



ANNUAL AUDIT COMPLIANCE REPORTS GUIDELINE FOR INDUSTRY LICENCES

1. PURPOSE

This guideline has been developed to assist licensees under the *Environmental Protection Act 1986* (the Act), to prepare Annual Audit Compliance Reports (AACR). Approvals that require this form of compliance reporting are currently limited to premises issued with a licence under Part V of the Act. Compliance reporting using the AACR may also be extended in the future to other approvals granted under the Act.

2. INTRODUCTION

The Minister for Environment has determined that occupiers of prescribed premises will be required to report annually on their compliance with the conditions of their licence.

This requirement for an AACR will provide a mechanism to ensure that licensees regularly self-audit their operations for compliance with their licence. It will complement current inspection and audit activities undertaken by Department of Environment Regulation (DER).

The AACR will also provide an opportunity for licensees to publicly report their environmental performance, including information on their management of non compliances to ensure protection of the environment.

3. IMPLEMENTING THE REQUIREMENT FOR AACRs

From 28 April 2008, a standard condition requiring industry licensees to submit AACRs will be included on all new licences, existing licences being issued and licences subject to a significant amendment, which have conditions attached to the licence.

Licensees are required to collect and retain information on compliance with conditions of licence from the date on which the AACR condition has been applied. For new and existing licences, this is the commencement date of the licence. For licences which are being amended, this is the date of amendment. AACR reporting periods for the first year may be less than 12 months. Subsequent AACR reporting periods will then be 12 months.

4. STRUCTURE OF COMPLIANCE REPORTS

DER's proforma, "Annual Audit Compliance Report Proforma" for a licence issued under the *Environmental Protection Act 1986* can be found on DER's website at www.der.wa.gov.au. The AACR consists of three sections; the reporting requirements of each section are detailed below.

SECTION A – Details of licence and statement of compliance

Details of the industry licence to which the compliance report relates, and a statement of compliance with conditions for the reporting period, is to be provided in this section.



The statement of compliance requires the licensee to assess their performance against each condition in the licence and determine whether it has been compliant or non-compliant. Some licensees may wish to seek specialist advice to assist with this assessment. DER recommends that licensees seek assurance from a third party on the validity of statements made in the AACR. The Australian Standard *AS/NZ 5911: General guidelines on the verification, validation and assurance of environmental and sustainability reports* provides an assessment framework for validating AACRs.

For a licensee to claim 'compliant' with the requirements of a particular condition of licence, the proponent must possess objective, verifiable, documented information confirming that a required action has been completed or a specified outcome has been achieved. The documented information should be clear, direct and detailed enough to allow DER and other parties to come to the same conclusion about compliance that the licensee has made. It is not a requirement that all AACRs include information to support statements of compliance, except where information of compliance with conditions is expressly required to be submitted by another condition of the licence.

Compliance audits will be undertaken by DER for selected licences. Licensees who are audited will be required to produce information to substantiate claims of compliance. Licensees will be given prior notification by DER where they are required to provide information under these circumstances, but documentary information should be available at all times. Appendix 1 provides examples of information that may be used to substantiate claims of compliance.

SECTION B – Details of non-compliance with licence conditions.

If there is a condition that has not been complied with, specific details of the non-compliance and of the steps taken to mitigate impacts and/or prevent recurrence of the non-compliance are to be provided. A separate page is to be used for each non-compliance.

SECTION C – Signature and Certification.

An AACR may be signed only by a person(s) with the legal authority to sign it. In most cases the principal executive officer or the chief executive officer of the licensee within the state of Western Australia will be required to sign and certify the AACR.

5. ACCURACY OF INFORMATION

It is an offence under section 112 of the Act for a person to give information that to their knowledge is false or misleading. DER expects that the person(s) who endorse the AACR by signature will have satisfied themselves that the information being reported is accurate and verifiable. Licensees may choose to obtain independent specialist advice to assist with the compliance assessment, however, the responsibility for the accuracy and veracity of the compliance statement resides with the person who signs the compliance report.

Any statements made in an AACR are not considered to be *prima facie* evidence of the facts. DER will undertake further investigations in response to statements made in an AACR where the outcome may be enforcement action in accordance with DER's *Enforcement and Prosecution Policy* or use of another regulatory mechanism to address compliance.



Statements made in AACRs may be admissible in a prosecution for a non compliance with a licence condition, except where it is apparent that an honest error has been made.

6. INTEGRATION WITH OTHER REPORTING REQUIREMENTS

DER will negotiate the timing of the submission of AACRs with industry licensees to align with the submission of other reporting requirements, for example Annual Environmental Reports, or Triennial Reports which are required under State Agreement Acts. In the case where a licensee does not have any other reporting requirements, the AACR will apply to the standard financial year reporting period (1 July to 30 June).

Any other reporting requirements typically specified in conditions of an industry licence are not replaced by AACRs, except where conditions have previously required this type of audit compliance reporting.

In the case of discharges of waste which have caused or are likely to cause pollution, material environmental harm or serious environmental harm, the occupier of a premises must notify the CEO under section 72 of the Act. The reporting of such incidents to DER is separate to an AACR requirement under a licence.

7. SUBMISSION OF COMPLIANCE REPORTS

Completed AACRs are to be submitted to DER, through the relevant DER Regional Office.

SOUTH COAST

Albany
 Telephone: (08) 9842 4567
 Fax: (08) 9841 7105
 Post: 120 Albany Highway
 ALBANY WA 6330

SOUTHWEST

Bunbury
 Telephone: (08) 9725 4300
 Fax: (08) 9725 4351
 Post: PO Box 1693
 BUNBURY WA 6231

GOLDFIELDS

Kalgoorlie
 Telephone: (08) 9080 5555
 Fax: (08) 9021 7831
 Post: PO Box 10173
 KALGOORLIE WA 6433

KIMBERLEY

Kununurra
 Telephone: (08) 9168 4200
 Fax: (08) 9168 2179
 Post: PO Box 942
 KUNUNURRA WA 6743

SWAN

Booragoon
 Telephone: (08) 9333 7510
 Fax: (08) 9333 7550
 Post: Locked Bag 33
 CLOISTERS SQUARE WA
 6850

MIDWEST

Geraldton
 Telephone: (08) 9964 0946
 Fax: (08) 9921 5713
 PO Box 72
 GERALDTON WA 6531

PILBARA

Karratha
 Telephone: (08) 9182 2000
 Fax: (08) 9144 1118
 PO Box 835
 KARRATHA WA 6714

WHEATBELT

Northam
 Telephone: (08)9621 3400
 Fax: (08) 9621 3410
 75 York Road
 NORTHAM WA 6401

8. PROCESSING OF COMPLIANCE REPORTS

On receipt of an AACR, DER will conduct a review to check that the AACR has fulfilled the requirements of the condition and to determine if any further DER action is required. Generally the licensee should have previously advised DER of any compliance issues over the reporting period. DER will write to the industry licence-holder acknowledging receipt of the AACR.

9. PUBLIC AVAILABILITY OF AACRs

The *Freedom of Information Act 1992* gives every person the right to seek access to documents held by government agencies. Access to AACRs can be requested by members of the public via DER’s ‘Application for access to documents’ process. Information regarding this process is available on DER’s website.

Information that a licensee considers to be commercially confidential must be submitted with the AACR as a separate document clearly marked ‘commercial in confidence’



including justification as to the reasons for its confidentiality. If DER accepts these reasons are consistent with the provisions of the *Freedom of Information Act*, DER will endeavor to ensure that this information remains protected.

10. FOR MORE INFORMATION

A set of frequently asked questions (FAQs) has been compiled to assist with the implementation of this process. These FAQs are available on DER's website. Additional advice about the industry licensing approvals process is available from DER by telephoning 6467 5000.

Please refer any questions regarding Annual Audit Compliance Reports to staff at DER's Regional Offices in the first instance or to the Operational Policy Support Section, Environmental Regulation Division (DER).

Telephone: Operational Policy Support Section
6467 5000

Postal Address: Industry Regulation Licensing Branch
Department of Environment Regulation
Locked Bag 33,
Cloisters Square WA 6850

email: environmental.regulation@der.wa.gov.au

Tony Wynne

MANAGER, INDUSTRY REGULATION LICENSING BRANCH

Implementation Date: 28 April 2008

Amended: 16 September 2013



APPENDIX 1 – Examples of documentary information that may be used to verify compliance

Compliance can be verified in several ways, examples of which are listed below:

- Consultant reports;
- Audit reports by a suitably qualified and experienced auditor;
- Environmental Management System records including:
 - Monitoring records;
 - Operational records; and
 - Correspondence;
- Unmodified photographs illustrating that the action has been completed;
- Quality assurance forms or Field Inspection Reports signed by an authorised person such as an Environmental or Operations Manager;
- Observation statements from an authorised person;
- Monitoring data and analysis; and
- Invoices from contractors for completion of the action.