

# **Queensland Auditor Handbook for Contaminated Land**

Module 4: Code of professional conduct

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# 1 Introduction

This module of the auditor handbook provides the code of professional conduct that auditors must follow when undertaking their functions. The code of professional conduct has two main sections: one that lists the expectations for the professional behaviour of auditors, and one that lists the obligations that apply to auditors when undertaking their functions. Failure to comply with any of the matters in this code of professional conduct may lead to an auditor's approval being suspended or cancelled. Failure to comply may also lead to an application for renewal or mutual recognition of an approval being refused.

This module of the auditor handbook is the code of conduct mentioned in s. 574D(b) of the *Environmental Protection Act 1994* (EP Act) and prescribed in r. 115D of the Environmental Protection Regulation 2008.

# 2 Professional behaviour

An auditor must exhibit the following professional behaviour when undertaking an auditor's functions:

- Perform an auditor's functions in a way that best achieves the object of the *Environmental Protection Act 1994*.
- Perform an auditor's function using current best practice and in accordance with the current state and Commonwealth legislation, policies and guidelines, Australian Standards, and the National Environment Protection (Assessment of Site Contamination) Measure 1999 (contaminated land NEPM).
- Perform an auditor's functions to achieve the best environmental outcomes and protect environmental values, including ecological and human health, amenity, and safety.
- Act independently with integrity, diligence, and impartiality.
- Be objective and honest. Avoid misrepresentation and prejudice.
- Do not conceal or omit information so as to mislead opinion about a contaminated site.
- Do nothing in relation to a contaminated site investigation that could be seen as effectively auditing your own work. This includes work done by others under your direction.
- Only audit matters for which you are suitably qualified, experienced and competent, and obtain expert advice for all other matters.
- Ensure an expert on whose opinion you rely has the qualifications, experience and competencies in their field of specialisation equivalent to an auditor's.
- Do not obtain advice about the audit from an expert who has contributed to the document being audited (that is, an expert cannot audit their own work).
- Take reasonable and practicable measures to verify another's opinion on which you rely, and the data and information their opinion is based on.
- Avoid speculation in your written certification, and clearly distinguish any conjecture from matters that are firmly based on evidence.
- Seek peer review and quality assurance of your work.
- Do not undertake an auditor's functions on any project in which you have, or could reasonably be perceived to have, a conflict of interest. Conflicts of interest could arise through a financial interest in, or business association with, the contaminated land or an entity owning, developing or investigating the land. Conflicts of interest could also arise through a close association between the auditor and a suitably qualified person who produced the contaminated land investigation document. To be clear, the auditor and a suitably qualified person working on the same project cannot be employed by the same company, nor can one be a subcontractor to the other or their employer/company. However, a contract between an auditor and an owner/developer to perform an auditor's functions is not a business association that in itself creates a conflict of interest. (Note: s. 574A of the EP Act prevents an auditor from having a direct or indirect financial interest in a matter or thing relevant to the exercise of their function other than a fee paid for their service.)
- Do not accept gifts or benefits that a reasonable person may see as an inducement to affect your opinion.
- Ensure that any expert on whose opinion you rely has also acted independently and has no conflicts of interest.

### 3 Obligations when performing an auditor's functions

You are obliged to undertake the following actions in relation to your work as an auditor.

#### 3.1 Preparing and issuing a certification

- Inspect the relevant land and the surrounding area when undertaking an audit.
- Write each certification having regard to the contaminated land NEPM, any relevant state legislation and environmental protection policy, and the *Queensland auditor handbook for contaminated land*.
- Take a risk-based approach when undertaking the audit and preparing your certification, and consider all potentially relevant contaminants and factors cumulatively and holistically with regard to all potentially affected environmental values and human health.
- Your certification must be clear and unequivocal. You must not qualify your certification to limit reliance only to your client or the Queensland government. Also, it is an offence under s. 480A of the EP Act to give to the administering authority a document you know, or ought reasonably to know, contains incomplete information in a material particular.
- Whether you rely on your own opinion or the opinion of a member of your expert team, you must take responsibility for the validity of the opinion, and take all necessary steps to verify the evidence on which the opinion is based.
- If a project site comprises multiple parcels of land, only issue a certification if every separate parcel of land has its own individual site suitability statement.

#### 3.2 Audit report

- You must prepare an audit report for every certification you sign and provide it with the certification. You must also provide a copy of the audit report to the administering authority when asked to do so.
- Your audit report must:
  - list the relevant chronology for the audit
  - set out the findings on material questions of fact
  - refer to the evidence or other material on which those findings were based
  - summarise the reasons for the decision given in the certification.
- Your audit report must provide evidence of your oversight of the suitably qualified person's investigations, including evidence of your site visit(s) and your review of the site investigation's sampling and analysis program.
- Your audit report must discuss the findings of the risk assessment you have carried out for the site based on your inspection, the contaminated land investigation document and its site suitability statement.
- Your audit report must clearly identify which matters considered in the certification were based on another's expert opinion rather than your own, and also identify who provided the opinion.

#### 3.3 Other obligations

- You must not accept work as an auditor for a project if another auditor is currently engaged to undertake the same functions; rather you must wait until the other auditor has withdrawn their services and has formally notified the administering authority of their withdrawal—only then may you become the auditor for the project.
- For each audit, retain for at least seven years all records related to performing your auditor's functions including, but not necessarily limited to:
  - the contract that engaged you as an auditor
  - the written certification for the contaminated land investigation document, provided in accordance with s. 389(3) of the EP Act
  - the audit report
  - all reports, data and other information, from whatever source, that you considered for the audit
  - details of your expert support team, including their qualifications, experience and competencies; the contracts engaging team members; and their scope of works

- details of, and photographs from, all site inspections
- observations of the performance of the suitably qualified person and their support team as they investigate, validate, manage and/or remediate the land
- all correspondence between you as the auditor and anyone related to the contaminated site and its investigation and management.
- Provide any of those records to the administering authority when requested.
- Maintain access to a team of experts whose support and advice you can obtain when you are not an expert in any of the competencies and proficiencies listed in Schedule B9 of the NEPM.
- Maintain professional indemnity insurance with at least \$5 million cover that does not have any exclusion that may limit the cover for work carried out on an auditor's functions.
- Ensure any support expert on whose opinion you rely when preparing a certification also holds equivalent professional indemnity insurance with at least \$5 million cover.
- Fulfil any duty to notify of environmental harm in accordance with the EP Act, Chapter 7, Division 2.
- Maintain professional certification with at least one of the recognised bodies in the contaminated land field.
- Undertake ongoing professional development in the areas relevant to an auditor's functions that is, or would be equivalent to, the amount needed to maintain a professional certification with one of the recognised bodies in the contaminated land field.
- Notify the administering authority within 10 business days if any of the following matters occur:
  - you change any of your contact details
  - you are engaged to undertake work involving an auditor's functions
  - you withdraw from working on a project before completing the auditor's functions—your notification must state your reasons for withdrawing
  - you are charged with, or convicted of, an offence under environmental legislation, or an offence involving misleading or fraudulent conduct, in Queensland or another state or territory
  - your equivalent approval as an auditor held in another state is suspended or cancelled
  - you are dismissed or resign from employment in response to allegations of misconduct.
- Submit an annual return to the administering authority by 31 July each calendar year that includes the following information for the previous financial year (which ends on 30 June):
  - details of all work completed as an auditor
  - details of all work-in-progress being undertaken as an auditor at the end of the financial year
  - details of the expert support team you used during an audit, including their qualifications, experience and competencies; the contracts engaging team members; and their scope of works
  - evidence of the professional indemnity insurance held in relation to your work as an auditor
  - evidence of continuing professional accreditation with at least one of the recognised bodies in the contaminated land field
  - a log of all relevant professional development activities completed in the previous financial year
  - confirmation of whether or not any of the notifiable matters listed above have occurred, and, if so, whether you did notify the administering authority within 10 business days.
- Be actively or recently working as an auditor when applying for renewal or mutual recognition of your existing approval.
- Assist any enquiry from the administering authority at any time into whether you have complied, or are complying, with this code of professional conduct.