National Heavy Vehicle Regulator

National Audit Standard
For Heavy Vehicle Accreditation

July 2026

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Introduction

1.1 Purpose and Objectives

The National Audit Standard (NAS) provides a consistent, transparent, and impartial framework for auditing heavy vehicle operators under the Heavy Vehicle Accreditation (HVA) or other schemes requiring compliance with the Safety Management System (SMS) Standard, providing a unified approach to assess SMSs and promote continuous improvement.

It ensures that accredited operators maintain scalable and effective SMSs that, so far as is reasonably practicable, safeguard their transport activities.

The NAS promotes performance-based assurance, moving beyond simple compliance to evaluate whether safety systems are functioning effectively and improving outcomes. It highlights key principles such as:

- Risk management must extend beyond regulatory compliance.
- All operators, regardless of size, must effectively implement SMS elements if seeking accreditation.
- SMS frameworks should be scalable, practical, and tailored to an organisation's operations.

The NAS establishes a unified approach for auditors, operators, and the National Heavy Vehicle Regulator (NHVR) to assess the maturity and effectiveness of safety management elements within heavy vehicle accreditation, ensuring that public risks associated with transport activities are identified and effectively managed.

Specific objectives of the NAS are to:

- Ensure consistent audit quality for SMS-based accreditation audits.
- Promote safety maturity through suitable and scalable management systems.
- Encourage a performance-based and risk-based auditing focus.

The NAS should be read in conjunction with:

- Heavy Vehicle National Law (HVNL).
- National Regulations.
- SMS Standard and SMS Evidence Requirements.
- Ministerial Guidelines for Heavy Vehicle Accreditation.

1.2 Scope and Applicability

The NAS applies to operators participating in Heavy Vehicle Accreditation or other schemes requiring compliance to the SMS Standard, Approved Auditors, and Registered Training Organisations.

The NAS governs all stages of the audit process throughout the period of accreditation, including:

- Initial accreditation (entry control).
- Ongoing compliance audits.
- Periodic or triggered re-evaluations.
- Continuous improvement, focusing on identified gaps, weaknesses or issues.

The NAS addresses the following:

- An overview of the HVA.
- The purpose of audits.
- Audit rules and principles.
- Conducting an audit.
- Auditor requirements and code of conduct.
- Oversight of audits.

1.3 Legal status of the National Audit Standard

The NAS is a statutory instrument issued under the HVNL, being such instrument that is approved by the responsible Ministers under section 654(1)(a) of the HVNL as the "audit standard," as that term is defined in section 5 of the HVNL.

When deciding an application for accreditation under section 461(2)(a) of the HVNL, the NHVR must have regard to the results of any audits of the applicant's SMS carried out by an approved auditor in accordance with the NAS. The results of any such audits may also be relevant to determining whether there are grounds for the amendment, suspension, or cancellation of an accreditation under section 473 of the HVNL.

NHVR administrative tools and processes—such as audit templates, portal workflows, and risk profiles— are designed to support consistent audit practices and scheme administration for the HVA.

These tools may inform audit planning, audit focus, and the monitoring of operator-specific accreditation conditions. However, they do not themselves, create new compliance obligations.

1.4 How the National Audit Standard may be amended

The NAS may be periodically revised to reflect changes in heavy vehicle accreditation, incorporate new requirements, and follow consultation with users. Revisions may apply to part of this document or the entire document.

Amendments to the NAS, other than Minor Amendments, require the approval of the responsible Ministers. Minor amendments to the NAS may be approved by the NHVR Board under powers delegated to them by the responsible Ministers.

Any amendments will result in the release of a fully updated version of this document, with the version number and date shown in the footer and published on the NHVR website.

2 HVA Accreditation

Access to the HVA is through an application process. Acceptance into HVA formally recognises heavy vehicle operators who have robust safety systems in place. Managed by the NHVR, the scheme allows operators to demonstrate that they meet specific SMS standards in areas critical to road safety and effective risk management.

Accreditation is available in two tiers:

- General Safety Accreditation (GSA).
- Alternative Compliance Accreditation (ACA).

Operators with an SMS can apply for accreditation through the NHVR. An entry audit, undertaken by an approved auditor, is required to confirm that a system is present and is suitable. Subsequent audits are then required to demonstrate that the system is operational and functioning effectively.

Audit results will be used by the NHVR to determine whether accreditation is granted. The NHVR has specific requirements and conditions for entry into, and participation in, the HVA. All requirements must be met, and all audits must be conducted in accordance with the NAS, which is outlined in this document.

GSA must be approved prior to obtaining ACA.

Note	As per the HVNL, s463 (3), the maximum period for which the NHVR may grant heavy vehicle accreditation is 3 years. This means accreditation cannot be amended to extend past 3 years.

2.1 Safety Management System (SMS)

Under section 457A of the HVNL, an SMS is a group of policies, systems and procedures that relate to the safety of an operator's transport activities and the driving of heavy vehicles. An SMS must:

- Identify public risks associated with an operator's transport activities and the driving of heavy vehicles.
- Assess the identified public risks.
- Specify the controls to manage and mitigate the identified public risks.

An SMS provides a structured approach to managing safety risks through continuous improvement. It integrates safety processes across a business and empowers drivers, Chain of Responsibility (CoR) parties, and management

to actively address risks while fostering a safer and more efficient transport operation. Whether for a large, complex business or a single-vehicle owner-operator, heavy vehicle accreditation offers a pathway to improve transport safety.

To provide a consistent foundation for managing safety in heavy vehicle accreditation, five SMS standards have been developed:

- Leadership and Commitment.
- Risk Management.
- People.
- Assurance, Monitoring, and Improvement.
- Safety Systems.

These standards ensure that operators have the necessary systems to manage risks to public safety while also enabling auditors and the NHVR to assess the maturity and effectiveness of those systems.

Section 632B of the HVNL provides that an audit of an operator's SMS, carried out by an approved auditor in accordance with the audit standard, is admissible in proceedings for an offence against section 26D(1A), section 26F, section 26G or section 26H. However, having an SMS does not in itself mean an operator complies with their primary duty. A compliant SMS demonstrates that the operator is taking positive steps to meet their obligations under the law, but primary duty obligations remain ongoing and extend beyond the audit process.

2.2 General Safety Accreditation

The first step to accreditation is obtaining General Safety Accreditation. By participating in this level of accreditation, operators demonstrate robust SMSs that promote safety, operational efficiency, and continuous improvement, while minimising risks to public safety. It allows operators to showcase their commitment to high safety standards.

For General Safety Accreditation, operators must establish and implement an appropriate and auditable SMS that identifies and addresses public risks associated with the operator's transport activities and specifies the controls to mitigate those risks. The SMS must meet or exceed the evidentiary requirements outlined in the SMS Standard. Compliance is assessed based on evidence that the SMS is effective in managing public risks and achieving safe operations, rather than simply on the existence of documents. The level of systems applied should be proportionate to the size, type, nature, and complexity of an operator's transport activities, enabling flexibility across a diverse industry while improving community safety.

Participation in an accreditation scheme may also be a condition for granting permits, exemptions, or concessions to an operator, or a condition of an improvement notice. However, participation does not exempt operators from complying with road transport laws, workplace health and safety requirements, or any other relevant legislation.

As part of General Safety Accreditation, operators may demonstrate that their systems effectively manage requirements for mass and maintenance management to receive additional benefits that support safer, more efficient operations and greater flexibility.

2.3 Alternative Compliance Accreditation

Alternative Compliance Accreditation is additional to General Safety Accreditation and granted under section 458 of the HVNL. Operators can use Alternative Compliance Accreditation as an alternative compliance option to meet prescribed operational requirements.

Alternative Compliance Accreditation contains supplementary requirements to General Safety Accreditation and must be implemented as per the relevant requirements detailed in the applicable Alternative Compliance Accreditation in the Schedules of the SMS standard.

Other requirements for alternative compliance accreditation may be developed by the NHVR and published on the NHVR's website at www.nhvr.gov.au.

3 Audit Rules and Principles

The NAS establishes a common set of principles, processes, and audit methodologies for the conduct, documentation, and reporting of accreditation audits. It also provides guidance regarding the conduct of approved auditors registered to audit the requirements of SMS-based heavy vehicle accreditation.

Specifically, the NAS provides:

- A common set of principles related to the conduct of audits and the behaviour of auditors.
- A consistent approach to auditing across all types of HVA accreditation.
- A reference for audit terminology and practices to foster a shared understanding among participants in the Scheme—both auditors and operators.

Ensuring consistency across these areas will enhance the overall quality of audits and provide operators with greater certainty in managing their businesses.

3.1 Audit Objectives

Under heavy vehicle accreditation, operators undergo audits at regular intervals conducted by an approved auditor registered with the NHVR. Audits provide the evidence that an operator's SMS is effective, complies with accreditation requirements, and may be continuously improved throughout the life of the business, as may be necessary. The audit process ensures that only operators who demonstrate an appropriate level of compliance with HVA accreditation requirements and the HVNL achieve and maintain accreditation under the scheme.

The objectives of an audit are to:

- Verify that objective evidence related to an operator's SMS complies with the SMS Standard and any additional Alternative Compliance Accreditation requirements.
- Assess how effectively the system has been implemented.
- Determine the effectiveness of the operator's system in meeting the SMS Standard and minimising public risk.
- Assess evidence relating to the mitigation of key risks.
- Identify opportunities for improvement in the operator's SMS.

Audit scope, duration, sampling, and follow-up activities under this Standard must be applied proportionately, having regard to operator size, complexity, risk profile, and accreditation scope.

3.2 Audit Types & Frequency

There are different types of audits conducted at different times throughout an accreditation period. Between these audits, operators are expected to monitor, review and where reasonably possible or necessary, improve on their SMS. Monitoring, review and improvement processes performed by the operator form part of the scope of the audits.

Whilst General Safety Accreditation must be approved prior to Alternative Compliance Accreditation, if an operator is applying for the accreditations at the same time, the audits can be conducted at the same time.

If the operator already holds General Safety Accreditation, the additional Alternative Compliance Accreditation requirements must be assessed together with the requirements in the SMS Standard and Schedules.

Both the approved auditor and the operator share the responsibility to ensure that every audit is conducted thoroughly, accurately, and truthfully. If an audit report is submitted and found to be incomplete, lacking sufficient detail, incorrect, or factually inaccurate, sanctions may be applied in accordance with the *Ministerial Guidelines for Heavy Vehicle Accreditation* for operators and Section 5.4 of this document for Auditors.

The audit scheduling is to be negotiated in consultation between the operator and the 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. For all audits, the audit report is only valid for nine months from the date the audit is conducted.

Entry Audit	Upon application.
Initial Compliance Audit	Between six (6) and seven (7) months after first accreditation is granted.
Compliance Audit	Conducted within nine (9) months and one (1) month prior to accreditation expiry.
Internal Review	Annually.
Other Audit	As required. These may be triggered, risk-based or random spot checks.

Table 1: Audit Frequency

3.2.1 Entry Audit

An entry audit is the first assessment of an operator's SMS including application (if any) of any Alternative Compliance Accreditation requirements. This audit verifies that all SMS and Alternative Compliance Accreditation requirements are **Present** and **Suitable** for the purpose of being granted accreditation. The focus at this stage is on confirming that the operator has implemented all the core enablers of a functioning SMS that adheres to the SMS Standard, as well as any relevant Alternative Compliance Accreditation requirements. This audit forms part of the application process.

3.2.2 Initial Compliance Audit

An initial compliance audit must be conducted between six and seven (6-7) months after the effective date of accreditation, when an operator is first accredited. The purpose of this audit is to confirm that the SMS including any Alternative Compliance Accreditation requirements have been integrated into day-to-day operations and that the operator is managing outcomes effectively. Evidence will be reviewed to ensure that all components are **Operating** and **Effective**. A successful initial compliance audit, or the resolution of corrective actions from a nonconforming audit, is required to retain accreditation. The initial compliance may be waived as per section 4.7.2

3.2.3 Compliance Audit

For applicants seeking to maintain accreditation, an audit must be conducted between nine (9) months and one (1) month prior to the expiry of the accreditation period.

Evidence will be reviewed to ensure that all components continue to be **Operating** and **Effective**. A conforming audit, or the resolution of corrective actions from a nonconforming audit, is required for consideration of a subsequent period of accreditation.

3.2.4 Internal Review

Under heavy vehicle accreditation, the operator must implement and maintain a system for internal audits. This is an annual self-assessment conducted by the operator to evaluate their performance, compliance with regulations, and effectiveness of internal controls.

It involves a structured process where the operator reviews their operations, identify areas for improvement, and ensures adherence to the SMS Standard and Alternative Compliance Accreditation requirements, including any additional conditions placed on the operator by the NHVR. This internal review can be requested at any time by NHVR.

3.3 Audit Location

An audit must be conducted at the operator's main place of business, where operations can be observed, staff interviewed, and records accessed. If the operator has multiple sites, the audit must include a sample of locations to review relevant practices and records as per Table 2. The audit location must be agreed upon by the operator and auditor to ensure confidence that the SMS is implemented across all sites, while also considering practicality in terms of cost and operations.

The operator is responsible for ensuring that the audit location is safe, well-lit, and accessible, and for providing timely notice of any site-specific requirements (such as personal protective equipment or induction processes) to the auditor.

3.3.1 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, if 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 Audit Application and the HVA Audit Report.

3.3.2 Desktop Audits

Desktop audits may be requested for entry and other audits approved by the NHVR to confirm that a system is in place and suitable. If an entry audit is conducted via desktop, the option to waive the Initial Compliance Audit is no longer available. Other desktop audits will be considered on a case-by-case manner.

3.3.3 Multiple Sites

When an operator has numerous geographically distinct operating sites (and when a single accreditation applies to those sites) auditors must ensure that 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 number of sites selected for sampling is determined in line 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+	8

Table 2: Sample size for multi-site operators

A full audit may not be required at each sampled site. Governance and policy oversight may be confirmed at the main office, with operational implementation and compliance verified at sampled sites.

If the audit identifies noncompliance at a sampled site, the auditor may expand the scope to include additional sites, or the NHVR may direct that further locations be audited. This approach helps balance thoroughness with efficiency, particularly for operators with a track record of proven safety and compliance.

When determining which sites to select, auditors should consider:

- The size of the respective sites (larger sites are generally more appropriate than smaller ones).
- The nature of activities at each site (e.g., sites where freight is loaded or secured on vehicles, or where vehicle servicing or repairs are conducted, may be more suitable for auditing).

3.3.4 Adding or Closing Sites

When an operator adds or closes sites during an accreditation period, these changes must be incorporated into the audit process. In such circumstances, the number of sites to be audited should be recalculated based on the updated total, following the guidelines in the above table. Any new sites should also be included in the sample for the next audit.

The scope of the next audit should reflect the updated operational structure, with the areas selected for review recalculated using the sampling method outlined in Section 3.3.2. Previously audited locations may also be reselected to ensure continued compliance, especially if significant changes have occurred. Auditors must document any changes to the operator's operations and provide justification for the selection of locations included in the audit sample.

Note	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.

3.4 Selection of Auditor

An operator must select an auditor from the current list of registered auditors available on the NHVR's website. The operator must notify the NHVR of their selection by submitting an audit application through the NHVR Portal. It is the auditor and operator's responsibility to ensure any conflicts of interest have been identified and declared to the NHVR. Auditors must ensure they possess the technical knowledge required for the type of audit that the operator is seeking.

To maintain the integrity and impartiality of the audit process, auditors must remain independent and declare any actual, perceived, or potential conflicts of interest to the NHVR as soon as they become aware of them. This is essential to ensuring the objectivity and credibility of audits conducted under the Scheme. See sections 5.3.7 Independence and 5.3.8 Conflict of Interest for further detail.

For other schemes, the list of NHVR approved auditors is available on the NHVR website.

3.4.1 Auditor Nomination by NHVR

The NHVR may, at its discretion, reject the nomination of an auditor and either select an alternative auditor or request the operator selects another auditor. This may occur when there is an actual, perceived, or potential conflict of interest or, otherwise, where the NHVR otherwise considers it necessary. On receiving the audit application from an operator, the NHVR will notify the operator that their choice of auditor has been refused. The NHVR shall either select an alternative or ask the operator to select an alternative auditor and complete a new audit application.

3.4.2 NHVR GO User Accounts and Access Control

Under HVA, each NHVR GO user account is assigned to a specific individual with the appropriate authority to perform their designated role. When accessing NHVR GO, users must accept the terms and conditions.

Any failure to comply with the terms and conditions must be reported to the NHVR immediately. Non-compliance may result in remedial action as detailed in section 5.4.2.

3.5 Auditor Rotation Rule

In addition to the conflict-of-interest requirements and to promote both impartiality and continuous improvement under the Scheme, the NHVR requires operators to change auditors at specified intervals during their accreditation.

An auditor may conduct audits for no more than two consecutive accreditation periods for the same operator's Safety Management System (SMS). After completing two consecutive periods, the auditor may only return once at least one full accreditation period has been audited by a different, unaffiliated auditor.

Note	• *Unaffiliated* means having no connection to the previous auditor, including auditors from the same company. • *Accreditation period* refers to the duration for which accreditation is granted by the NHVR. This period can be no more than three (3) years.

Accreditation Period Structure:

- First accreditation period includes three audits — entry audit, initial compliance audit, and compliance audit.
- Subsequent accreditation periods include one compliance audit per period.

The NHVR retains the right to review auditor requests and may refuse the appointment of an auditor, instructing the operator to select a different auditor or assign one directly if necessary to uphold the integrity of the Scheme. In certain limited circumstances auditor rotation relief may be granted by the NHVR.

If an operator or auditor fails to comply with the auditor rotation rule or engages in conduct that compromises the integrity of the Scheme—such as repeatedly alternating between two auditors—the NHVR may take remedial action, as outlined in Section 5.4.4. This approach balances continuity within the first period of accreditation to support system development, with independence and objectivity in subsequent assessments, ensuring fairness and credibility in the auditing process.

4 Conducting an Audit

4.1 Audit Process

Audits are initiated by the operator. Once the auditor and audit date have been selected, the operator must submit an audit application to the NHVR at least 28 days before the scheduled audit date. The application must specify the audit date and location/s, the name of the auditor, and any other relevant details.

The NHVR reviews the audit application to ensure that all outlined requirements have been met. After the NHVR approves the application, the auditor may proceed to review the operator's information and history.

Note	• The operator must provide information to the auditor when requested. • An audit can only be conducted after the NHVR has approved the audit application. • The audit must be conducted in person.

4.2 Audit Tool

The audit tool is to support auditors to consistently assess and demonstrate how an operator meets the evidentiary requirements set out in the SMS Standard and schedules.

Auditors must complete all fields in the Audit Report and submit the audit and supporting information. Auditors must retain all evidence and supporting documentation for seven (7) years from the audit date.

4.3 Operator Use of NHVR Audit Tool

The approved NHVR audit tool is available on the NHVR website for operators to use when conducting internal reviews. This allows operators to enhance their understanding of audit requirements against the SMS Standard and any Alternative Compliance Accreditation requirements.

4.4 Preparing for the Audit

When selected by an operator, it is important for the auditor to understand the likely audit process prior to conducting the site visit. The auditor must assess the operator's circumstances and operational locations. They should draft an audit plan, schedule an opening meeting, and coordinate with the operator to confirm details such as:

- The time the audit will begin.
- The name of the person who will meet the auditor on arrival and take responsibility for facilitating the audit process. (This is typically the individual who will sign the "Operator Declaration and Consent" on the audit report at the conclusion of the audit.)
- Security and workplace health and safety (WHS) requirements, such as site inductions and Personal Protective Equipment (e.g., safety vests, safety boots).
- A request for someone to escort the auditor around the site.
- Documents the auditor will need to access.
- Managers and staff, the auditor will need to interview.
- Administrative arrangements (e.g., office space, a photocopier, and other facilities) to support the visit.

The auditor should confirm these arrangements with the operator at least seven days before the agreed audit date. This preparation provides structure to the audit and ensures both the operator and auditor can make the necessary arrangements for a smooth and effective process.

Additionally, the auditor must gain an understanding of the size, complexity, and basic operations of the operator to identify:

- The intended scope of the audit.
- Operational processes, human and technical resources, functions, relationships, and applicable legal obligations.
- Outsourced processes that may impact compliance with accreditation requirements.

- Whether consultancy services related to the management system have been used, and if so, by whom.

When creating, defining, or updating an audit scope, the following factors may also need to be considered:

- Updates to accreditation requirements.
- Conditions imposed by the NHVR in relation to the operator's accreditation.
- Changes to applicable legal obligations.
- Modifications to accreditation criteria.
- Organisational performance indicators (e.g., defect rates, KPIs).
- Concerns raised by relevant interested parties.

4.5 Determining Audit Duration

When establishing the appropriate audit duration, the approved auditor should consider:

- Requirements of the SMS Standard.
- Complexity of the operator’s organisation and its management system.
- Relevant technological and regulatory environment.
- Any outsourced activities included within the scope of the management system.
- Outcomes of previous audits.
- Number, size, and geographic distribution of sites, including multi-site arrangements.
- Risk level associated with the operator’s products, processes, or activities.

The duration of the audit will depend on the size of the operator, the maturity of its management systems, and the complexity of its activities and transport-related risks. Audit duration is determined through discussion between the operator and the auditor.

4.6 Opening Meeting

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

The opening meeting provides the auditor with an opportunity to outline the purpose, scope, and program for the audit, explain the audit process, and confirm the availability of key interviewees. The level of detail should reflect the operator’s familiarity with the audit process and include:

- Introductions of all participants and their roles.
- Review of the audit plan, including type, scope, objectives, criteria, and any changes.
- Agreement on logistics, such as the timing of the closing meeting and any interim meetings.
- Confirmation of communication channels between the audit team and the operator.
- Availability of necessary resources and facilities, such as a photocopier.
- Confidentiality arrangements.
- Health, safety, emergency, and security procedures relevant to the audit.
- Explanation of how audit findings will be reported, including any grading system.
- Conditions under which the audit may be terminated early.
- Review of findings from previous audits or reviews, if applicable.
- Overview of sampling methods and procedures to be used.
- Assurance that the operator will be kept informed of audit progress and any concerns.
- Opportunity for the operator to ask questions.

Reviewing findings from previous audits during the opening meeting ensures continuity and focus. This process confirms corrective actions, addresses unresolved issues, and identifies areas requiring further scrutiny. Incorporating this review enables transparency, accountability, and evidence-based decision-making, while linking past and current audits to strengthen compliance culture. Setting a constructive tone at the beginning promotes a collaborative and productive audit process.

4.7 Collecting and Verifying Evidence

Auditors should, as far as practicable, evaluate whether the information provided offers sufficient objective evidence to demonstrate compliance with the SMS Standard and Alternative Compliance Accreditation requirements. Key considerations include whether the information is:

- **Complete** – all expected content is included.
- **Correct** – the content aligns with reliable sources, such as standards or regulations.
- **Consistent** – the information is internally consistent and aligns with related documents.
- **Current** – the content is up to date.

Methods for obtaining evidence include interviews, observations of processes and activities, and reviewing documentation and records. Information presented in unexpected formats—such as through different individuals, alternative media, or electronic systems—should be assessed for its integrity and reliability.

Auditors must recognise that electronic evidence is increasingly being used as operators transition to paperless systems. Electronic formats are acceptable provided they allow for verification, accurately reflect the operator's compliance, and comply with the SMS Standard. Auditors must remain vigilant to ensure that the use of electronic evidence does not compromise its reliability or validity.

Only verifiable information should be accepted as audit evidence. If the degree of verification is low, auditors should use professional judgment to determine the reliance that can be placed on that evidence. All audit evidence used to inform audit findings must be accurately recorded.

If auditors identify new or changed circumstances, risks, or opportunities during evidence collection, these should be addressed as appropriate.

4.7.1 PSOE Method

The Audit Report evaluates both conformance and the overall performance of the system against the SMS Standard and any additional Alternative Compliance Accreditation requirements. Auditors are required to assess the evidence based on the following elements: Present, Suitable, Operating, and Effective (PSOE).

- **P – Present:** Evidence assessed as present confirms that all elements of the SMS Standard are established and documented.
- **S – Suitable:** Evidence assessed as suitable ensures that the elements align with the nature, size, and complexity of the organisation.
- **O – Operating:** Evidence assessed as operating confirms that processes are actively implemented and functioning as intended.
- **E – Effective:** Evidence assessed as effective demonstrates that the system consistently achieves the desired outcomes specified by the SMS Standard.

For Entry Audits, verification is limited to the Present (P) and Suitable (S) elements as a minimum. For all subsequent audits, all four PSOE elements must be verified.

The auditor will collect evidence focusing on the SMS requirements and whether the system's components are Present and Suitable, confirming that the operator has initiated the core components of a functioning SMS.

Once accredited, the operator applies its SMS in daily operations. Time is allowed for these processes to mature before an auditor evaluates whether the SMS is Operating (O) and Effective (E).

4.7.2 Waiving the Initial Compliance Audit

If all four PSOE elements—Present, Suitable, Operating, and Effective—are demonstrated through a minimum of six months of verifiable evidence during the entry audit with no nonconformances, the regulator may waive the initial compliance audit, recognising early compliance. If any nonconformances are identified, the decision to waive the audit will be made at the NHVR's discretion on a case-by-case basis.

4.7.3 Sampling documentation

It is impractical for auditors to review the records of every vehicle or driver within an operator's business. Therefore, the audit process involves reviewing a sample of records, determined by the size and scope of the

operation. The purpose of sampling is to provide the auditor with a reasonable basis to draw conclusions about the integrity of the system covered by the operator's accreditation.

Total number of vehicles / drivers	Sample size for compliance audits
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 3: Sample size for accredited vehicle/drivers

If the sampled records reveal deficiencies within the operator's SMS, auditors should expand the sample size to gain a more detailed understanding of the nature and extent of the systemic issues.

4.7.4 Interviewing Staff

Auditors should not rely solely on documentation to confirm whether a management system is operational. The accuracy of documentation must be tested during audits. Interviews with relevant staff and observation of operational activities on site (whenever possible) should also inform the audit process.

For example, if a procedure designates a specific responsibility to an individual, the auditor may interview the individual to determine whether they understand the process and their role within it. Similarly, if drivers are required to perform daily vehicle checks, a sample of drivers should be interviewed to confirm if and how they undertake these checks.

Auditors should adhere to the following principles when conducting interviews during a NAS audit:

- Targeted interviews should focus on staff performing the tasks under review. For instance, for maintenance management, staff involved in checking and servicing vehicles or rectifying faults should be interviewed.
- Explain the purpose of the interview to the staff member, making it clear that the discussion pertains to the Scheme, not the individual's work performance.
- Avoid leading questions. Instead, ask open-ended questions, such as asking staff to describe what they do and how they do it.
- Integrate observations by interviewing staff during their work activities whenever possible, allowing the auditor to observe how tasks are being performed in real-time.

The extent of a finding should be tested across other parts of the organisation during subsequent interviews. This ensures the auditor can determine whether the finding is isolated to a specific area or individual or if it is systemic across the organisation and its management system.

4.8 Generating Audit Findings

Audit findings must be based on information and evidence gathered from the operator and/or individuals or organisations involved in the operator's management system. Findings should reflect both areas of good practice and opportunities for improvement.

The auditor is responsible for taking all reasonable steps to ensure that sufficient evidence is available to support a finding for each SMS Standard and any additional Alternative Compliance Accreditation requirement. If evidence is

insufficient, the auditor should make further inquiries. However, if no additional evidence is available, the auditor must record a nonconformance for the relevant standard noting, nonconformance is assessed against SMS outcomes and requirements, not the absence of specific documents where equivalent evidence exists.

4.9 Conducting the Closing Meeting

When the audit is complete, the auditor should conduct a closing meeting with the operator's nominated representative and any other relevant attendees. This representative should ideally be the same person involved in the opening meeting and must have the authority to sign the operator declaration, as outlined in section 4.13.

The purpose of the closing meeting is to:

- Summarise the audit findings and outline any nonconformances identified.
- Provide the operator with an opportunity to query the auditor's findings, particularly any nonconformances, and clarify any misunderstandings.
- Discuss the corrective actions required to address nonconformances.
- Explain the next steps in the process, including deadlines for completing the corrective action requests (CARs) and submitting evidence to the auditor to close out the actions.

4.10 Completing the Report

All information captured in the Audit Report must be entered into the NHVR-approved system retrospectively to maintain the accuracy, transparency, and integrity of the submitted data.

Auditors are required to securely store all supporting audit documentation—including photos, files, and other relevant evidence for seven (7) years. This ensures that records remain accessible for future reference, compliance checks, or investigations. They must be stored in a safe and secure manner, considering confidentiality and data protection.

4.10.1 Standardisation and Level of Detail to be Recorded

Auditors must complete the NHVR-specified audit tool in full and to a professional standard, ensuring that all required information is accurate, comprehensive, and clearly documented. The Audit Report must be completed to the level of detail required by the NHVR. The level of detail must be sufficient for another qualified auditor or the NHVR to understand the basis of all findings without further clarification.

4.10.2 Use of Artificial Intelligence (AI) by Auditors

Auditors may use Artificial Intelligence (AI) tools as part of the audit reporting process; however, strict conditions apply to ensure the quality, integrity, and confidentiality of both the audit and operator information. The following guidelines govern the use of AI in the preparation of audit reports under the Scheme:

Permitted Use of AI

AI tools may be used by auditors to enhance efficiency, consistency, and clarity in audit-related work, provided they are applied responsibly and transparently. Their use must always uphold the integrity, independence, and confidentiality of the audit process.

Appropriate Use

AI tools may be used to assist with general audit preparation, document development, or other administrative tasks that support the audit process.

AI may also be used to refine, summarise, or organise information that has been developed by the auditor.

The use of AI should always remain under the direct control and supervision of the auditor, ensuring that outputs are verified for accuracy and appropriateness before inclusion in any formal audit documentation.

Prohibited Use

AI tools must not be used to make audit decisions, form audit conclusions, or determine compliance outcomes.

AI must not be relied upon to analyse evidence or independently interpret findings in a way that replaces professional judgement.

Sensitive or confidential operator, audit, or system information must never be entered into AI tools that process or store data externally in an unmanaged or unsecured environment.

Responsible Practice

Auditors must remain accountable for all outputs generated or refined using AI tools.

Where AI has been used, its purpose and extent of use should be appropriately documented within the audit record.

Auditors should ensure that any use of AI aligns with NHVR's information security, privacy, and ethical standards.

Confidentiality and Data Protection

Auditors are responsible for maintaining the confidentiality and security of any information entered into AI platforms. Sensitive operator, audit, or system data must not be shared with AI tools, particularly those that process or store data externally in an unmanaged environment.

Disclosure Requirement

For accountability, auditors must disclose if and how AI tools were used in preparing the audit report. This disclosure must be included in the audit documentation for each completed audit.

Acknowledgement of Risks

Auditors must understand and mitigate potential risks associated with AI use, including:

- Data Leakage: The inadvertent exposure of sensitive information when using AI tools.
- Inaccuracy: The potential for AI tools to introduce errors, misinterpretations, or inaccuracies not reflective of the auditor's findings.
- Bias: The potential for AI-generated content to incorporate biases inappropriate for audit reporting.

By adhering to these guidelines, auditors ensure that AI is used responsibly and transparently, without compromising the quality, accuracy, or independence of the audit process. Any misuse of AI, or failure to disclose its use, may result in investigations or sanctions under the Scheme.

4.11 Assurance Codes

By accurately identifying and classifying nonconformances, auditors can address issues effectively, prioritise corrective actions, and promote continuous improvement.

Assurance Codes		
C	**Conformance**	The auditee has demonstrated full conformance with the applicable requirement. Sufficient and appropriate evidence was reviewed during the audit to verify that the requirement is being consistently met in practice. No further action is necessary. **Indicates full compliance.**
OFI	**Opportunity For Improvement**	The auditee complies with the minimum requirement; however, there are opportunities to enhance processes, improve efficiency, or increase safety or quality outcomes. These are not mandatory but are recommended to strengthen the system and support continuous improvement. **Indicates a concern was observed and an opportunity to improve exists.**
MIN NC	**Minor Nonconformance**	A minor nonconformance is a minor issue that does not significantly impact the overall effectiveness of the management system but still requires corrective action. While minor nonconformances do not pose an immediate threat to compliance, they must be addressed to prevent them from escalating into major issues. Minor nonconformances can escalate to a major nonconformance if not corrected. A series of minor nonconformances within the same area of a system or process might also escalate to a major nonconformance, if the auditor believes there is a root cause which has completely broken down. **Indicates rectification is necessary to meet the requirement.**
MAJ NC	**Major Nonconformance**	A major nonconformance is a significant failure in the management system that impacts the organisation's ability to meet the standards or requirements. Evidence indicates a significant failure in implementation, documentation, or execution of required systems or processes. A major nonconformance often results in immediate action where corrective action is required to address the gap. **Indicates immediate rectification is necessary to meet the requirement.**
TR	**Transitional**	A transitional nonconformance may be raised when there is a period for a business to adjust or make changes to their systems and processes due to a change in rules, requirements, or legislation. **Indicates a change is necessary however, there is a time allowance to action.**
NE	**Not Evaluated**	The specific requirement was not evaluated during this audit cycle. This may occur if the audit scope did not include the criterion, if it is assessed on a rotating basis, or if external factors (e.g. lack of recent activity) made assessment impractical at the time. **Indicates it is irrelevant to assess the criterion at this stage.**
NA	**Not Applicable**	The requirement does not apply to the auditee's business operations, scope, or activities. **Indicates the criterion was not applicable.**

Table 4: Assurance Codes

4.11.1 Major Nonconformance

Examples of major nonconformances may include:

- Complete absence of a required process or system (e.g., an organisation lacking a documented procedure mandated by rules, standards, or legislation).
- Systemic failure (e.g., recurring issues across multiple departments, indicating a breakdown in the management system or required processes).
- Non-compliance with legal or regulatory requirements (e.g., failure to adhere to the HVNL or associated Regulations).
- Significant risk to quality or safety (e.g., a process failure leading to uncontrolled impacts on quality or safety).
- Failure to address a previous nonconformance (e.g., unresolved issues from past audits, demonstrating ineffective corrective actions).

A major nonconformance often requires immediate action and urgent corrective measures. If not addressed, it may result in the amendment, suspension or cancellation of accreditation.

4.11.2 Minor Nonconformance

Examples of minor nonconformances may include:

- Inconsistencies in documentation (e.g., minor errors in procedure documents that do not affect compliance but require correction).
- Isolated incidents of nonconformance (e.g., a single instance of a process not being followed correctly, rather than a systemic issue).
- Lack of employee awareness in specific areas (e.g., an employee is unaware of a particular procedure, but overall processes are in place).
- Slight deviations from a procedure that do not affect quality or compliance (e.g., omitting a required review in an internal audit, while the overall audit process remains effective).
- Partial implementation of a requirement (e.g., a required activity was conducted, but not within the designated timeframe or not in accordance with the company's process).

While minor nonconformances do not pose an immediate threat to safety, they must still be addressed to prevent them from escalating into a major nonconformance.

4.11.3 Opportunity For Improvement (OFI)

An Opportunity for Improvement (OFI) is recorded when audit findings confirm that processes are functioning as intended (conforming) but could be made more efficient, robust, or where a concern has been identified. An OFI may also be raised where a planned change to requirements introduces the potential for future non-conformance. OFIs support the continual improvement of systems and processes reviewed during the audit.

An OFI describes the concern without prescribing a solution, allowing the operator the flexibility to address the issue in a manner most suitable for their operations. Importantly, OFIs are not mandatory, and operators are not required to act. Examples of OFIs include:

- Management responsible for management review struggled to locate the associated records.
- The company relies heavily on verbal instructions to communicate its methods.

Principles for Recording OFIs Compliant with ISO 17021-1

The following principles must be observed when documenting an OFI:

- Avoid imperative language: OFIs must not instruct or direct the auditee to take specific actions. Even terms like "consider" can imply direction and should be avoided.
- Do not begin with a verb: OFI statements should not start with action-oriented verbs.
- Refrain from proposing solutions: Avoid suggesting or implying a specific way to resolve the concern.
- Avoid the word "should": This can suggest a recommended action and may undermine objectivity.

- Be objective: Focus solely on describing the observation or concern. Avoid labelling it as a "problem," as it may not constitute a potential nonconformance.

Note	
	• The auditor may identify nonconformances or opportunities for improvement but shall not recommend specific solutions.

4.12 Corrective Action Requests (CARs)

If an audit identifies areas that do not meet the SMS Standard or additional ACA requirements, these must be documented and shared with relevant stakeholders. Before issuing a formal CAR, stakeholders should be given a chance to respond or provide additional evidence.

Once a nonconformance is confirmed:

- The operator's representative must address the issue and outline actions to prevent recurrence.
- **Major CARs** are issued for serious or imminent risks requiring immediate action. If risks are reduced but not fully resolved, the CAR may be downgraded.
- **Minor CARs** apply when systems exist but are not consistently followed. These do not pose immediate serious safety risks but still breach documented procedures.

CARs should focus on the root causes of nonconformance. If the issue is resolved during the audit and evidence is provided, the CAR may be closed immediately. CARs will have a maximum deadline of 3 months however major CARs must be actioned as soon as possible.

4.12.1 Closing out a Corrective Action

Operators must respond to all CARs within the agreed timeframe and provide evidence for each CAR to allow it to be closed. If an action requires additional time to complete, the operator must submit a documented plan outlining the action to be taken. This plan will form part of future audits and may result in the reinstatement of the CAR if the operator fails to follow the plan.

4.12.2 Failure to respond to a Corrective Action

If the operator fails to provide notification or evidence by the required date, the auditor must notify the NHVR so that follow-up action can be initiated.

4.13 Issuing the Audit Report

Upon completing the audit report, for HVA, the auditor must submit it through the NHVR Portal. The operator will receive a notification, allowing them to review and accept the audit conclusion.

The audit report may only be submitted to the NHVR once all CARs have been agreed to, signed by both parties, and all declarations have been completed.

For other schemes, the audit report can be submitted through the process specified by the relevant scheme administration.

The Auditor's Declaration

The auditor must complete and sign a declaration that all findings and information recorded during the audit are true, accurate, and complete to the best of their knowledge at the time of the audit. The declaration may include:

- A statement indicating whether the auditor believes the management system conforms or does not conform to the relevant standards.
- An acknowledgment that the information recorded may be shared with authorised third parties if required.
- A confirmation that the auditor has adhered to the conflict of interest and code of conduct requirements outlined in the NAS.

The Operator's Declaration

The operator must acknowledge the accuracy of the information contained in the Audit Report. This declaration must also confirm there is no conflict of interest between the auditor and the operator and provides the NHVR with the operator's consent to share accreditation information with other agencies, if required.

The NHVR will periodically review Audit Reports to validate findings, ensure audit consistency, and identify potential improvements to the audit system.

5 Auditors

Confidence in the audit process and its ability to achieve desired objectives relies on the competence of the individuals appointed to perform audits.

An 'approved auditor' is defined in section 5 of the HVNL as "an auditor of a class specified in the audit standard as approved to carry out the audit." This audit standard specifies that the class of auditors approved to carry out audits in accordance with this audit standard is auditors registered by the NHVR on the register of approved auditors. The register is maintained and published by the NHVR at www.nhvr.gov.au.

The register was previously maintained to define the class of auditors approved by the responsible Ministers under former s 654(1)(c) of the HVNL. For the avoidance of doubt, auditors registered in the register as at the date of commencement of the relevant provision of the *Heavy Vehicle National Law Amendment Act* (2025) (Qld) will automatically continue to be registered and do not need to reapply.

5.1 Auditor Registration

Only an individual may apply to the NHVR to become an approved auditor. Applicants must not have previously had their registration as an approved auditor cancelled by the NHVR. The NHVR may refuse to register an applicant based on the individual's criminal record, relevant misconduct (e.g., fraud), or failure to meet the criteria outlined in this audit standard for registration.

To be registered as an approved auditor, the following criteria must be met:

- Hold appropriate qualifications and experience:
  - Completion of a nationally recognised or equivalent Lead Auditor course aligned with the current version of ISO 19011 (e.g., ISO 9001, ISO 45001, or integrated management systems).
  - Relevant transport industry experience and capability, OR auditing experience of SMSs in other industries. The NHVR will decide if that experience is suitable and relevant.
- Maintain professional indemnity and public liability insurance and submit evidence annually to the NHVR:
  - Approved auditors are responsible for securing and maintaining appropriate professional indemnity and public liability insurance coverage that aligns with the risks involved in their auditing activities.
  - Insurance policies must provide adequate coverage for the functions and duties performed under heavy vehicle accreditation audits.
  - Auditors must ensure they are appropriately insured throughout their approval period and provide proof of coverage annually.
  - NHVR reserves the right to implement a policy position setting out the minimum insurance standards.
- Demonstrate heavy vehicle auditing capabilities the NHVR considers appropriate.
- Possess excellent communication and collaboration skills.
- Participate in calibration or training activities as required by the NHVR to ensure ongoing competence and knowledge of current auditing standards and requirements.
- Be a suitable and responsible person, ensuring compliance with ethical and professional standards.
- Complete all declarations for conflict of interest as required by the NHVR
- Provide a criminal history check if required by the NHVR

5.2 Auditor Compliance Rules

- Auditors must be registered with the NHVR and maintained on the relevant published auditor register.

- Auditors must carry an identification card which is issued by the NHVR for formal identification purposes while auditing.
- Auditors must uphold the Auditor Code of Conduct outlined in this NAS.
- Auditors must uphold the Auditor Rotation Rule as outlined in this NAS.
- The NHVR may direct the applicant to use a particular auditor, or one of several auditors nominated by the NHVR, for any given audit.
- There are several factors that determine the allocation of an auditor/s to a participant. These include:
  - Audit location, including remote area location.
  - Type and cost of audit.
  - Audit length.
  - Auditor availability.
- Auditors or consultants may only function as the nominated contact for an operator's accreditation if they are a full-time employee of that operator, and in such cases, they must not act as the nominated contact for any other operator.
- Auditors must use the current versions of the NHVR tools and materials for submission of audits.
- Auditor registration must be renewed every 3 years.

Note	Full time employment is defined as an employee with ongoing employment who works in the capacity of the assigned position, on average around 38 hours each week. (Fair Work Ombudsman)

5.3 Auditor Code of Conduct

NHVR-approved auditors operate under the NHVR Auditor Code of Conduct outlined in this NAS, which sets out principles and standards of behaviour required when undertaking audits under the Scheme.

The Code outlines 11 key principles designed to make audits effective, reliable, and aligned with management policies and processes.

Adherence to these principles ensures audit conclusions are consistent, accurate, and sufficient, allowing multiple auditors to independently reach similar conclusions under similar circumstances.

The Code of Conduct is publicly available to provide transparency and to ensure Scheme participants and the public know the standards of behaviour expected when dealing with NHVR-registered auditors.

Approved auditors must comply with the below eleven (11) principles.

5.3.1 Integrity

Auditors must:

- Perform their work ethically, with honesty and responsibility.
- Only undertake audit activities if competent and trained.
- Be sensitive to any influences that may be exerted on their judgement while carrying out an audit.
- Perform their work in an impartial manner, i.e. remain fair and unbiased in all their dealings.
- Provide accurate, timely and detailed information.
- 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.
- The auditor must not benefit inappropriately from the audit work for the operator.
- Behave in a way that upholds the values, integrity and reputation of the NHVR.

5.3.2 Professionalism

Approved auditors are required to always act professionally and ethically when performing audit activities. This obligation applies to both their communication (verbal and written) with operators and their conduct while on site.

Auditors must:

- Treat heavy vehicle operators, members of the public, jurisdictional officers, and NHVR employees with courtesy and respect.
- Exercise a duty of care and uphold the highest standards of professional performance.
- Maintain accurate and complete records of their audit activities.
- Stay informed of any changes to the HVA and the HVNL to ensure compliance.

These requirements are fundamental to the integrity and reliability of audit activities under the Scheme.

5.3.3 Identification Cards

Approved auditors must carry their NHVR-HVA auditor identification card at all times when entering an operator's work site and must produce it upon request.

If an auditor's HVA registration is suspended or cancelled, they must immediately return their NHVR-HVA auditor identification card to the NHVR.

Falsely representing oneself as an NHVR-approved auditor is an offence under the HVNL and may incur penalties of up to $20,000.

5.3.4 Fair Presentation

Auditors managing the audit program are obligated to report truthfully and accurately in all aspects of the audit process.

Audit findings, conclusions, and reports must truthfully and accurately reflect all audit activities. Any significant obstacles encountered during the audit, as well as unresolved diverging opinions between the audit team and the auditee, must be recorded in the audit report.

Communication during the audit process must be objective, truthful, accurate, timely, clear, and complete.

Auditors must provide information and advice without concealing or omitting details that could mislead, deceive, or alter conclusions.

Auditors must not rely on information they know, or should reasonably believe, to be incorrect or misleading, including when supporting an application for registration as an HVA-approved auditor.

Auditors must take all necessary steps to correct any inaccurate, false, or misleading information or advice they have provided when they know or reasonably suspect that another person or entity might rely on it.

These obligations ensure the integrity, transparency, and reliability of the audit process under the Scheme.

5.3.5 Due Care and Accountability

Auditors are required to exercise diligence and sound judgement during audits, demonstrating due care in line with the significance of their tasks and the trust placed in them by operators and other interested parties.

Auditors must use reasoned judgement in all audit scenarios and are expected to commit to continual improvement, learning, and adaptation.

They must maintain and develop the knowledge, skills, and expertise necessary for their registered audit functions and comply with all continuing professional development requirements under their registration.

HVA-approved auditors are accountable to both the NHVR and heavy vehicle operators for their actions and performance.

As a condition of registration, auditors agree to be subject to reviews or investigations by the NHVR where required.

They are required to provide the NHVR with full access to HVA audit documentation or any documentation related to their role as an HVA-approved auditor upon request.

Auditors must comply with any lawful and reasonable direction issued by the NHVR.

These requirements reinforce the professionalism and accountability necessary for maintaining the integrity and trustworthiness of the audit process.

5.3.6 Confidentiality

Auditors should exercise discretion in the use and protection of information acquired in the course of their duties. This includes the use of artificial intelligence. Audit information should not be used inappropriately for personal gain by the auditor or the operator, or in a manner detrimental to the legitimate interests of the auditee.

Auditors must comply with any request for information made by the NHVR related to the operator's performance or activities despite the confidentiality obligation in this section 5.3.6. However, auditors must maintain appropriate confidentiality and professionalism about dealings that the auditor has with any staff of the NHVR.

5.3.7 Independence

Auditors must maintain objectivity, impartiality, and independence throughout the audit process to ensure findings and conclusions are based solely on audit evidence. Audits must be conducted by an NHVR-approved auditor who is independent of, and external to, the heavy vehicle operator.

Auditors must not audit an SMS or framework that they personally developed, updated, implemented, or directly influenced:

- Auditors who were involved in developing, updating or influencing a system may only audit that system after two independent audits have been completed.
- Any arrangement intended to create an appearance of independence while enabling an actual, perceived, or potential conflict of interest will be considered a breach of this standard.

Auditors must declare, in writing to the NHVR, any affiliations, partnerships, or personal or business interests that could give rise to potential, perceived, or actual conflicts of interest. Declarations must be made as soon as an auditor becomes aware of a conflict, and as required by the NHVR.

Common examples of conflicts of interest include:

- Auditing a system that the auditor personally helped develop, update or implement before two independent audits have occurred.
- Auditing an operator where the auditor has a family, personal, or business connection or relationship with the operator.
- Financial relationships or benefits involving the operator (outside of standard audit fees).
- Previous association or involvement that compromises independence.
- Engaging a third party in the auditing process if it creates a perceived conflict of interest.

5.3.8 Conflict of Interest

Auditors must remain independent and declare any actual, perceived, or potential conflicts of interest to the NHVR as soon as they become aware of them. If the NHVR determines that a conflict of interest cannot be effectively managed, the auditor must withdraw from the engagement to preserve impartiality and the credibility of the process. Failure to disclose conflicts of interest may result in disciplinary action, up to and including deregistration as an auditor under the Scheme.

A conflict of interest occurs when an auditor's private, business, or financial interests interfere with their ability to conduct a fair and transparent audit. A conflict of interest may be actual, perceived, or potential and may benefit the auditor, the operator, or be of mutual benefit to the auditor and heavy vehicle operator. Conflicts of interest may be:

- Actual conflict of interest is 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 or the client's business.
- Perceived conflict of interest means the NHVR could reasonably consider 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.

Auditors must also not derive inappropriate personal or financial benefits from their work. Payments should only cover fees for audits.

If an actual or perceived conflict of interest exists, the auditor must not function as an auditor for that operator until the conflict has been assessed by the NHVR, with the approval to proceed provided. Examples of conflicts of interest include:

- Acting as a consultant to the operator under accreditation (e.g., designing or implementing the operator's management system).
- Auditing or proposing a system developed or influenced by a company the auditor is connected to through employment or other interests.
- Having a financial relationship with the operator (outside of fees for the audit).
- Having a direct family, personal, or business relationship with the operator.
- Being employed by or having a vested interest in the operator's business.
- Preferential treatment of the operator due to the auditor's prior association.
- Involving a third party in the audit that creates a perceived conflict of interest.

Management of Conflicts of Interest

- **Notification:** Auditors must immediately report any actual, perceived, or potential conflict of interest to the NHVR as soon as they become aware of it.
- **During an Audit:** If a conflict of interest is identified after an audit has commenced, the auditor must suspend the audit immediately and notify the NHVR.
- **NHVR Action:** The NHVR will assess and decide whether:
    - The auditor may continue the audit.
    - The operator must engage another auditor from an alternative list provided by the NHVR. The auditor may be required to submit written evidence during the assessment.

Failure to declare a conflict of interest or financial benefit may result in suspension or cancellation of the auditor's registration. When in doubt, auditors should seek advice from the NHVR before proceeding.

Examples That Do Not Constitute a Conflict of Interest

- Providing general advice on managing risks within accreditation management systems, if the advice is limited to publicly available information.
- Discussing identified nonconformances during an audit.

5.3.9 Evidence-Based Approach

Auditors must base conclusions on verifiable evidence that results in reliable and reproducible audit conclusions.

Audit evidence should in general be based on samples of the information available, since an audit is conducted during a finite period and with finite resources. An appropriate use of sampling shall be applied, since this is related to the confidence that can be placed on the audit conclusions.

5.3.10 Risk-based approach

Audits are to be conducted in a manner that identifies and examines risks and opportunities relevant to the operator and the Scheme.

A risk-based approach should guide the planning, execution, and reporting of audits, ensuring focus is placed on matters of significant importance to the operator and the achievement of Scheme or audit program objectives

5.3.11 Duty to Disclose

Auditors have an obligation to immediately report any suspected breach of the Code of Conduct to the NHVR. Auditors must also report any operator practice that, in their opinion, may pose an imminent risk to safety. These reports will remain confidential pending NHVR-led investigations.

5.4 NHVR Rights and Auditor Performance Monitoring

The competence and integrity of auditors are essential to the success of the Scheme, which ensures the safety and reliability of heavy vehicles and drivers for the benefit of the public. To maintain these standards, the NHVR reserves the right to monitor and evaluate the performance of approved auditors to ensure they comply with the NAS. Oversight of audits is achieved by the NHVR exercising its rights described in this section and by adhering to the NHVR Third Party Policy.

Section 478 of the HVNL creates offences to protect the integrity of the audit system by prohibiting false representations about auditor approval, auditor class, audit activity, or an auditor's opinion.

5.4.1 Triggers for Performance Review or Investigation

The NHVR may, at its discretion, initiate a performance review or investigation of an auditor in response to:

1. Audit Reports: Identification of poor performance or issues, such as:
    - Repeatedly using identical findings/wording across different operators' audit reports when those operators have different processes for implementing the same requirement.
    - Content that raises concerns about accuracy or the auditor's impartiality.
2. Heavy Vehicle Incidents: A formal investigation into a heavy vehicle incident or a serious safety breach by an accredited operator.
3. Complaints: Complaints received from operators, auditors, state agencies, members of the public, or certification bodies. The NHVR will use its discretion to investigate complaints, considering credibility, especially for anonymous submissions.
    - Auditors must respond promptly, within the specified timeframe, to NHVR requests for clarification or additional information about audits.
4. Suspicion of Misconduct: Suspected fraudulent, dishonest, or negligent conduct by an auditor. This may include feedback sought from operators regarding the auditor's performance, or investigations into breaches of related certifications (e.g., Approved Inspection Station [AIS] or accreditation / certification).

5.4.2 Outcomes of Reviews or Investigations

Depending on the findings, the NHVR may take remedial action as per 5.4.4.

5.4.3 Evaluation Methods

The NHVR may use various methods to evaluate an auditor's performance, including, but not limited to:

- Review of Records: Verification of past audit accuracy, findings, and conclusions.
- Feedback: Surveys, questionnaires, complaints, testimonials, or performance evaluations to gather input on the auditor's conduct.
- Interviews: Personal discussions with NHVR representatives to verify professional conduct, communication skills, and technical knowledge.
- Observation: Witnessed audits or observed on-the-job performance to assess skills and behaviours.
- Post-Audit Review: Analysis of audit reports, feedback from the operator, and interviews with audit team members to assess strengths and areas for improvement.

5.4.4 Remedial Actions

If an auditor fails to conduct audits in accordance with this Audit Standard or otherwise fails to comply with this Audit Standard (including the Auditor Code of Conduct in section 5.3), the NHVR may take remedial action.

Several options are available to the NHVR to manage performance and/or take remedial action against auditors. These include the following actions:

- Providing the auditor with feedback, advice and/or counselling.
- Recommending that the auditor undertakes remedial training.
- Providing formal written warning advice.
- Temporarily suspending the person's registration on the NHVR's register of approved auditors.
- Permanently cancelling the person's registration on the NHVR's register of approved auditors.
- Cancelling all or part of the audit and requiring a new audit (while maintaining regard to the potential impact on the operator).

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

5.4.5 Review

The following decisions are a reviewable decision for the purposes of this section (but not a reviewable decision for the purposes of section 640 of the HVNL):

- A decision by the NHVR to refuse an auditor's application for registration as an approved auditor.
- A decision by the NHVR to temporarily suspend an auditor's registration on the NHVR's register of approved auditors.
- A decision by the NHVR to permanently cancel the person's registration on the NHVR's register of approved auditors.

The NHVR must inform the auditor concerned in writing of the reviewable decision and the reasons for the reviewable decision, as soon as practicable after the date of the decision.

The auditor who made the application for registration or whose registration has been suspended or cancelled may lodge a request for an internal review of the decision within 28 days of the date of the decision. The request must be made in writing.

An internal review of a reviewable decision must not be decided by the person who made the reviewable decision or a person who holds a less senior position than the person who made the reviewable decision.

The reviewer will consider all information provided by the auditor and may confirm the decision, amend the decision or set it aside and replace it with another decision. The reviewer will be advised in writing of the reviewer's decision including the reasons for the decision.

The reviewer's decision is not subject to further review or appeal under the NAS.

6 Registered Training Organisation (RTO)

Fatigue management training is required to be completed by relevant operator employees for participation in Fatigue Alternative Compliance Accreditation and must be delivered by an NHVR approved RTO.

The eligibility requirements for an RTO to be recognised and approved by the NHVR are contained in The Fatigue units of competency – RTO guide (as amended from time to time) which is published by the NHVR, at www.nhvr.gov.au.

The NHVR may monitor the delivery of courses by approved RTOs and complete assurance activities to ensure course content is consistently delivered in accordance with training and assessment material that the RTO provided to the NHVR when it applied for approval.

7 Glossary

The following terms are specific to this National Audit Standard:

Term	Definition
ACA	Alternative Compliance Accreditation - accreditation granted under section 458 of the Act in relation to a prescribed operations requirement.
Accreditation	Accreditation means heavy vehicle accreditation granted by the NHVR under section 458 of the HVNL.
Alternative Compliance Accreditation requirements	Requirements for Alternative Compliance Accreditation set out in the SMS Standard, the Ministerial Guidelines for Heavy Vehicle Accreditation, and documents developed by the NHVR under section 2.3 as in force from time to time.
Approved auditor	A person registered with the NHVR to conduct HVA audits.
Audit	A systematic, planned and documented activity performed by independent auditors to verify that an operator's management system has been developed, documented and implemented according to the relevant SMS Standard and any additional Alternative Compliance Accreditation requirements.

Term	Definition
Audit Criteria	A set of requirements of which objective evidence is compared.
Audit Report	The audit tool approved by NHVR to be used by auditors when undertaking audits.
Audit Application	An application submitted by the operator to confirm that a compliance audit has been arranged with an auditor.
Certification Body	An organisation that provides certification, skills assessments, and training services for professionals, including auditors.
Compliance audit	Scheduled audit undertaken on accredited operators participating in the Scheme. These audits examine whether the operator's SMS is in place, operational and fully adheres to the accreditation standard. Compliance audits occur in the last six months of each accreditation period.
Conformance	The operator's SMS fulfils the requirements of a specific SMS Standard criteria.
CoR	Chain of Responsibility.
Corrective Action	Action nominated by an operator and confirmed by an auditor to remedy a nonconformance to prevent reoccurrence.
Corrective Action Report (CAR)	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.
Effective (E)	There is evidence that the audit criteria's relevant indicator is achieving the desired outcome and has a positive safety impact.
Entry audit	The audit undertaken on the system of an operator applying for accreditation. This audit confirms that the criteria of the SMS Standard and any additional Alternative Compliance Accreditation are Present and Suitable in the operator's SMS.
Evidence	Records, statements of fact or other information which are relevant to the audit criteria and verifiable.
Findings	Findings are the conclusions drawn from reviewing evidence during an audit. They show whether processes or practices meet expected standards or not. These findings help identify areas that need fixing, opportunities to improve, or examples of things being done well.
GSA	General Safety Accreditation.
HVNL	The Heavy Vehicle National Law as it applies in the particular jurisdiction.
HVA	Heavy Vehicle Accreditation.
Internal Review	Except in section 5.4.5, a self-assessment audit conducted by the operator to evaluate their performance, compliance with regulations, and effectiveness of internal controls.
Lead Auditor	The person responsible for planning, conducting, and overseeing an audit. They guide the audit team, ensure the audit follows the correct process, and make final decisions about audit findings. The Lead Auditor also communicates results to stakeholders and ensures any issues are properly addressed.
Minor Amendments	Minor amendments are defined in section 655A of the HVNL as amendments to the audit standard in a minor respect: • For a formal or clerical reason, such as corrections to editorial errors or changes to improve clarity (without altering intent); or • In another way that does not: • increase a safety risk; or • increase a risk of damage to road infrastructure; or • cause an adverse effect on public amenity; or • make a person liable to a penalty.

Term	Definition
NAS	National Audit Standard (this document).
HVA	The National Heavy Vehicle Accreditation Scheme.
NHVR	The National Heavy Vehicle Regulator.
Nonconformance	Deficiencies which render the operator's management system as not fulfilling one or more criteria within the SMS Standard or any additional Alternative Compliance Accreditation requirements.
Objective evidence	Information that can be proved true, based on facts obtained through observation, inquiry, measurement, testing or other means.
Operating (O)	There is evidence that the audit criteria's relevant indicator is in use, and an output is being produced.
Operator	The person responsible for controlling or directing the use of a vehicle or a towing vehicle in a combination.
Opportunity For Improvement (OFI)	An observation made by the auditor where there may be a weakness in a management system or process which has not yet caused a material impact to the organisation but there is potential. The implementation of the opportunity is at the discretion of the Scheme participant.
Present (P)	There is evidence that the audit criteria's relevant indicator is documented within the organisation's SMS documentation.
Procedure	A specified and documented method of performing an activity.
PSOE	A method of auditing to determine that criteria indicators are Present, Suitable, Operating, and Effective
Record	A document, physical or otherwise, that furnishes objective evidence during an audit of activities related to HVA accreditation.
Regulator	The National Heavy Vehicle Regulator
Road Transport Law	The HVNL and roads and traffic legislation operating within each Australian state and territory.
Rotation Relief	An NHVR-approved exemption that allows an operator to keep the same auditor beyond the usual rotation period in limited circumstances.
RTO	Registered Training Organisation
Safety Management System (SMS)	A group of policies, systems and procedures that relates to the safety of the operator's transport activities and the driving of heavy vehicles.
Sanction	A remedial measure taken by the NHVR to improve standards of performance by HVA-approved auditors.
Scope	The extent and boundaries of an audit. The audit scope generally includes a description of the physical and virtual locations, functions, organisational units, activities and processes, as well as the period covered.
Suitable (S)	The audit criteria's relevant indicator is suitable based on the size, nature, and complexity of the organisation and the inherent risk in its activity.
Third Party	An external entity to whom the Regulator has delegated its authority to perform a regulatory function under the HVNL.

8 Related Legislation and Documents

- Heavy Vehicle National Law (HVNL)
- Heavy Vehicle (General) National Regulation
- Ministerial Guidelines for Heavy Vehicle Accreditation
- SMS Standard
- Standard for Alternative Compliance Hours