

Preparing for a Transport Service License (TSL) Audit in the Transport Sector

NZTA audits in the transport sector are a critical part of maintaining compliance, safety, and operational efficiency. Transport Service License holders are subject to strict regulatory oversight, and failing to meet audit requirements can result in penalties, reputational damage, receiving a proposal to revoke TSL notice which could lead to the loss of the transport service licence.

However, with the right preparation and the assistance that National Road Carriers provides, NZTA audits can become a valuable opportunity to strengthen systems that you currently have in place and improve performance rather than it be a stressful obligation.

Understanding Transport Audits

The New Zealand Transport Agency (NZTA) carry out these audits which can be in two forms.

Compliance Check: TSL holders are picked randomly to undertake a compliance check to ensure they have processes and policies in place to operate a compliant transport business.

Targeted Audit: These are likely if there are system failures that signal poor compliance such as poor COF pass rate under the 85% average, high infringement notice history, RUC non-payment / incorrect license type / differential reading between hubodometer and speedo, continual offending such as overloading, traffic incidents/accidents and so on.

These audits typically assess whether a business is meeting its obligations under transport law and the holder is "Fit & Proper" and following industry best practices.

Key areas of focus often include driver compliance, vehicle safety, fatigue management, and record-keeping systems. Understanding the scope and purpose of the audit is the first step in preparing effectively.

Organising Documentation

One of the most important aspects of audit preparation is ensuring that all required documentation is accurate, complete, and easily accessible. Transport businesses are heavily reliant on records to demonstrate compliance.

In most cases when an audit is requested NZTA will include what they would like to view or receive.

Documents typically requested *may* include:

- Driver details, name, address, licence and endorsements.
- Logbook pages (generally randomly picked so they can be checked)
- Toolbox minutes or proof of how you engage with staff.
- Written policies such as health & safety, drug & alcohol policy, fatigue management.
- RUC purchasing system details whether via telematics or other.
- Vehicle maintenance records and procedures, service provider details.
- Vehicle fault notification process, this could be pre walk around inspection sheets.
- Weighbridge dockets, fuel dockets.

It is not enough to simply have these documents on file—they must be up to date, consistent, and readily available for review. Disorganised or incomplete records are one of the most common reasons audits uncover issues.

Did you know that under Section 65 and the definition of records in section 5 of the Road User Charges Act 2012 says the records that must be kept are:

- Entries in logbooks – for one year
- Permits issued under Vehicle Dimensions and Mass Rule 2016 (VDAM Rule) – for one year from the permit expiry date
- Records of maintenance of a vehicle – for two years
- Invoices for fuel and maintenance of RUC vehicles – for six years
- Invoices relating to cartage by, or use of the vehicle – for six years.

Questions

The NZTA inspector will ask a variety of questions to help give them an indication of how you run your business to ensure obligations are met. Ensure the person in control that attends the meeting understands the business and can answer the questions.

They could also suggest where improvements need to be made or tools that are available.

One such tool is TORO,

TORO is a free web-based service that helps transport service licence (TSL) holders make sure they only have appropriately licensed drivers driving their company vehicles. It's a safe and secure application set up by NZ Transport Agency.

Companies who hold a TSL can use TORO to check the licence status for their drivers. If a driver licence status changes, TORO automatically lets the company know.

Reviewing Compliance Requirements

Transport operators must comply with a range of legal and regulatory obligations. These include land transport rules, workplace health and safety legislation, and specific requirements relating to heavy vehicle operations.

A useful approach is to conduct a gap analysis by comparing current practices against regulatory requirements and company policies. This helps identify areas where improvements are needed before the audit takes place. Addressing these gaps early reduces the risk of non-compliance findings.

Conduct an Internal Pre-Audit (larger companies)

Running an internal audit before the official review is one of the most effective ways to prepare. This process allows businesses to identify weaknesses, correct errors, and ensure systems are functioning as intended.

An internal audit should mirror the structure of an external audit as closely as possible. This includes reviewing documentation, inspecting vehicles, and speaking with staff. Any issues identified can then be addressed proactively, rather than under the pressure of a formal audit. This is another area where NRC can assist.

Training and Engaging Staff (larger companies)

Audit success is not solely dependent on management or administrative teams—staff at all levels play a role. Drivers, in particular, must understand their responsibilities around logbooks, fatigue management, and safety procedures.

Training should ensure that: (larger companies)

- Drivers are accurately completing logbooks and following work-time rules
- Administrative staff (if applicable) can quickly locate required records
- Managers (if applicable) understand compliance obligations and can respond to the NZTA inspector requests.

Common Mistakes to Avoid

Many NZTA audit issues arise from avoidable errors. Some of the most common include:

- Ignoring the initial request for an audit
- Incomplete or inconsistent documentation
- Outdated or missing policies or procedures
- Poor communication between staff and management
- Leaving preparation until the last minute

Practical Tips for Ongoing Readiness

Rather than treating audits as one-off events, transport businesses should aim to build compliance into their daily operations. This can be achieved by:

- Using digital systems to manage records and track compliance
- Assigning a dedicated compliance manager or coordinator
- Scheduling regular internal reviews
- Keeping policies and procedures up to date

By maintaining a constant state of readiness, businesses can reduce stress and improve outcomes when audits occur.

Conclusion

Preparing for an NZTA audit in the transport sector should be viewed as an ongoing process rather than a last-minute task. With strong systems, well-trained staff, and a proactive approach to compliance, audits can become an opportunity to reinforce good practices and identify areas for improvement.

Although scary as they sound, they are a requirement, the NZTA staff are there to provide guidance and to ensure operators are running compliant as everyone deserves to arrive home safely at the end of each day.

Need help? Give us a call at NRC if you need assistance.