



## Guidance Note 2 – Assurance and Compliance Audits

This guidance was distributed on 11 February 2026.

Reports produced after 1 March 2026 are expected to incorporate the below guidance.

To assist auditors, prepare consistent assurance and compliance audit reports, the commission will provide additional guidance notes when deemed necessary. These notes will also remind auditors that their reports must meet the requirements specified in Clause 16.5.3 of the relevant version of the Victorian Energy Efficiency Target Guidelines.

### Reminder of audit requirements

To assist auditors in meeting the audit report requirements, commission staff have provided clarification on areas as follows:

#### Offence to provide false or misleading information

Under section 55N of the Victorian Energy Efficiency Target Act 2007 (**Act**), it is an offence to knowingly provide false or misleading information to an auditor conducting a compliance or assurance audit, without reasonable excuse.

Prior to commencing an audit, the auditor must ensure that they receive the full Notice of Assurance/Compliance Audit (**Notice**), including all relevant appendices or attachments. A typical Notice will include:

- The Notice signed by the commission delegate
- Schedule 1 outlining the audit scope
- Appendix A detailing the minimum number of installations to audit and any additional testing requirements.

In some cases, the Notice may also include supplementary appendices containing further information deemed relevant by the commission for the purpose of the audit.

## **Authenticity of compliance report**

Auditors are encouraged to verify the authenticity of compliance certificates. This can be done via the issuing body (e.g. VBA360 for Building and Plumbing Commission certificates and CoES public search for Certificates of Electrical Compliance)

## **Audit population**

The audit population, or the total number of activities within the audit period, will be provided to the auditor in the Notice. Auditors must ensure they receive a complete and accurate list of the audit population from the accredited persons (**AP**) and independently select activities for testing from that list.

## **Meeting minimum Audit requirements**

Auditors are expected to meet the minimum sample requirements specified in the Notice. The number of activities tested must meet or exceed the minimum number outlined in the audit scope to ensure comprehensive coverage. If difficulties arise in meeting the minimum audit numbers (for example, due to limited availability of audit samples), the auditor should contact the Victorian Energy Upgrades (**VEU**) audit team for approval before proceeding. Any audits conducted outside the approved sample or population must be documented and flagged for transparency.

## **Clarification on phone verifications, site inspections and desktop reviews**

For assurance audits, the commission will specify in the Notice the minimum number of samples including any specific methods of verification. The audit report should include a list of VEU activities IDs (not APs's own reference) that was assessed in each category.

### **Phone verification:**

- Auditors must ensure that the minimum number of phone verifications specified in the audit scope are met or exceeded. Phone verifications should not be replaced with any other form of testing.
- For phone verifications to count toward the sample's requirements, there must be successful contact with the consumer. Calls where the consumer does not answer should be recorded as part of the findings but not be counted toward meeting the minimum number of required phone verifications.
- We recommend auditors to record outcomes in the following categories of outcomes of consumer contact
  - Confirmed installation (please include relevant details)
  - No answer
  - Did not want to discuss
  - Disconnected
  - Wrong number
  - Confirmed no installation

### Site inspections:

- Site inspections involve auditors scheduling an appointment with the consumer to inspect the upgrade or installation.
- If a site inspection is unsuccessful (e.g., the auditor cannot access the site), it should not count toward fulfilling the minimum site inspection requirements. Unsuccessful site inspections should still be noted in the report but not be counted toward meeting the minimum requirement.

### Desktop review

- Desktop reviews should include reviewing all required supporting documents for the specific activity, as outlined in Annexure C of the Victorian Energy Efficiency Target Guidelines Version 14 (**Guidelines**).

Auditors should provide a list of activities that were tested, along with a description to the type of testing performed on each. This will assist in validating the evidence to support the audit findings, conclusions and recommendations.

### Non-compliant activities

For any non-compliant installations identified, it is recommended that supporting evidence, such as geo-tagged photographs and other relevant documentation be included in the report.

### Conflict of interest requirement

In accordance with sections 16.4.3, 16.5.3, and 17.2 of the Guidelines, the audit report must include a conflict-of-interest statement and **a list of all individuals involved in the audit**, including both audit team members, support staff and subject matter experts contracted.

The conflict-of-interest statement must confirm that no team member had any actual or perceived conflict of interest. If any conflicts did arise, it must be clearly outlined in the audit report.

### Obtaining Accredited persons response to audit findings

The auditor should obtain a formal response from the accredited person for each audit finding, specifically addressing the implementation plan and associated timeframes. The response should address the proposed corrective actions to be taken, responsibility allocation and target date of completion.



### Suggested format for findings and recommendations

For clarity, it is recommended that a summary of the audit findings (as presented below) is included in the report.

# Audit finding	Recommendations	Compliance rating	Risk Rating	AP's comments	Time frame
1 Provide details of the issues identified including: <ul style="list-style-type: none"> <li>• auditor's observation</li> <li>• legislative requirement</li> <li>• cause of the issue</li> <li>• consequence of the issue.</li> </ul>	Details of the Recommendation	Refer to Guidance note 1 for level of compliance rating	Refer to Guidance note 1 for level of risk rating	AP feedback on the audit issue and recommendation	AP to specify a reasonable timeframe to address the recommendation