in the particular jurisdiction.
<b>NHVR</b>	The National Heavy Vehicle Regulator.
<b>Objective Evidence</b>	Information that can be proved true, based on facts obtained through observation, inquiry, measurement, testing or other means.
<b>Procedure</b>	A specified and documented method of performing an activity.
<b>Quarterly Compliance Statement</b>	An operator's internal record of compliance with the key outcomes of the Accreditation Module. Quarterly Compliance Statements need to be kept on site and produced on request from an auditor or the NHVR.
<b>Record</b>	A document physical or otherwise that furnishes objective evidence during an audit of activities related to NHVAS accreditation.
<b>Regulatory Standard</b>	The requirements relating to the operation of heavy vehicles specified in road transport law.
<b>Road Authority</b>	A government authority in a state or territory responsible for the administration and enforcement of road transport law.
<b>Road Transport Law</b>	The HVNL and roads and traffic legislation operating within each Australian state and territory.
<b>Sanction</b>	A remedial measure taken by the NHVR to improve standards of performance by NHVAS approved auditors.
<b>System Audit</b>	An independent audit examining the underlying management controls, including documented procedures and records, within an operator's management system.