



NABERS Auditing Program

Auditing Policy and Procedure

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Cover photo: Photo of an 8-storey residential apartment building complex surrounding a courtyard with grass, plants and a water feature.

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1 Introduction

1.1 About NABERS and NABERS Auditing Program

The National Australian Built Environment Rating System (NABERS) is a national program delivered by the NSW Government (the National Administrator) under the guidance of the Commonwealth, State and Territory governments. The program provides a suite of sophisticated rating tools that measure the environmental performance of Australian buildings and tenancies. NABERS rating tools can measure the energy efficiency, emissions intensity, water usage, waste management and indoor environment quality of a building or tenancy. NABERS ratings are undertaken by Assessors that have been trained and accredited by NABERS to deliver NABERS ratings to the market.

To ensure the integrity of the NABERS Program, identify any gaps in Assessor technical knowledge, and provide a quality assurance measure, NABERS has established an auditing program, which is underpinned by the NABERS Auditing Policy and Procedure (this document).

1.2 About this document

This document is intended to enable all parties to a NABERS rating – NABERS Assessors, Auditors, Building Owners and others – to understand the goals and objectives of the NABERS Auditing Program. It also sets out the steps, rights and responsibilities of the parties to a rating, and the potential outcomes of the audit process.

This document replaces and supersedes previous versions of the NABERS Audit Policy and Procedure, NABERS Auditing Policy, NABERS Rating Auditing Procedure, and NABERS Level 2 Audit Result decision making guideline.

2 NABERS Values

The NABERS Program is committed to the values of integrity, quality, public service, leadership and collaboration. NABERS works closely with NABERS Supervisors, Auditors, Trainees and Assessors to deliver excellent services and a relevant, reliable, practical measure of building performance that supports a more sustainable built environment. This means driving improvements in Assessor technical knowledge by continually improving the training and accreditation processes and providing ongoing support for the professional development of Assessors.

3 Why audit?

NABERS provides a trusted, reliable metric of the actual environmental performance of a given building by comparing it to the Australian average performance of buildings of the same type. Fundamental to maintaining the reliability and integrity of NABERS ratings is ensuring that the NABERS Rules and the associated Rulings, processes and procedures¹ are correctly and consistently applied to all buildings that achieve a NABERS rating. Routine audits of NABERS ratings for quality and accuracy play an important role in this process.

¹ The NABERS Rules, Rulings, processes and procedures refer to the key documents that underpin and govern the NABERS Program, which include but are not limited to the:

- NABERS Rules, including all NABERS documents formerly and currently called Validation Protocols;
- published NABERS Rulings (Rulings);
- technical advice provided by the NABERS;
- NABERS Accredited Assessor Agreement (Contract);
- NABERS Accredited Assessor Code of Practice;
- NABERS Accreditation Procedure;
- NABERS Auditing Policy and Procedure (this document).

These documents are amended periodically and are available on the NABERS Members' website at members.nabers.gov.au

4 The NABERS Auditing Program

The NABERS Program routinely undertakes two types of audits. A Level 1 Audit is conducted on 100 percent of NABERS rating applications prior to certification. For ratings submitted in our online Platform NABERS perform, quality assurance checks are completed automatically. This is supplemented by Level 1 auditors who review a sample of ratings manually. This also ensures automated processes remain effective over time. For ratings submitted in other platforms the level 1 audit is completed by a technical officer. NABERS technical officers oversee this quality assurance process to verify that Assessors have correctly completed the rating application. While a Level 1 Audit is necessary for rating certification, it does not verify data accuracy or fully evaluate the Assessor's application of the Rules.

A Level 2 audit is conducted to evaluate the work of the Assessor. This peer review process delivers a complete re-rating of the building using the documentation relied upon by the Assessor in conducting the submitted rating. It verifies that an Assessor has used accurate and documented data, and has complied with the NABERS Rules, Rulings, processes and procedures when undertaking the NABERS rating. A Level 2 Audit ensures that the correct rating result has been determined and assesses the performance of NABERS Assessors based on their understanding, interpretation and application of the Rules. Assessors who submit numerous ratings will be audited regularly whilst those who submit ratings less frequently will be checked periodically.

This process strengthens the NABERS Program and the reputation of Assessors by:

- Providing quality assurance by ensuring that building owners, operators, buyers and lessees can be confident that NABERS Assessors are accurately submitting NABERS rating;
- Identifying common or recurrent issues so that quality of ratings is maintained or improved over time through improved Assessor training, rules, guidance and quality assurance processes;
- Recognising and supporting the maintenance of high standards amongst Assessors through sanctions that promote continuous improvement including supplementary training or re-training;
- Ensuring that rating results are not affected by a conflict of interest; and
- Ensuring the accuracy of rating records, including the records of associated programs such as the Commercial Building Disclosure (CBD) Program.

NABERS manages the auditing process, the validity of NABERS ratings, the maintenance of the NABERS rating register, and the accreditation of NABERS Assessors. It also manages the process of applying sanctions to NABERS Assessors who have not properly conducted a NABERS rating, as determined by the Level 2 Audit.

5 Auditing policy principles

This auditing policy is underpinned by seven key principles to assure the quality and reliability of NABERS ratings and the NABERS Program:

1. Allocate audits in a fair and consistent manner
NABERS will select assessors who submit numerous ratings to undertake a Level 2 audit regularly, at least once a year. Assessors who submit ratings less frequently will be audited periodically. Additional ratings may be selected based on risk mitigation due to previous audit findings, or other risk factors.
2. Maintain the integrity of the Commercial Building Disclosure Program
Audited ratings will include a sample of the ratings undertaken in compliance with the Commonwealth's Commercial Building Disclosure (CBD) Program. The audit results will be provided to the CBD team to ensure ongoing compliance and integrity.
3. Support continuous improvement in NABERS Assessor skills and knowledge
Recurrent issues identified in audits will be incorporated into the NABERS training, rules updates and other program support for Assessors. On occasion, sanctions may be directed to the improvement of Assessor skills and knowledge.
4. Ensure auditing is effective peer review
Auditing is a process of independent peer review. NABERS Auditors are former Assessors selected by competitive tender for their extensive industry experience and superior understanding of the technical and commercial issues related to NABERS.
5. Ensure the accuracy of NABERS star ratings
Where an audit reveals that a NABERS rating is incorrect, a new rating will be created, and a new rating certificate will be issued directly to the customer, along with a short explanation of the NABERS Auditing Policy.
6. Ensure that Assessors operate with integrity
Where an audit reveals that a rating was deliberately miscalculated, the Assessor's NABERS accreditation will be revoked.
7. Ensure fair and consistent outcomes
NABERS is responsible for ensuring that audit results and any associated sanctions are determined in a fair and consistent manner. Auditors provide their findings to NABERS, who determines the result and sanctions to be applied (if applicable) based on pre-established criteria. Assessors are always given a Right of Reply before the final audit result is changed, or sanctions are applied.

6 How does a Level 2 audit work?

Auditors will review all the Assessor's documentary evidence in support of their NABERS rating. At times, an Auditor may need to obtain further information or enter the premises that was rated (an on-site audit). In all cases, an Auditor will completely re-perform the rating.

Where an Auditor discovers errors in applying NABERS Rules, Rulings, processes and procedures, they will seek to determine how and why the error occurred.

NABERS will determine the consequences of errors found and may impose a sanction on a NABERS Assessor. These sanctions may include the requirement to complete additional training, supervised ratings, additional audits, or in serious cases of deliberate misrepresentation the suspension or revocation of NABERS Assessor accreditation.

In determining the appropriate sanction, NABERS considers the conduct of the Assessor throughout the investigative process and any voluntary action they have taken to remedy the error or prevent its reoccurrence.

NABERS adheres to the principles of procedural fairness. Assessors are given the Right of Reply to the findings of the Auditor where sanctions are to be applied, and this submission is considered before finalising the determination.

In cases where the star rating changes as a result of an audit, the customer will be notified and provided with a new NABERS certificate. Where the rating is for a Building Energy Efficiency Certificate (BEEC), the Commercial Building Disclosure (CBD) Program will also be notified. This is to ensure the accuracy of publicly available NABERS ratings. The new rating will be displayed on the NABERS website. For more information on the process and sanctions refer to Chapter 11 of this document.

Following the conclusion of the audit the Assessor may be asked to provide their understanding of the underlying causes of any issues identified in the audit. The purpose of this is to identify program improvements to support all Assessors in submitting accurate ratings.

7 How does NABERS use the information from audits?

NABERS uses information collected from audits to:

- Examine the causes and impacts of errors found to enable improvements to the NABERS program to address these issues across all ratings and with all assessors. This includes improvements to including auditing, training, Rules, Rulings, technology, processes, procedures, and communication platforms.
- Ensure that Assessors who are found to have an insufficient, poor or incorrect knowledge of the NABERS Rules, Rulings, processes and procedures are made aware of their errors and are retrained where necessary; and
- Ensure that Assessors who are relying on insufficient or non-existent documentation in their ratings, rating buildings that are not legitimately able to be rated or, in extreme cases, are deliberately falsifying ratings, are held to account.

8 Conflicts of interest

8.1 General

NABERS is responsible for ensuring that conflicts of interest do not impact upon the impartiality of NABERS ratings at any stage of the process, including the auditing stage. This means ensuring that Auditors have no conflict of interest in performing their work and requiring Auditors to make an independent assessment of an Assessor's conflict of interest statement as part of their audit.

8.2 Auditors

To protect NABERS Auditors from being improperly influenced by conflicts of interest, Auditors are contractually required to suspend their Assessor status for the duration of their contract period as Auditors.

Where a clear conflict of interest exists or could reasonably be perceived to exist, it is incumbent upon the Auditor to declare this conflict and decline the audit. Where a potential or perceived conflict of interest exists, and NABERS considers that the conflict of interest cannot be managed appropriately, another Auditor will be assigned to undertake the audit. If a conflict of interest becomes apparent after an audit has commenced, Auditors must cease auditing immediately and notify NABERS as early in the audit process as possible. NABERS will then assess the conflict and determine whether the Auditor can continue the audit or if the audit should be reassigned to another Auditor.

8.3 Assessors

Where a conflict of interest or potential conflict of interest exists for an Assessor, NABERS must consider the nature of the relationship that gave rise to it, and whether it has influenced the NABERS Assessor's rating. If NABERS concludes that a conflict of interest did arise and that it may have influenced the Assessor's judgement, this will be considered when determining the appropriateness of any sanction to be applied. Circumstances which may cause a conflict of interest to arise, or could be perceived by a reasonable person as creating a real risk that it could arise, include:

- Where the NABERS Assessor or a person assisting has, or had, a personal or professional relationship with an entity or employee connected with the ownership, management, sale or lease of the building, such as a contractual relationship for the provision of advice or services related to energy efficiency; and
- Where the NABERS Assessor's current employer has, or had, a professional relationship with the building owner, lessor, sub-lessor, agent or manager whose building is being assessed.

There are many other circumstances in which a conflict of interest can arise, and these examples are not intended to be exhaustive.

9 Appointment of auditors

NABERS Auditors must have an excellent understanding of the NABERS Rules, Rulings, the NABERS Accredited Assessor Code of Practice, the NABERS Rating Auditing Policy and Procedure, the NABERS Guideline for Ruling Requests and Technical Advice, and other relevant process and procedure documents. They also need to be very familiar with any superseded version of the Rules and Validation Protocols.

Auditors may perform audits on all or selected types of NABERS ratings according to their area of expertise including NABERS Energy, Water, Waste and Indoor Environment for different building types.

NABERS Auditors may not also perform work as NABERS Accredited Assessors (see 'Conflicts of Interest').

NABERS Auditors are appointed through a competitive tender process. The criteria for appointment include:

- Demonstrated extensive expertise and experience in conducting NABERS ratings over a substantial period.
- Superior understanding of the technical issues relating to NABERS.
- Sound knowledge of the NABERS Rules, Rulings, processes and procedures.
- Previous experience in auditing, peer review processes or similar.

10 Roles and Responsibilities

10.1 National Administrator – NSW Government

The NSW Government is responsible for the overall management of the NABERS Program including the NABERS auditing process. To maintain the robustness, credibility, reliability and integrity of the NABERS Program, undertaking the auditing of NABERS ratings to ensure that they are conducted to the highest possible standard.

NABERS is responsible for:

- monitoring and auditing the quality of work undertaken by NABERS Assessors;
- ensuring that the required numbers of Audits are undertaken on certified NABERS ratings in accordance with the NABERS Auditing Policy and Procedure (this document);
- appointing Auditors based on their expertise and excellent knowledge of all NABERS relevant process documents;
- supporting the work of the Auditor by ensuring that the Assessor adheres to the requirements of the NABERS Rating Auditing Policy and Procedure (this document), NABERS Accredited Assessor Agreement, Code of Practice and other NABERS documents; e.g. providing documents in a timely manner, fully responding to an Auditor's requests for information etc.;
- revising NABERS ratings (star ratings) and updating the NABERS rating register when the results of an audit show that the original rating was incorrect;
- sanctioning Assessors who have breached the Rules, Rulings, the NABERS Accredited Assessor Code of Practice, or other relevant process and procedure documents; and
- informing all parties to a NABERS rating of any changes to a rating that result from an audit and re-issuing the NABERS rating reports and certificates where applicable.

Additional responsibilities of NABERS are listed in the NABERS Accredited Assessor Code of Practice, and the NABERS Accredited Assessor Agreements.

10.2 NABERS Auditors

NABERS Auditors are selected by NABERS based on their expertise and excellent knowledge of the NABERS Program. NABERS Auditors are third party and independent of NABERS.

NABERS Auditors are responsible for undertaking audits at the request of the NABERS in accordance with the NABERS Auditing Policy and Procedure (this document).

NABERS Auditors are required to complete audits within the specified timeframes (see section 11.4).

NABERS Auditors are to act in an impartial manner and must not undertake an audit where a conflict of interest exists. For more information on conflicts of interest see Section 8.

NABERS Auditors must comply with the provisions, requirements and timeframes of the NABERS Rating Auditing Policy and Procedure (this document) and complete the minimum number of audits specified in their contracts as service providers.

The input data and results from an audit must be treated as confidential by the NABERS Auditor and may only be discussed with the Assessor and NABERS unless permission from NABERS to further distribute is first obtained.

10.3 NABERS Assessors

The Assessor is responsible for ensuring that NABERS ratings that they perform comply with the NABERS relevant documents and that assessments are undertaken in accordance with their contractual responsibilities as an Assessor.

NABERS Assessors are required to work cooperatively with NABERS and the NABERS Auditor to ensure the effective and efficient administration of the NABERS Program. This includes providing upon request and within the specified timeframes, all the documentation and information necessary to enable the Auditor to conduct an audit of their rating assessment. The Assessor must work closely with the NABERS Auditor to ensure the correct interpretation and application of the Rules, and sufficient and compliant documentary evidence is provided.

The Assessor² must retain all documentation used to support the NABERS ratings calculations for seven years, as it may be called for audit during that period. Additional responsibilities of the Assessor are listed in the NABERS Accredited Assessor Code of Practice, the NABERS Accreditation Procedure and the NABERS Accredited Assessor Agreements.

A range of actions and sanctions can be applied to a NABERS Accredited Assessor as a result of a Level 2 Audit. All costs associated with sanctions (where applicable), such as Supervised Ratings and retraining may be met by the Assessor, who is required to abide by any decision or penalty applied by NABERS.

² NABERS Assessors (not the companies they work for) are required to retain documentation in accordance with Section 2.9.2 of the Rules and continue to be responsible for the audits of their ratings.

11 NABERS Audit Process



11.1 Rating Selection

NABERS will select ratings to audit based on the number of ratings an Assessor submits, with a small number of audits allocated through a risk-based selection process. Risk is defined by a number of factors including but not limited to:

- Any circumstance in which a potential conflict of interest held by the Assessor in relation to a NABERS rating has not been declared;
- Collaboration with the Commercial Building Disclosure (CBD) Program Administrator, for the Commonwealth; and
- The identification of errors or potential errors as part of NABERS rating certification processes (Level 1 Audits).

NABERS Assessors may be subject to more than one Level 2 Audit simultaneously. In such cases NABERS may exercise some flexibility (where applicable and within reason) regarding timeframes for the provision of documentation and responses to Auditor's findings as stipulated in this document.

NABERS will treat each case of concurrent audits individually and make the appropriate decisions on a case-by-case basis.

11.2 Auditor Invitation

NABERS will assign the most appropriate Auditor to perform a given audit according to the:

- capacity of Auditors to undertake the audit at the time of selection
- relevant skills and expertise of Auditors
- prior allocation of audits between Auditors
- potential for any conflict of interest to arise.

Where possible, NABERS will allocate different Auditors for Assessors who are the subject of multiple audits.

If an auditor accepts an allocated audit, they are committing to meeting their Roles and Responsibilities (Section 10.2), including timeframes for responses.

The assigned Auditor has access to information related to the rating, e.g.

- all the data and information entered into the rating assessment;

- all details of any errors or issues found by a Level 1 Auditor at the time the rating was lodged;
- details of any voluntary notification of errors in the rating identified by the Assessor prior to the start of the audit (as per Section 11.3.4 below).

Auditors may decline to undertake an allocated audit. If this happens, NABERS will assign another Auditor.

NABERS Assessors may request NABERS to allocate a different Auditor where a conflict of interest exists. NABERS may accommodate for such request where reasonable and justified and will make those decisions on a case-by-case basis.

NABERS may decide to assign a given audit to an internal NABERS officer, if external Auditors are not available or have audits in progress beyond the timeframes for reporting.

11.3 Document Submission

11.3.1 Steps followed after allocation of audit

There are 3 steps in the level 2 audits once the audit is allocated:

- First request to assessor - Once an audit is allocated, the NABERS Assessor will be notified and asked to provide the Auditor with all documents, information and evidence necessary to enable the audit. Assessors must provide required information within 10 business days from the date of notification.

It is important that the Auditor is able to complete the audit with the documentation provided by the Assessor in the first instance. It is expected that the Assessor will have all the available evidence required prior to submission of the rating, and hence will be able to provide this information readily. As such, incomplete or inadequate information submitted to the Auditor will count heavily against the Assessor's performance.

If no information is provided after this first request or the information provided doesn't include the complete set of documentation that has been used by the Assessor to conduct the rating and no extension of time has been granted, the assessor will not be asked again before the audit is reported and the audit will be treated as "no or significant missing information" (see section 11.3.1 for process followed).

- Second request to assessor - However, it may become apparent during the audit process that additional information is needed. In this case, the Auditor or NABERS will contact the NABERS Assessor again and request that this information be provided within 5 business days. This is intended to allow inclusion of supplementary information not provided, or reorganisation and clarification of provided evidence, rather than further collection of additional evidence which should have been completed prior to lodgement of the rating and submitted at the beginning of the audit. In cases where NABERS considers that an Assessor may have previously deliberately supplied incomplete information, this timeframe may be reduced. The Auditor will conduct their assessment of the Assessor's performance based on the information received by this point.

If some information is still incomplete after the second request and no extension of time has been granted, the assessor will not be asked again before the audit is reported and the audit will be treated as “incomplete information” (see section 11.3.2 for process followed in that case).

- Application for an extension of first or second request - If a NABERS Assessor is unable to meet the timeframes above they must notify NABERS as soon as possible to arrange a time extension.

Applications for an extension must be made at least 5 business days in advance of the deadline, and should be sent to nabers@environment.nsw.gov.au and detail the:

- Address of premises, NABERS rating number and auditor assigned to this L2 audit
- information that cannot be supplied in the required timeframe
- reason for the delay
- proposed date by which the information can be supplied.

NABERS reserves the right to deny a time extension request. Extension requests to allow more information to be collected will be systematically rejected as assessors are expected to have collected evidence prior to lodging a rating.

11.3.2 Significant missing information

If no information is supplied within the required timeframes and no extension of time has been granted, or the information provided doesn't include the complete set of documentation that has been used by the Assessor to conduct the rating, it constitutes a breach of an Assessor's conditions of accreditation. As such, the Assessor will be prevented from processing further NABERS ratings until the audit is complete.

If, after suspension of the Assessor's account, information is still not provided, NABERS will take further actions, progressively, such as (but not limited to) notification to the Assessor's employer, notification to the rating customer, notification to CBD team and termination of all Assessor's ratings in progress. If satisfactory information is not provided after six months from the audit allocation date, the audit will be finalised without Right of Reply and the Assessor will be asked to retake the NABERS Accredited Assessor Course and Exam.

11.3.3 Incomplete information

If information is provided within the required timeframes but it is insufficient to support the rating inputs, it will be assumed that the rating was incorrectly calculated.

To obtain additional documentation, NABERS may require the Assessor to return to site or source that information from the client during the Issue resolution period (Section 11.5). Additional documentation provided during the issue resolution period will be considered to evaluate the impact of errors on the rating results but will not be considered for the purpose of determining the final audit outcome and sanction.

Where the missing documentation cannot be obtained resulting in the impossibility to determine the correct rating, or if the resulting error is too large for the re-rating to be completed, the rating may be withdrawn resulting in the building being decertified

Failure to obtain and retain sufficient documentation to justify the inputs and assumptions used in the rating is a breach of the Rules. These instances are taken into consideration by the Auditor and NABERS when determining the appropriate sanction to Assessors (refer to Section 11.8).

11.3.4 Acceptable information format

Documents must be sent according to the Perform structure. For any ratings on other rating platforms, refer to the relevant rating rules and documentation required for accredited ratings. Files must be organised in folders as indicated and shared with the Auditors.

Documents not sent in the required format will be rejected by the Auditor and Assessors will have to send them again in the right format, without any change to the original timeframe.

Documents not organised as requested will be considered as incomplete information (see Section 11.3.3).

11.3.5 Voluntary notification of an error

Where an Assessor becomes aware that they have made an error as part of a NABERS rating they are encouraged to notify NABERS. Notifications may be made at any time, including during the initial phase of the audit process.

Voluntary notification of errors will be treated as an error identified as part of the audit. They will be subject to the same investigation and response processes, with the voluntary notification taken into consideration during the process of reviewing the audit findings. The voluntary and proactive nature of the disclosure is taken into account by NABERS when determining the appropriate sanction to be imposed.

11.4 Auditor Review

The NABERS Auditor will perform the audit by checking that the NABERS Assessor's documentation and calculations satisfy the Rules, Rulings, processes and procedures that were current at the time the rating was performed. In some cases, the Auditor may be required to perform a site visit in order to cross-check the Assessor's documentation and the application of the Rules.

Auditors must report the audit within 4 weeks (elapsed time) from the day of first information received.

If a NABERS Auditor is unable to meet the timeframe they must notify NABERS as soon as possible to arrange a time extension.

Applications for an extension should be sent to NABERS with detail about the reason for the delay and proposed date by which the audit can be reported. NABERS reserves the right to deny a time extension request.

If the audit is not reported within the required timeframes and no extension of time has been granted, it will be considered when evaluating Auditor's performance for contract extension or tender process. Furthermore, Auditors who do not report audits within the timeframes might not be assigned with new audits.

If there are no differences between the Assessor's and Auditor's rating, and is in full compliance with the rules, then the Auditor's findings will be progressed to the outcome stage and allocated to NABERS.

If there are queries or questions on the differences between ratings, the audit is to progress to the issue resolution stage.

11.5 Issue Resolution

This is the stage where the Auditors correspond with the Assessor, when discrepancies occur between ratings; If any issues with re-creating the rating occurs, which includes:

- Data entry errors
- Missing documents
- Oversights or non-compliance in the documents collected
- Rules incorrectly applied or misunderstood

The Auditor is to reach out to the Assessor in the rating platform to resolve issues. The Assessor is to respond to all queries, as a one-time opportunity, for prompt resolution. (Responses are to be provided by the due date, the auditor will finalise the rating based off that response)

Assessors are notified of the Auditor's findings in writing and are entitled to provide a formal response where moderate or significant errors are identified as part of the audit. At this time, the rating customer may also be advised there is an audit underway and of the potential need for further engagement. At this stage no further details or findings are communicated to the rating customer.

The content of a response is a matter for the Assessor. Responses may defend the application of the NABERS Rules, provide additional evidence supporting the conclusions of their assessment or accept that an error occurred. Where an Assessor accepts that an error was made, they are encouraged to identify the cause of the error and activities they propose to undertake in order to prevent the reoccurrence of the error in future.

The initial response must be provided to the Auditor within 10 business days from the notification, with NABERS in copy. If an Assessor cannot respond within this time period, they should contact NABERS as soon as possible. Extensions may be granted at the discretion of NABERS. Where no response is received within the time period allowed, it will be assumed that the Assessor has waived their Right of Reply.

After receiving the Assessor's responses, the Auditor will either inform NABERS that a final determination can be done, or seek additional responses from the Assessor, copying NABERS to the conversation. The Auditor must respond to either NABERS or the Assessor within 10 working days.

If the Assessor is asked for additional responses, these must be provided within 5 business days of each request. In some cases, NABERS may reduce or extend that timeframe.

NABERS oversees the mediation of the Right of Reply stage to ensure the robustness of the process and can decide to moderate the conversation between the Auditor and the Assessor at any point or when requested to do so by either party. Professional and courteous communication is required of all parties. NABERS intervention is not necessary for exchange of missing documentation but becomes fundamental when the audit presents serious open issues regarding the interpretation and application of NABERS Rules, to ensure the correct approach is taken.

If issues are not resolved within few rounds of responses and enough information have been provided by both parties (Auditor and Assessor), NABERS may decide to close the Right of Reply and take the final determination.

11.5.1 When assessor cannot collaborate with the audit process

There may be situations where an Assessor will simply not be in the position to contribute to the completion of an audit. NABERS will assess these circumstances on a case-by-case basis and will conclude an audit in absentia when it is determined that the Assessor will not be able to collaborate to finalise an Audit.

11.6 Auditor Report

The Auditor has the following fundamental objectives when conducting and reporting an audit:

- Ensure that the NABERS rating was correctly calculated and provides an accurate representation of the environmental performance of the rated premises; and
- Identify the level of competency and capacity of the NABERS Assessor who undertook the rating.

Determine the probable causes of issues identified in the audit and propose recommendations to address them. The audit findings will clearly identify any part of the calculation of the original rating that deviated from the NABERS Rules.

The possible findings are:

- Excellent - no issues identified
- Good - minor issues identified
- Fair - moderate issues identified
- Poor - significant issues identified
- Fail - major and critical behavioural issues

Auditors should use the guidelines in Appendix A to assist in determining the audit outcome. Auditors can use their discretion as to the relative weight applied to each issue identified.

The Auditor records these findings and submits them to NABERS.

The Auditor's result is a preliminary result that may change upon review of NABERS or following the Right of Reply by the Assessor.

NABERS reviews the Auditor's findings to ensure that the:

- audit has taken place as required
- relevant methods and standards of assessment were applied
- findings of the audit are clear, comprehensible and well justified
- Auditor has provided clear advice as to how and where the NABERS Assessor has breached the NABERS Rules.

NABERS will aim to review the reported audits within 10 working days.

11.7 NABERS Determination

NABERS will review the Auditor's findings along with any advice and information provided by the Assessor during the Right of Reply stage; as well as any other information considered relevant.

Where NABERS does not confirm the Auditor's findings or considers there is insufficient information available to reach a conclusion, they may commission additional investigation as considered appropriate in the circumstances or reach an alternative conclusion. Further investigation may include, but is not limited to:

- requesting additional data or information from relevant parties;
- sending the Assessor or Auditor on site;
- seek advice from additional Auditors; and
- re-performing the audit.

NABERS will make a final determination of the audit (following the same guidelines in Appendix A) and will decide whether sanctions need to be applied (see section 11.8).

The final determination of a NABERS Audit and applicable sanctions by NABERS is final.

NABERS will aim to review audits and decide the final determination and sanctions within 10 working days or 15 working days if the Audit Review Panel needs to be convened.

If further information is necessary to determine the accuracy of the rating, the Assessor is required to cooperate fully to this end. The need for this will be at the discretion of NABERS with advice from the Auditor, taking into consideration the degree of uncertainty and level of risk of a change to the rating.

11.7.1 Level 2 Audit Review Panel

The NABERS Level 2 Audit Review Panel is convened on an as needs basis and does not assess all audit results. The Panel is a variable group (selected by NABERS), but may include NABERS Auditors, members of the NABERS Technical Team, members of the NABERS National Steering Committee, other senior NABERS Team Members, and independents. The role of the Panel is to review the technical aspects of particularly complex ratings arising from Level 2 Audits, and/or to assist the NABERS in determining the final result to be awarded. The Panel uses the report of the Level 2 Auditor, Issue resolution correspondence and any other information necessary, to make their determinations. The members of the Panel are rotated where possible, at the discretion of NABERS. NABERS retains the right to overrule the determinations of the Panel.

11.8 Sanctions

When an Assessor has not properly applied the NABERS Rules, showed a lack of understanding of them and/or did not correctly follow the audit procedure, formal warning is issued to the Assessor in relation to the error, or a suitable sanction(s) is imposed.

Sanctions that may be imposed by NABERS vary in severity in line with:

- the significance of the errors made

- the resulting impact on the NABERS star rating.
- The understanding of NABERS Rules
- The Assessor's behaviour during the whole auditing process.

The table below gives example of measures and sanctions that may be imposed and the rationale behind the selection, NABERS may decide to impose combined sanctions where necessary (e.g. Assessor must retake the training and the first rating will be selected for Level 2 audit.)

Measure/Sanction	Rationale
Re-issue of rating certificate.	In some cases where the rating result has changed, the requirement to notify the Customer and where relevant the Commercial Building Disclosure (CBD) Program may be considered a strong enough sanction for the Assessor, and no further action will be applied.
Rating to be withdrawn	<p>The audit is unable to determine the correct star rating, further information is necessary to determine the accuracy of the rating, or NABERS considers there is a substantial risk the star rating is incorrect. As a result of which NABERS may decertify the premises.</p> <p>The Assessor is required to complete the rating to a satisfactory level to confirm or correct the star rating.</p>
Advice Notice/ Warning letter	Moderate issues are found in a few areas of the rating. The Assessor is given the possibility to reflect on those areas, become more familiar with the Rules and avoid reiterating mistakes.
Conditions on future rating for this premises	The audit uncovered issues on a particular area of the rating (e.g. After-Hours Air Conditioning, Computer Count, Non-Utility meters records, etc). The Assessor may be asked to provide detailed information and documentation about that area during Level 1 audit for subsequent ratings, until the NABERS is satisfied that area is addressed correctly and consistently.
<p>Further ratings selected for Level 2 audit from the same assessor or the same premises, regardless of the assessor who conducts it.</p> <ul style="list-style-type: none"> • Assessor may be audited within 6 Months • Assessor will be audited within 6 Months 	<p>The mistakes found on the rating demonstrate lack of care and depth in applying NABERS Rules, entering data and seeking accurate documentation and information from the rated site, or the information provided during the audit uncovered issues with the rated premises.</p> <p>The Assessor is asked to demonstrate care and accuracy on subsequent ratings.</p>

	Errors found on documentation for the premises must be resolved for subsequent ratings. The Customer may be advised directly of requirements for future ratings.
Next rating to be a Supervised Rating, based on the severity of the sanction: <ul style="list-style-type: none"> • Assessor to undertake next rating supervised (0% fee) • Assessor to undertake next rating supervised (50% fee) • Assessor to undertake next rating supervised (100% fee) 	There is a lack of understanding in one or more fundamental areas of the rating and NABERS perceives the risk of repeat errors and misinterpretations in subsequent ratings. This knowledge gap can be resolved with the help of an experienced NABERS Supervisor.
<ul style="list-style-type: none"> • Training requirement for Assessor 	<p>The Assessor demonstrates a misunderstanding in NABERS fundamental principles. The assessor is to be re-trained and sit the exam as an opportunity to understand the principles and for professional growth.</p> <p>This sanction is also selected when the Assessor does not provide information for the execution of the audit within 6 months.</p>
<ul style="list-style-type: none"> • Assessor's accreditation to be suspended temporarily • Assessor's accreditation to be suspended permanently 	The Assessor demonstrates together with a lack of understanding of NABERS principle, a behaviour that goes against the NABERS code of conduct. NABERS perceives the risk of undermining the NABERS credibility.

12 Complaints

NABERS acknowledges that the audit process can be a complex and difficult process for Assessors, building owners, sub-lessors and other stakeholders. NABERS considers the professional performance of audits by its Auditors as critical to the maintenance of the integrity and effective operation of the NABERS Program. NABERS also regularly reviews auditing processes and procedures to ensure that the process operates as effectively as possible. If you have any comments or complaints in relation to the operation of an audit or the processes established under this procedure, please contact the NABERS Team at nabers@environment.nsw.gov.au.

Appendix A Guidelines for Audit Outcome

A.1 General

These guidelines are used by the NABERS Auditor in determining the preliminary audit result and by NABERS in determining the final audit result.

It is not the intention of the NABERS Level 2 Auditing Program to simply penalise Assessors, except in extreme cases where NABERS make a determination that there has been deliberate deception on the part of the Assessor with intent to inflate/deflate the rating result (Fail). Instead the Guidelines aim to support consistent and reasonable outcomes as appropriate to the specific circumstances of a given audit result. Appropriate discretion by the Auditor and NABERS can also be applied to meet this aim.

This guideline is not intended to be a comprehensive manual that nominates a specific outcome in all circumstances, except where the final result is “Fail”, which requires NABERS to either suspend or disqualify the Assessor from the NABERS program.

The audit outcome is classified within the following categories (in brackets the equivalent former terminology used for each category):

- Excellent (Pass)
- Good (Pass Minor)
- Fair (Pass Moderate)
- Poor (Fail Moderate)
- Fail (Fail Major)

The Fail outcome must be selected only when the Assessor acted dishonestly in the conduct of the rating assessment and did not work to the standard reasonably expected by an industry practitioner. This may include:

- Providing false documentation to support a rating assessment
- Intentionally making data entry errors in the transfer of data into the rating calculator or software to inflate/deflate the rating result
- Intentionally applying the Rules incorrectly to inflate/deflate the rating result
- Misleading the rating client/Auditor/NABERS in conducting the rating assessment

In all other cases, the selection of the appropriate outcome depends on a combination of technical and behavioural factors, such as having provided non-compliant documentation or lack of collaboration throughout the audit process.

The Auditor or NABERS should give each factor a score depending on the guidelines listed on Table 1. The sum of all scores should then be compared with Table 2 that gives the resultant audit outcome.

An example is provided for a better understanding.

Table 1. Relevant factors for determining audit outcome

Factor	Score
Documents not sent on time	0 points if documents sent on time 1 point if documents sent late
Information not sent following the acceptable information format	0 points if info provided as per format 1 point if info not provided as per format
Missing or non-compliant documentation provided	Number of missing/non-compliant documents
Data entry errors	Number of errors found
Oversights on documentation and data collected	Number of oversights
Misunderstanding or wrong interpretation of the Rules	Number of times the Assessor has incorrectly applied/understood NABERS Rules
Assessor not responsive and collaborative	0 points if Assessor was collaborative 1 point if Assessor was not collaborative
Impact on the rating result	0 points if no impact 5 points for any star rating change 5 points if the impact cannot be determined

Table 2. Scores for audit outcome

Audit Outcome	Total Score
Excellent	0 points
Good	From 1 to 5 points
Fair	From 6 to 10 points

Poor	Above 10 points
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Example:

The Auditor found 3 data entry errors on consumption data and 1 non-compliant documentation to assess Rated Area. The final impact on the rating is 0.5 star decrease on the Energy Star Rating.

The Assessor has provided information within 10 days, but not using the perform folder template. Throughout the process the Assessor was proactive and collaborative.

The Auditor calculates the scores using the guidelines listed on Table 1 with the following results.

Factor	Score
Document not sent on time	0
Information not sent following the acceptable information format	1
Missing or not compliant documentation provided	1
Data entry errors	3
Oversights on documentation and data collected	0
Misunderstanding or wrong interpretation of the Rules	0
Assessor not responsive and collaborative	0
Impact on the rating result	5

The total score is 10, which, as per Table 2, corresponds to a Fair outcome.

Contact us

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