

Overview of the site contamination audit system

Updated December 2015¹

EPA866/15: This information sheet provides a general introduction to the audit system. It is designed to assist people using the audit system and is intended to be read in conjunction with the other information sheets in the series, [Site contamination auditors](#) and [Site contamination audit reports and audit statements](#). For detailed guidance on the audit system, refer to the [Guidelines for the site contamination audit system](#).

Introduction

In South Australia, the *Environment Protection Act 1993* (the Act) and *Environment Protection Regulations 2009* (the Regulations) establish the legislative framework for managing site contamination² and the site contamination audit system³ (audit system). The audit system and the accreditation and use of site contamination auditors are key strategies in the management of site contamination in South Australia. The audit system is a critical link between the site contamination status of land, the suitability of land for its current or proposed use, and planning and development processes.

The Environment Protection Authority (EPA) is responsible for the administration of the audit system, the accreditation of site contamination auditors (auditors) and ensuring that site contamination audits (audits) are carried out according to the legislation and relevant guidelines.

This information sheet provides a general introduction to the audit system, its key components and the audit process. The general steps in the completion of an audit is shown in Figure 1.



Figure 1 Steps in an audit

¹ Last updated October 2010.

² Site contamination is defined in section 5B of the Act. Refer to the EPA publication, [Guidelines for the assessment and remediation of site contamination](#).

³ The site contamination audit system came into operation on 1 July 2009. In South Australia, between October 1995 and the audit system coming into operation in 2009, the EPA endorsed the use of environmental auditors (contaminated land).

Aims of the audit system

The aims of the audit system are to support the Objects of the Act⁴ which promote the principles of ecologically sustainable development (ESD)⁵. They seek to ensure that all reasonable and practicable measures are taken to protect, restore and enhance the quality of the environment with consideration of both long and short-term economic, environmental, social and equity considerations.

The audit system has been established to provide:

- for the protection of human health and the environment where site contamination exists or may exist
- rigour, independence and objectivity in the assessment and remediation (including management) of site contamination
- a body of accredited persons whose independent and expert opinions can be relied upon by all sectors of the community when making determinations in relation to site contamination
- greater certainty to the community, developers, industry, planning authorities and regulators that land is suitable for its intended use through the independent review by accredited experts of the assessment and remediation of site contamination
- a framework to facilitate sustainable development with due consideration of economic, social and environmental aspects of site contamination assessment and remediation.

The audit system is also intended to support the purpose and desired environmental outcome, and the attainment of environmental outcome, described in principle 16 of the [National Environment Protection \(Assessment of site contamination\) Measure 1999](#).

Auditing, assessment and remediation of site contamination

The assessment of site contamination may identify the need for remediation and/or for an audit to be carried out. The extent and duration of the processes required to be implemented will vary depending on the nature of potentially contaminating land uses and activities and the complexity of issues associated with the site, the relevant trigger for investigation and identified level of risk.

These factors will influence the level or tier of risk assessment required, which may include a preliminary site investigation (PSI), detailed site investigations (DSI) and/or site specific risk assessment (SSRA). The results of the assessments will identify whether remediation is or remains necessary which may involve the preparation of remediation option assessments (ROA), site remediation plans (SRP), remediation and validation reports (RVR) and ongoing site or environmental management plans (SMP/EMP). The results and relevant trigger will also identify if an audit is to be carried out. An audit is completed with the preparation of a site contamination audit report (SCAR). Where appropriate, interim audit advice (IAA) may be issued prior to audit completion.

Refer to the EPA publication, [Guidelines for the assessment and remediation of site contamination](#) for further information on the triggers and stages of assessment and remediation.

The general relationship between auditing and the assessment and remediation of site contamination is shown in Figure 2.

⁴ Refer to section 10 of the Act.

⁵ Development which meets the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development 1987, *Our Common Future*, Oxford University Press).

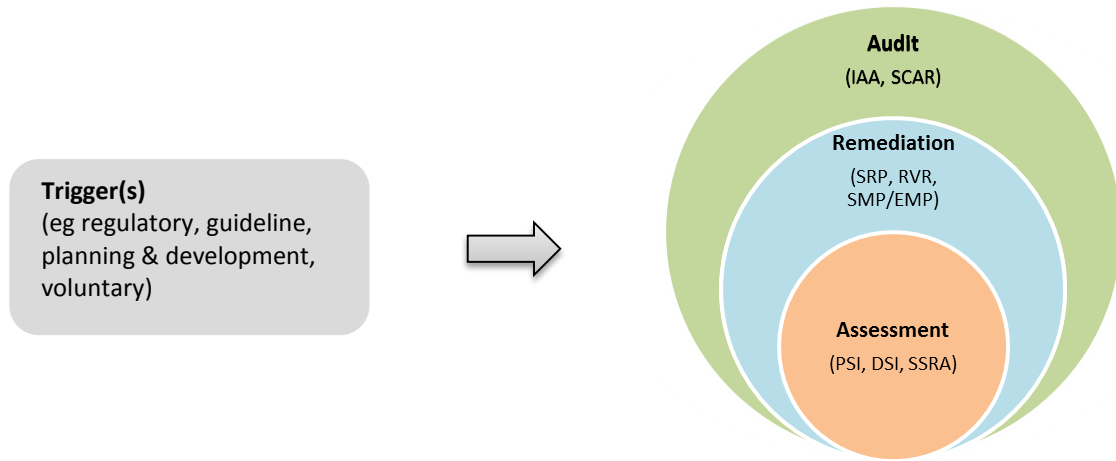


Figure 2 Indicative relationship and stages of the assessment, remediation and auditing of site contamination

The assessment and remediation of site contamination is carried out by site contamination consultants⁶ and specialist remediation contractors. The engagement of a consultant is undertaken in accordance with the terms and conditions of the company or, in some cases, as mutually agreed to complete an agreed scope of works. Their role is to design, prepare and carry out the assessment and/or remediation work in accordance with the scope of works.

Where an audit is being carried out, the results of the assessment and/or remediation completed by the consultant are provided to the auditor for their independent review.

Site contamination auditor

Auditors are expert individuals who are accredited by the EPA and are subject to specific legislative obligations and mandatory guideline requirements.

A site contamination auditor is defined in section 3(1) of the Act as a person accredited under Division 4 of Part 10A of the Act. Only a natural person may be granted accreditation⁷.

Auditors must comply with the relevant provisions of the Act, associated Regulations and relevant EPA guidelines. The legislation provides for significant penalties for offences and breaches of specific legislative requirements including expiations, fines and/or imprisonment. The Act requires auditors to ensure that in conducting audits they are not subject to a conflict of interest. The independence of auditors is a fundamental aspect of the audit system. The integrity of the audit system is based on auditors providing an independent and expert evaluation of the condition of a site.

Refer to the EPA Information Sheet, [Site contamination auditors](#) for further information about auditors.

Site contamination audit

A site contamination audit (audit) is carried out by an auditor. An audit is defined in section 3(1) of the Act as a review carried out by a person that:

- a examines assessments or remediation carried out by another person of known or suspected site contamination on or below the surface of a site; and
- b is for the purpose of determining any one or more of the following matters:
 - i the nature and extent of any site contamination present or remaining on or below the surface of the site;

⁶ A definition of a site contamination consultant is provided in section 3(1) of the Act. Refer to the EPA Information Sheet, [Site contamination consultant](#).

⁷ Section 103V(1) of the Act.

- ii the suitability of the site for a sensitive use⁸ or another use or range of uses;
- iii what is remediation or remains necessary for a specified use or range of uses.

The relevant audit determinations will be identified taking into account the reason for the audit being carried out. An audit may be carried out or required for one or more of the following reasons:

- to satisfy requirements under the Act (eg an audit may be required in a condition of an order or authorisation, or in a voluntary proposal)
- to satisfy the requirements of the planning process under the *Development Act 1993*
- for other purposes (ie not specifically required by legislation, such as due diligence).

The audit purpose(s) relevant for an audit must be identified at the time of notification of audit commencement. Table 1 provides details of which purpose(s) need to be selected, depending on the reason for the audit.

Table 1 Consideration of audit reasons and purpose determinations

Reason for audit	Audit purpose ¹		
	Nature and extent of any site contamination present or remaining on or below the surface of a site	Suitability of a site for a sensitive use or another use or range of uses	What remediation is or remains necessary for a specified use or range of uses
Environment Protection Act 1993	yes	case-by-case basis	case-by-case basis
Development Act 1993	yes	yes ²	yes
Other	–	–	–
Remediation options assessment	yes	case-by-case basis	yes
Due diligence	yes	case-by-case basis	case-by-case basis
Offsite contamination assessment and/or remediation	yes	case-by-case basis for audit site, not applicable for land outside the audit site boundaries	yes
Restricted scope	yes	not applicable	case-by-case basis

¹ It is assumed that the client has liability for the site contamination. Refer to the [Guidelines for the assessment and remediation of site contamination](#).

² An audit subject to a restricted scope is not suitable to be relied upon by a planning authority for the purpose of making determinations as to whether land is suitable for a sensitive or another use or range of uses.

Refer to the [Guidelines for the site contamination audit system](#) for further information on the reason and purposes of audits.

⁸ 'Sensitive use' is defined in section 3(1) of the Act as meaning: (a) use for residential purposes; or (b) use for a pre-school within the meaning of the *Development Regulations 1993*; or (c) use for a primary school; or (d) use of a kind prescribed by regulation. Guidance on generic land-use descriptions can be found in the [Guidelines for the site contamination audit system](#).

Commissioning an audit

An audit should be commissioned as early as possible, prior to or at the same time as the engagement of the consultant and preferably before any assessment and/or remediation of site contamination is carried out at a location. This would normally be expected to improve the efficiency of the assessment, remediation and audit processes.

Advice provided by an auditor may assist in the selection of a consultant with the appropriate expertise and experience relevant to the specific issues at and/or arising from a site.

Discussions between an auditor, client and consultant prior to commencing the audit can be beneficial in clarifying the requirements, determinations and scope of an audit and identifying potential critical data requirements and time pressures.

An audit will typically be commissioned by:

- the site owner, or their representative
- the site occupier
- another person (for example a developer, financial institution or prospective purchaser) who is legally authorised to enter the audit site or has written consent from the site owner
- a person who is not the current site owner or occupier but who has been issued with an order from the EPA. This person needs to gain permission from the owner/occupier to enter the land⁹ (if permission is withheld or withdrawn, the owner/occupier may then become the appropriate person to be issued with an order¹⁰)
- a government agency.

Persons commissioning an audit should ensure they have legal access to the audit site and are able to provide for the legal access to the auditor and auditor's representatives and other parties involved in the assessment and/or remediation, and to allow any intrusive assessment and/or remediation works to be undertaken.

The cost of carrying out an audit will generally be at the expense of the person who has commissioned the audit.

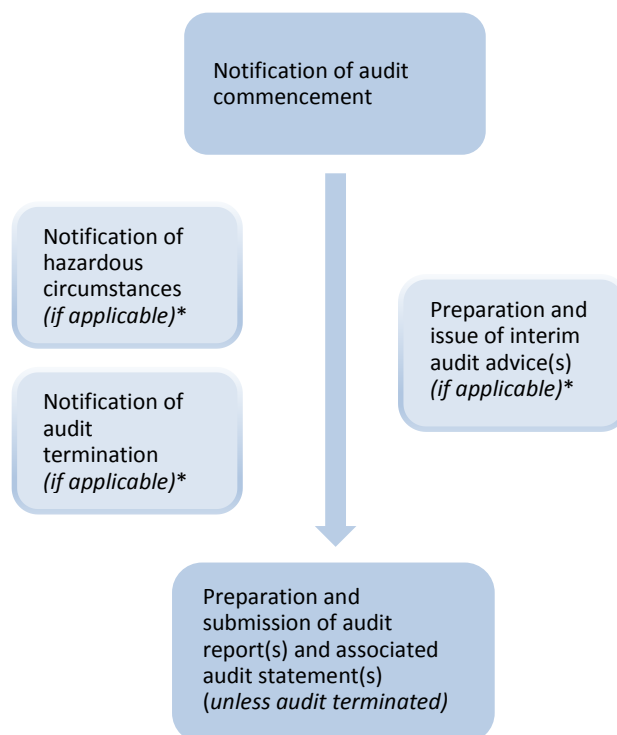
Once commissioned, auditors should be kept regularly informed and up to date regarding the status of works at an audit site. This should ensure the best outcome for the audit as ineffective or inadequate communications between one or more of these parties will likely result in unnecessary time and cost burdens.

The audit process

Once it has been identified that an audit is required, the steps involved and duration of the audit process may vary depending on the point at which the audit is commissioned and the complexity of issues associated with the audit site. Figure 3 shows the stages in audit notification and reporting for auditors that may be involved in the course of carrying out and completing an audit. In addition, it may be necessary for auditors to notify the EPA of site contamination that affects or threatens underground water (refer to the [Guidelines for the assessment and remediation of site contamination](#)).

⁹ Section 103L(1) of the Act.

¹⁰ Section 103L(2) of the Act.



*Indicates step may not be necessary/appropriate in completing an individual audit

Figure 3 Indicative audit process

A more detailed overview of the audit process is shown in Figure 3.

Audit scope

The audit scope may be restricted in relation to the potential impact of known or suspected site contamination resulting from an activity on one or more elements of the environment.

An audit subject to a restricted scope is not suitable to be relied upon by a planning authority for the purpose of making determinations as to whether land is suitable for a sensitive or another use or range of uses.

Where it is suitable for a restricted scope to be applied, the objectives of the restricted scope are to be agreed to by the auditor and the client, and documented, notified to the EPA and reported in accordance with the [Guidelines for the site contamination audit system](#).

Audit completion

The completion of an audit is the provision of a site contamination audit report¹¹ (audit report) and site contamination audit statement¹² (the prescribed summary of the audit findings) by the responsible auditor. The audit report provides the auditor's determinations and audit outcomes.

The Act requires an audit report and related audit statement to be prepared and provided by the responsible auditor to the person who commissioned the audit, the local council and any other prescribed body, and the EPA on completion of the audit.

Prior to audit completion an auditor may be able to provide interim audit advice. Interim audit advice may be useful in supporting development applications and is required to be prepared to support waste derived fill proposals. **Interim audit**

¹¹ Section 3(1) of the Act.

¹² Section 3(1) of the Act.

advice is not an audit report. An audit report is required in order to complete the audit. For further information about interim audit advice, refer to the [Guidelines for the site contamination audit system](#).

In some circumstances, in order to support the audit outcomes, the auditor may need to specify conditions in the audit report which require implementation by one or more identified persons to adequately protect human health and the environment.

The EPA may apply to the Registrar-General to include a notation that an audit report has been prepared in respect to land¹³. This may be done for example where audit conditions require the ongoing implementation of site management plans to ensure the site remains suitable for its intended use.

For further information about audit reports refer to the EPA Information Sheet, [Site contamination audit reports and audit statements](#).

Termination of an audit

If an auditor is unable to proceed with or finalise an audit for any reason, they are required to notify the EPA of the termination of the audit (before completion)¹⁴. Another audit may then be required to be commissioned, depending on the reason for the audit and the condition of the site.

False or misleading information and reports

Section 103ZB of the Act describes penalties for people providing false or misleading information to auditors and consultants. Sections 119 and 120A also describe penalties for persons providing false or misleading information and reports to the EPA.

Refer to the [Guidelines for the assessment and remediation of site contamination](#) for further information.

Audit information

Certain information submitted to the EPA in relation to site contamination, including audits, is required to be recorded on the Public Register under section 109 of the Act. These public documents are available on request to the EPA. Contact the EPA by email (epainfo@sa.gov.au) or telephone (08) 8204 2004 or 1800 623 445 (free call for country users) to obtain audit information on the Public Register.

A list of audit information on the Public Register is also available through the [Site Contamination Index](#). Requests for copies of documents listed on the index will be provided at no charge.

It is also possible to find out if an audit report has been completed for a site of interest through the [Form 1 statement](#), required when land is sold in South Australia under section 7 of the *Land and Business (Sale and Conveyancing) Act 1994* and detailed in Schedule 1 of the *Land and Business (Sale and Conveyancing) Regulations 2010*.

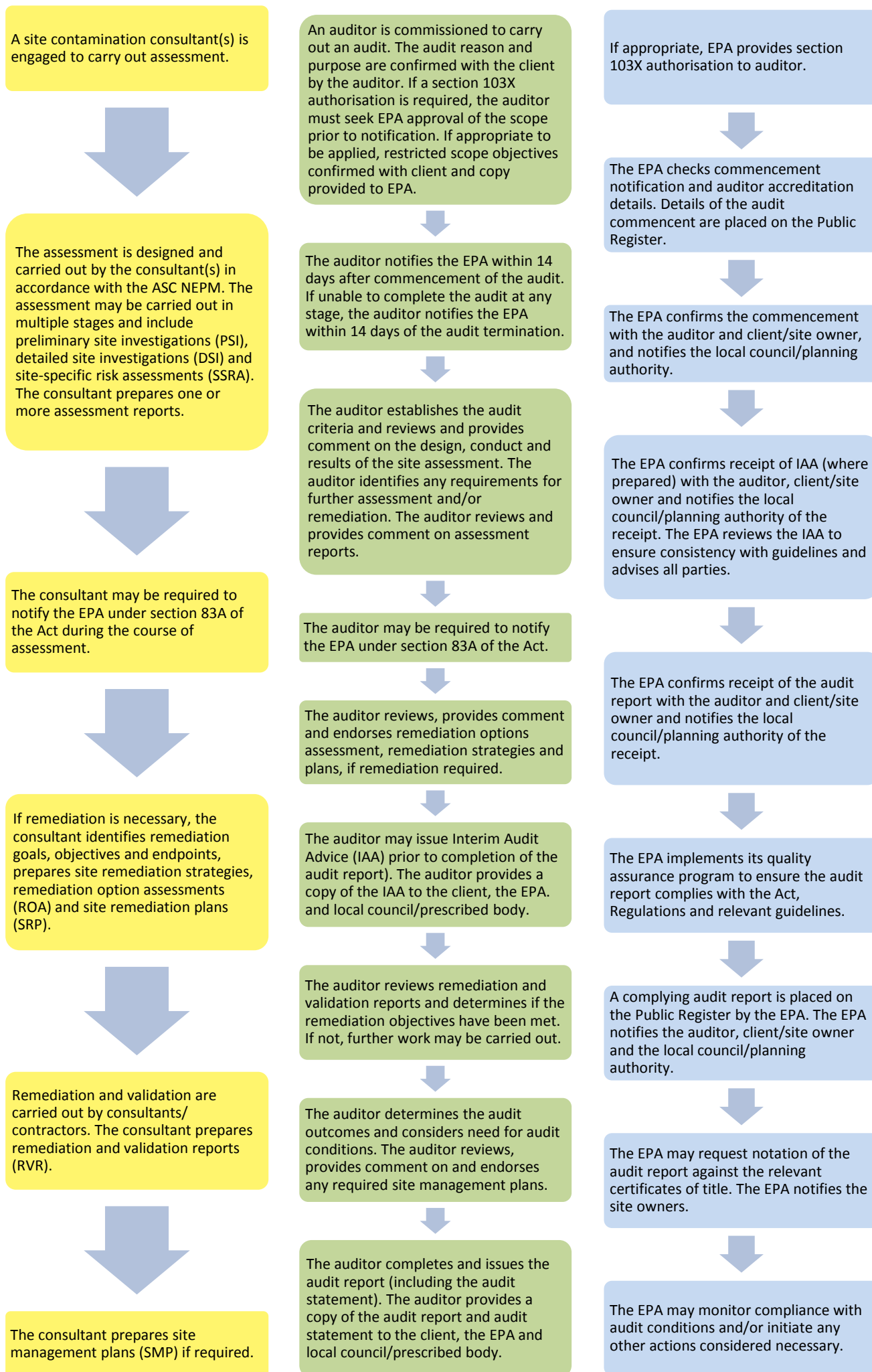
Refer to the [Guidelines for the assessment and remediation of site contamination](#) for further information on how to obtain information about site contamination.

Figure 4 Overview of the audit process showing key stages and requirements for auditors, consultants and the EPA



¹³ Under section 103P of the Act. Refer to the EPA Information Sheet, [Site contamination audit reports and audit statements](#).

¹⁴ Section 103Z(2) of the Act.



Further information

Legislation

[Online legislation](#) is freely available. Copies of legislation are available for purchase from:

Service SA Government Legislation Outlet
Adelaide Service SA Centre
108 North Terrace
Adelaide SA 5000

Telephone: 13 23 24
Facsimile: (08) 8204 1909
Website: <shop.service.sa.gov.au>
Email: <ServiceSAcustomerservice@sa.gov.au>

General information

Environment Protection Authority
GPO Box 2607
Adelaide SA 5001

Telephone: (08) 8204 2004
Facsimile: (08) 8124 4670
Freecall: 1800 623 445 (country)
Website: <www.epa.sa.gov.au>
Email: <epainfo@epa.sa.gov.au>
