



NABERSNZ Auditing Program

Auditing Policy and Procedure

Version 1.0 May 2022

Contents

1	Introduction	2
1.1	About NABERSNZ and NABERSNZ Auditing Program	2
1.2	About this document.....	2
2	NABERSNZ values	2
3	Why audit?	2
4	The NABERSNZ Auditing Program	3
5	Auditing policy principles	3
6	How does auditing work?	4
7	How does NABERSNZ use information from audits?	4
8	Conflicts of interest	5
8.1	Auditors.....	5
8.2	Assessors.....	5
9	Appointment of auditors	5
10	Roles and Responsibilities	6
10.1	Administrator – New Zealand Green Building Council (NZGBC).....	6
10.2	NABERSNZ Auditors.....	6
10.3	NABERSNZ Accredited Assessors.....	6
11	The NABERS Audit Process	7
11.1	Selecting NABERSNZ ratings for audit.....	7
11.2	Assigning an Auditor	7
11.3	Supplying information to Auditors	8
11.4	Audit execution.....	10
11.5	Auditor’s findings	10
11.6	Assessor’s right of reply	11
11.7	Administrator’s determination	11
11.8	Sanctions	12
12	Complaints	14
Appendix A: Request for Information instructions		15
Appendix B: Guidelines for Audit Outcome		17

1 Introduction

1.1 About NABERSNZ and NABERSNZ Auditing Program

The National Australian Built Environment Rating System (NABERS) is a performance-based rating system for buildings, licensed to be used in New Zealand by the government department Energy Efficiency and Conservation Authority (EECA). It has been adapted for use in New Zealand with changes reflecting the energy use and context of the New Zealand office market. NABERSNZ ratings are undertaken by NABERSNZ Assessors that have been trained and accredited by the Administrator to deliver NABERSNZ ratings to the market.

To ensure the integrity of the NABERSNZ Program, identify any gaps in Assessor technical knowledge, and provide a quality assurance measure, the NABERSNZ Auditing Program was established based on the NABERS Australian model, which is underpinned by the NABERSNZ Auditing Policy and Procedure (this document).

1.2 About this document

This document is intended to enable all parties to a NABERSNZ rating – NABERSNZ Accredited Assessors, Auditors, Building Owners and others – to understand the goals and objectives of the NABERSNZ 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 previous NABERSNZ Auditing Procedures and should be read in conjunction with the NABERSNZ Audit Timeframes diagram.

2 NABERSNZ values

The NABERSNZ Program is committed to the values of integrity, quality, public service, leadership and collaboration. The Administrator works closely with NABERSNZ Trainers, Supervisors, Auditors and Trainee and Accredited 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 Accredited Assessor technical knowledge by continually improving the training and accreditation processes and providing ongoing support for the professional development of Accredited Assessors.

3 Why audit?

NABERSNZ provides a trusted, reliable metric of the actual environmental performance of a given building by comparing it to the New Zealand 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 NABERSNZ rating. Routine audits of NABERSNZ ratings for quality and accuracy play an important role in this process.

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

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

These documents are amended periodically and are available on the NABERSNZ website at nabersnz.govt.nz

4 The NABERSNZ Auditing Program

The NABERSNZ Program routinely undertakes two types of audit. A Level 1 Audit is conducted on 100 per cent of NABERSNZ rating applications. It is a quality assurance process undertaken by NABERSNZ Level 1 Auditors to ensure that an Assessor has correctly completed the rating application, has made no apparent errors in data entry, and has correctly applied the Rules to the rating. A Level 1 Audit is required to certify a rating but does not check the accuracy of the data entered or fully evaluate the Assessor's application of the Rules in collating that data.

A Level 2 Audit is conducted on ten per cent of NABERSNZ ratings by NABERSNZ Level 2 Auditors working with the Administrator. The Level 2 Audit is a quality assurance peer review process that delivers a complete re-rating of the building using the documentation relied upon by the Assessor in conducting the original rating. It verifies that a NABERSNZ Accredited Assessor has used accurate and documented data, and has complied with the NABERSNZ Rules, Rulings, processes and procedures when undertaking the NABERSNZ rating. A Level 2 Audit ensures that the correct rating result has been determined and assesses the performance of NABERSNZ Assessors based on their understanding, interpretation and application of the Rules.

This process strengthens the NABERSNZ Program and the reputation of NABERSNZ Accredited Assessors by:

- Providing quality assurance by ensuring that building owners, operators, buyers and lessees can be confident of the accuracy of information provided in a NABERSNZ rating;
- Identifying common or recurrent errors so that Assessor guidance and training can be improved;
- Recognising and supporting the maintenance of high standards amongst Assessors through sanctions that promote continuous improvement including retraining;
- Ensuring that rating results are not affected by a conflict of interest; and
- Ensuring the accuracy of rating records.

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

5 Auditing policy principles

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

1. *Allocate audits in a fair and consistent manner.* The Administrator will select 10% of certified NABERSNZ ratings for audit at random, with a small portion selected on the basis of risk mitigation or as a sanction for poor performance in a previous audit.
2. *Support continuous improvement in NABERSNZ Assessor skills and knowledge.* Sanctions will be directed to the improvement of Assessor skills and knowledge and recurrent issues identified in audits will be incorporated into the NABERSNZ training and other program support for Assessors.
3. *Ensure auditing is effective peer review*
Auditing is a process of independent peer review. NABERSNZ Auditors are former NABERSNZ Accredited Assessors with extensive industry experience and superior understanding of the technical and commercial issues related to NABERSNZ.
4. *Ensure the accuracy of NABERSNZ star ratings*
Where an audit reveals that a NABERSNZ 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 NABERSNZ Auditing Policy.
5. *Ensure that Accredited Assessors operate with integrity*

Where an audit reveals that a rating was deliberately miscalculated, the Assessor's NABERSNZ accreditation will be revoked.

6. *Ensure fair and consistent outcomes*

The Administrator is responsible for ensuring that audit results and any associated sanctions are determined in a fair and consistent manner. Auditors provide their findings to the Administrator, 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 auditing work?

Auditors will review all of the Assessor's documentary evidence in support of their NABERSNZ 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 NABERSNZ Rules, Rulings, processes and procedures, they will seek to determine how and why the error occurred. The Administrator will determine the consequences of errors found and may impose a sanction on a NABERSNZ Assessor. These sanctions may include the requirement to complete additional training or supervised ratings, additional audits, or in cases of deliberate misrepresentation the suspension or revocation of NABERSNZ Assessor accreditation.

In determining the appropriate sanction, the Administrator 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.

The Administrator 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 NABERSNZ certificate. This is to ensure the accuracy of publicly available NABERSNZ ratings. The new rating will be displayed on the NABERSNZ website. For more information on the process and sanctions refer to Chapter 11 of this document.

7 How does NABERSNZ use information from audits?

NABERSNZ uses information collected from audits to:

- Identify any areas where the NABERSNZ Rules, Rulings, processes and procedures are being consistently misapplied, misunderstood, or overlooked;
- Examine the causes and impacts of errors found to enable improvements to be made to the NABERSNZ training materials, NABERSNZ Rules, Rulings, processes and procedures, and communication platforms;
- Ensure that Assessors who are found to have an insufficient, poor or incorrect knowledge of the NABERSNZ 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

The Administrator is responsible for ensuring that conflicts of interest do not impact upon the impartiality of NABERSNZ 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.

8.1 Auditors

To protect NABERSNZ Auditors from being improperly influenced by conflicts of interest, Auditors are contractually required to suspend their NABERSNZ Accredited 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 the Administrator 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 the Administrator as early in the audit process as possible. The Administrator will then assess the conflict and determine whether the Auditor can continue the audit or if the audit should be reassigned to another Auditor.

8.2 Assessors

Where a conflict of interest or potential conflict of interest exists for an Assessor, the Administrator must consider the nature of the relationship that gave rise to it, and whether it has influenced the NABERSNZ Assessor's rating. If the Administrator 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 NABERSNZ 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 NABERSNZ 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

NABERSNZ Auditors must have an excellent understanding of the NABERSNZ Rules, Rulings, the NABERS Accredited Assessor Code of Practice, the NABERSNZ Rating Auditing Policy and Procedure, the NABERSNZ 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.

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

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

- Demonstrated extensive expertise and experience in conducting NABERSNZ ratings over a substantial period;
- Superior understanding of the technical issues relating to NABERSNZ;
- Sound knowledge of the NABERSNZ Rules, Rulings, processes and procedures; and

- Previous experience in auditing, peer review processes or similar.

10 Roles and Responsibilities

10.1 Administrator – New Zealand Green Building Council (NZGBC)

The Administrator is responsible for the overall management of the NABERSNZ Program and the NABERSNZ auditing process. To maintain the robustness, credibility, reliability and integrity of the NABERSNZ Program, the Administrator audits NABERSNZ ratings to ensure that they are conducted to the highest possible standard.

The Administrator is responsible for:

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

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

10.2 NABERSNZ Auditors

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

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

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

NABERSNZ 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.

NABERSNZ Auditors must comply with the provisions, requirements and timeframes of the NABERSNZ 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 NABERSNZ Auditor and may only be discussed with the Assessor and Administrator unless permission from the Administrator to further distribute is first obtained.

10.3 NABERSNZ Accredited Assessors

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

NABERSNZ Assessors are required to work cooperatively with the Administrator and the NABERSNZ Auditor to ensure the effective and efficient administration of the NABERSNZ 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 NABERSNZ Accredited Assessor must work closely with the NABERSNZ Auditor to ensure the correct interpretation and application of the Rules, and sufficient and compliant documentary evidence is provided.

The NABERSNZ Accredited Assessor² must retain all documentation used to support the NABERSNZ ratings calculations for seven years. Additional responsibilities of the Accredited Assessor are listed in the NABERSNZ Accredited Assessor Code of Practice, the NABERSNZ Accreditation Procedure and the NABERSNZ Accredited Assessor Agreements.

A range of actions and sanctions can be applied to a NABERSNZ 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 Accredited Assessor, who is required to abide by any decision or penalty applied by the Administrator.

11 The NABERS Audit Process



11.1 Selecting NABERSNZ ratings for audit

The Administrator will select ratings for audit at random 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 NABERSNZ rating has not been declared;
- Collaboration with EECA; and
- The identification of errors or potential errors as part of the Administrator's rating certification processes (Level 1 Audits).

NABERSNZ Assessors may be the subject to more than one Level 2 Audit simultaneously. In such cases the Administrator 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.

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

11.2 Assigning an Auditor

The Administrator 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; and
- potential for any conflict of interest to arise.

² NABERSNZ 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.

Where possible, the Administrator 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 the 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, the Administrator will assign another Auditor.

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

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

11.3 Supplying information to Auditors

First request to Assessor

Once an audit is allocated, the NABERSNZ 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 available all of the 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 the Administrator will contact the NABERSNZ 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 the Administrator 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 for first or second request

If a NABERSNZ Assessor is unable to meet the timeframes above they must notify the Administrator 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 nabersnz@nzgbc.org.nz and detail the:

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

The Administrator 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.

11.3.1 No or 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 NABERSNZ ratings until the audit is complete.

If, after suspension of the Assessor's account, information is still not provided, the Administrator will take further actions, progressively, such as (but not limited to) notification to the Assessor's employer, notification to the rating customer, notification to EECA 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 NABERSNZ Accredited Assessor Course and Exam.

11.3.2 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, the Administrator may require the Assessor to return to site or source that information from the client during the Right of Reply period (Section 11.6). Additional documentation provided during the Right of Reply 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 building may be decertified.

Failure to obtain and/or 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 the Administrator when determining the appropriate sanction to Assessors (refer to Section 11.8).

11.3.3 Acceptable information format

Documents must be sent according to instructions on Appendix A: Request for Information instructions. Files must be organised in folders as indicated in the instructions/template and shared with the Auditors through file hosting services. NABERSNZ Auditors will indicate Assessors their preferred method to receive documentation at the time of the audit allocation.

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 11.3.2).

11.3.4 Voluntary notification of an error

Where an Assessor becomes aware that they have made an error as part of a NABERSNZ rating they are encouraged to notify the Administrator. 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 the Administration when determining the appropriate sanction to be imposed.

11.4 Audit execution

The NABERSNZ Auditor will perform the audit by checking that the NABERSNZ 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 NABERSNZ Auditor is unable to meet the timeframe they must notify the Administrator as soon as possible to arrange a time extension.

Applications for an extension should be sent to the NABERSNZ National Administrator with detail about the reason for the delay and proposed date by which the audit can be reported. The Administrator 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.

11.5 Auditor's findings

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

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

The audit findings will clearly identify any part of the calculation of the original rating that deviated from the NABERSNZ 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 B: Guidelines for Audit Outcome" 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 the Administrator.

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

The Administrator 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; and
- Auditor has provided clear advice as to how and where the NABERS Assessor has breached the NABERS Rules.

The Administrator will review 80% of the reported audits within 10 working days.

11.6 Assessor's right of reply

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 NABERSNZ 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 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 the Administrator in copy. If an Assessor cannot respond within this time period, they should contact the Administrator as soon as possible. Extensions may be granted at the discretion of the Administrator. 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 the Administrator that a final determination can be done, or seek additional responses from the Assessor, copying the Administrator to the conversation. The Auditor must respond to either the Administrator 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, the Administrator may reduce or extend that timeframe.

The Administrator 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. The Administrator 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), the Administrator may decide to close the Right of Reply and take the final determination.

11.3.5 Impossibility of an Assessor to collaborate with an Audit

There may be situations where an Assessor will simply not be in the position to contribute to the completion of an Audit. The Administrator 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.

11.7 Administrator's determination

The Administrator 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 the Administrator 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.

The Administrator will make a final determination of the audit (following the same guidelines on Appendix B: Guidelines for Audit Outcome) and will decide whether sanctions need to be applied (see section 11.8).

The final determination of a NABERSNZ Audit and applicable sanctions by the Administrator is final.

The Administrator will review 80% of audits and decide the final determination and sanctions within 10 working days.

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 the Administrator with advice from the Auditor, taking into consideration the degree of uncertainty and level of risk of a change to the rating.

11.8 Sanctions

When an Assessor has not properly applied the NABERSNZ 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 the Administrator vary in severity in line with:

- the significance of the errors made
- the resulting impact on the NABERSNZ star rating.
- The understanding of NABERSNZ 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, the Administrator may decide to impose combined sanction where necessary (e.g. Assessor must retake the training and the first rating will be selected for Level 2 audit).

Measure/Sanction	Rationale
Outcome Letters for Star Rating changes	In some cases where the star rating has changed, the requirement to notify the Customer may be considered a strong enough sanction for the Assessor, and no further action will be applied.
Building rating required to be confirmed, completed, or corrected.	The audit is unable to determine the correct star rating, further information is necessary to determine the accuracy of the rating, or the Administrator considers there is a substantial risk the star rating is incorrect.
	The Assessor is required to complete the rating to a satisfactory level to confirm or correct the star rating.
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.



<p>Detailed documentation required during Level 1 audit for a number of subsequent ratings</p>	<p>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 Administrator is satisfied that area is addressed correctly and consistently.</p>
<p>Further ratings selected for Level 2 audit for:</p> <ul style="list-style-type: none"> • The same assessor • The same premises, regardless the assessor who conducts it <p>A random rating may be selected within 6 months or the next applicable rating may be selected.</p>	<p>The mistakes found on the rating demonstrate lack of care and depth in applying NABERSNZ 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> <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.</p>
<p>Next rating to be a Supervised Rating.</p> <p>The Supervised rating may be undertaken at the Assessor’s expense.</p>	<p>There is a lack of understanding in one or more fundamental areas of the rating and the Administrator perceives the risk of repeat errors and misinterpretations in subsequent ratings. This knowledge gap can be resolved with the help of an experienced NABERSNZ Supervisor.</p>
<p>Retake NABERSNZ Accredited Assessor Course and Exam.</p> <p>Retraining may be undertaken at the Assessor’s expense.</p>	<p>The Assessor demonstrates a misunderstanding in NABERSNZ fundamental principles. Being re-trained by a professional on these principles is an opportunity for a 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>
<p>Accreditation revoked or suspended (temporarily or permanently)</p>	<p>The Assessor demonstrates together with a lack of understanding of NABERSNZ principle, a behaviour that goes against the NABERSNZ code of conduct. The Administrator perceives the risk of undermining the NABERSNZ credibility.</p>

Where the severity of the errors found impacts the star rating, the rating will be adjusted with the updated star rating. The Administrator will notify the NABERSNZ Accredited Assessor, the Assessor’s customer, the Energy Efficiency and Conservation Authority (EECA) and any other parties to the rating and will issue a corrected copy of the NABERSNZ rating certificate and rating report.

When the certification period for a NABERSNZ rating has concluded, it is impractical to revise the rating result. However, the Administrator may still notify the rating customer to ensure they are aware of this and can consider this information in future ratings.

If the final audit result is that the rating assessment cannot be supported by the correct application of the Rules the rating certificate will be withdrawn. The Administrator will notify the NABERSNZ Accredited Assessor, the Assessor's customer, and any other parties to the rating.

When a subsequent rating needs to be selected for a Level 2 audit as a sanction on a previous audit, it is expected that the Assessor performance has improved, and the same mistakes are not repeated. However, if mistakes are repeated or the level of care and attention has not improved, sanctions on those subsequent audits will be selected using harder criteria. For instance, the Assessor may be required to undertake a Supervised audit if the same errors are repeated in subsequent audited ratings.

12 Complaints

The Administrator acknowledges that the audit process can be a complex and difficult process for Assessors, building owners, sub-lessors and other stakeholders. The Administrator considers the professional performance of audits by its Auditors as critical to the maintenance of the integrity and effective operation of the NABERSNZ Program. The Administrator 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 NABERSNZ Team at nabersnz@nzgbc.org.nz.

Appendix A: Request for Information instructions

When providing the initial set of information for a Level 2 Audit, the Assessor must organise documents using the following instructions:

1. Create one folder for each section of the rating (e.g. Area, Hours, etc);
2. On each folder, copy all the relevant documents. The list of documents to be provided for a rating is generally listed on Appendix A – Information checklists for accredited rating of the NABERSNZ Rules . You might need to organise documents for a section on multiple sub-folder for better clarity.

















Each numbered item below corresponds to a folder/subfolder. Some of the item listed are not relevant for all rating types (e.g. base building ratings do not have computer count) and can be omitted when not applicable for the rating type.

Items 9 and 10 are not mandatory, but useful for the Auditor to reproduce the rating.


















NABERSNZ Calculations refers to spreadsheets potentially used by the Assessor to replicate NABERSNZ Ratings input and calculations. Rating Outcomes and Recommendation refers to after-rating documents prepared by the Assessor for the Rating Customer to summarise the rating outcomes and suggest recommendations for improvements.

Template: Request For Information Checklist for NABERSNZ Offices Ratings

Evidence Provided?:

- | | |
|--------------------------|--|
| <input type="checkbox"/> |  1. Area |
| <input type="checkbox"/> |  a. OTA Extracts |
| <input type="checkbox"/> |  b. Survey Plans |
| <input type="checkbox"/> |  c. Tenancy Stacking Plans |
| <input type="checkbox"/> |  d. Evidence for area exclusions |
| <input type="checkbox"/> |  e. Fit-out evidence |
| <input type="checkbox"/> |  2. Hours |
| <input type="checkbox"/> |  a. OTA Hours extracts |
| <input type="checkbox"/> |  b. BMS-Additional evidence of core hours |
| <input type="checkbox"/> |  c. AHAC Logs |
| <input type="checkbox"/> |  d. Long hours verification |
| <input type="checkbox"/> |  e. Tenancy Occupancy Surveys |
| <input type="checkbox"/> |  f. Alternative methods for determining hours |
| <input type="checkbox"/> |  3. Computer Count |
| <input type="checkbox"/> |  a. Marked-up desk layouts |
| <input type="checkbox"/> |  b. Desk count sheets |



-  4. Energy
-  a. Electricity bills
-  b. Gas bills
-  c. Diesel bills
-  d. SLD and technical drawings
-  e. Non-utility meters data
-  i. Exclusions
-  ii. Inclusions
-  g. Thermal Transfer calculations
-  h. Small end user inclusions calculations
-  i. Evidence of other consumption exclusions (area weighting, financial reconciliation)
-  j. Green Power purchase
-  5. Email correspondence
-  6. Site Notes
-  7. Site Photos
-  8. NABERS Calculations
-  9. Rating Outcomes and Recommendations

Appendix B: Guidelines for Audit Outcome

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

It is not the intention of the NABERSNZ Level 2 Auditing Program to simply penalise Assessors, except in extreme cases where the Administrator 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 Administrator 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 the Administrator to either suspend or disqualify the Assessor from the NABERSNZ 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 Accredited 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/Administrator 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 Administrator 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 RFI template	0 points if info provided as per template 1 point if info not provided as per template
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

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 requested 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 RFI template	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.