National Carbon Offset Standard Assurance Audit Report

*This template must be read in conjunction with the ‘Audit framework for assurance engagements under the National Carbon Offset Standard’, available at* [*www.environment.gov.au/carbon-neutral*](http://www.environment.gov.au/carbon-neutral)*.* *It is for use in assurance audits of carbon neutral claims against the National Carbon Offset Standard for Organisations, National Carbon Offset Standard for Products & Services, National Carbon Offset Standard for Events and/or National Carbon Offset Standard for Precincts. It cannot be used for verification audits against the National Carbon Offset Standard for Products and Services or National Carbon Offset Standard for Buildings. Templates for these other types of audit are available at* [*www.environment.gov.au/carbon-neutral*](http://www.environment.gov.au/carbon-neutral)*.*

*The template has been adapted from the National Greenhouse and Energy Reporting audit report in the Clean Energy Regulator’s Audit Determination Handbook. The auditor must complete their report using either this template or another format that captures the same information. Text in square brackets is to be replaced as prompted. Text in blue italics is for guidance and should be deleted.*

*For carbon neutral claims certified by the Department of the Environment and Energy (the Department), the responsible entity must complete its reporting and offsetting obligations by the reporting deadline agreed with the Department. Audit activities and the audit report must also be completed and submitted to the Department by the responsible entity by this deadline.*

# SECTION 1 Audit Statement and Audit Findings

## Audited body

|  |  |
| --- | --- |
| Name of audited body |  |
| Name of contact person for audited body |  |
| Position title |  |
| Contact person phone number |  |
| Contact person email address |  |
| Audited body’s street address |  |

## Audit description

|  |  |  |
| --- | --- | --- |
| Type of audit | [Please select: Limited/Reasonable] Assurance | |
| Type of carbon neutral claim(s) (tick all applicable) | ☐ Organisation  ☐ Product/service | ☐ Precinct  ☐ Event |
| Subject(s) of carbon neutral claim(s) | *E.g. ‘The Australian Business Operations of Company x’, or ‘The opt-in x service offered by Company y’.*  *If a carbon neutral claim is certified by the Department, the subject of certification (i.e. subject of the carbon neutral claim) is stated in a schedule at the back of the responsible entity’s licence for the use of the certification trade mark, and must be copied exactly here.* | |
| Initial or periodic audit |  | |
| Reporting period covered by audit |  | |
| Date terms of engagement signed |  | |
| Date audit report signed |  | |

## Audited emissions inventory [insert year e.g. FY 2017–18, CY 2017]

|  |  |
| --- | --- |
| Audited Scope 1 emissions (tonnes CO2-e) |  |
| Audited Scope 2 emissions (tonnes CO2-e) |  |
| Audited Scope 3 emissions (tonnes CO2-e) |  |
| Scope 2 emissions reduced through retirement of LGCs (tonnes CO2-e) |  |
| Total retired offsets (tonnes CO2-e) |  |

## Auditor details

*The Auditor must confirm that they are a suitably qualified auditor, in accordance with the relevant category or categories of the National Carbon Offset Standard. For NGER-registered auditors rotation of auditors is required where four consecutive audits have been carried out by an individual auditor for the audited body.*

|  |  |
| --- | --- |
| Name of audit team leader |  |
| Organisation |  |
| Email |  |
| Phone number |  |
| Address |  |
| Names and contact details of other audit team members if applicable |  |
| Lead auditor’s relevant qualifications, registrations and credentials | These must include:   * NGER registration number; or * Accreditation against ISO 14065:2013; or * Accreditation against recognised international standard based on ISO 14040. |

[*Insert name of audit organisation*] confirms that we are not aware of any actual or perceived conflict of interest in having completed this engagement.

*For NGER-registered auditors: [Insert name of lead auditor*] confirms that he/she has not carried out more than five previous consecutive audits for [*insert audited body name*].

## Scope of audit

[Insert name of audit organisation] has been engaged to undertake an independent assurance audit of the compliance of the carbon neutral claim(s) for [insert subject(s) of carbon neutral claim(s) as in table above] with the *National Carbon Offset Standard* for [select as appropriate: Organisations/ Products & Services/Events/Precincts].  
  
[Insert name of lead auditor and audit organisation] conducted the audit in accordance with [Select as appropriate: ISO 14064-3/ASAE 3000/[[Insert name of other audit standard]. We confirm that [insert name of other audit standard used] is as rigorous as ISO 14064-3 and ASAE 3000]]. The audit has been planned and performed in accordance with the proposal approved by the participant to enable me/us to provide [Select as appropriate: limited/reasonable note the minimum requirement is limited but in some cases the audited body may request reasonable] assurance regarding the carbon neutral claim(s) for [please insert subject(s) of carbon neutral claim(s) as in table above].

## Responsibility of [audited body]’s management

Management of [audited body] is responsible for preparation of the carbon neutral claim(s) in accordance with the *National Carbon Offset Standard* for [Please select: Organisations / Products & Services / Events / Precincts] in all material respects. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the carbon account and public report that is free from material misstatement, whether due to fraud or error. Management of [audited body] is responsible for the interpretation and application of the requirements of the *National Carbon Offset Standard* for [Please select: Organisations / Products & Services / Events / Precincts]. Emissions quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emissions factors and the values needed to combine emissions due to different gases.

## Our responsibility

Our responsibility is to express an opinion on [audited body]’s carbon neutral claim(s) based on the procedures we have performed and the evidence we have obtained. We have conducted our [Select as appropriate: reasonable/limited] assurance engagement in accordance with the [Select as appropriate: Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information / Australian Standard AS ISO 14064.3-2006 Greenhouse gases–Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions / [insert name of other audit standard]], which we confirm is as rigorous as ASAE 3000 and ISO 14064.3].

The [Select as appropriate: Australian Standard on Assurance Engagements ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information / Australian Standard AS ISO 14064.3-2006 Greenhouse gases–Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions / [insert name of other audit standard]] requires us to plan and perform this engagement to obtain [reasonable/limited] assurance about whether the carbon neutral [select as appropriate: claim is/claims are] free from [material misstatement / material errors, omissions or misrepresentations]. A [reasonable/limited] assurance engagement involves performing procedures to obtain evidence about the compliance of the carbon neutral claim(s) with the *National Carbon Offset Standard* for [Please select: Organisations / Products & Services / Events / Precincts]. The nature, timing and extent of procedures selected depend on the assurance practitioner’s judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, We have considered internal controls relevant to [audited body]’s preparation of the carbon neutral claim(s), carbon account and public report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

[Insert name of audit organisation] has not conducted any audit procedures with respect to the internal control environment and data management system of the audited body as a whole. As such, no assurance is provided on any internal control environment and data management system not associated with preparing the carbon neutral claim(s).

## Summary of procedures undertaken

The procedures we conducted in our [reasonable/limited] assurance engagement included:

[Insert a summary of procedures undertaken. These can include such procedures as:

* interviews conducted to gather evidence
* analysis of procedures the audited body used to gather data
* testing of calculations the audited body performed, and
* identification and testing of assumptions supporting the calculations.]

## Use of our [limited/reasonable] assurance engagement report

This report has been prepared for the use of [audited body], the Department of the Environment and Energy, [and intended users identified in the terms of the engagement] for the sole purpose of reporting on [audited body]’s carbon neutral claim(s) against the *National Carbon Offset Standard*. Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Department of the Environment and Energy, [audited body] and [names of intended users] for any consequences of reliance on this report for any purpose.

## Inherent limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given its nature and the methods used for determining, calculating and sampling or estimating such data. We specifically note that [audited body] has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse and energy information.

**[If limited assurance]** The procedures performed in a limited assurance engagement vary in nature from, and are narrower in scope than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether [audited body]’s carbon neutral [select ass appropriate: claim has/claims have] been prepared, in all material respects, in accordance with the *National Carbon Offset Standard*.

## Audit conclusion

*Choose one of the following and delete the remaining.*

*Unqualified conclusion – limited assurance (limited assurance is the minimum level required to support a carbon neutral claim(s) against the National Carbon Offset Standard)*

Based on the procedures performed (as described above), nothing has come to our attention that would lead to believe that [the audited body]’s carbon neutral [select as appropriate: claim has / claims have] not been prepared in all material respects in accordance with the *National Carbon Offset Standard* for [please select: Organisations / Products & Services / Events / Precincts].

*Unqualified conclusion – reasonable assurance (select only if the audited body has requested a reasonable assurance audit)*

In our opinion, the audited body has prepared its carbon neutral claim(s) in all material aspects in accordance with the *National Carbon Offset Standard* for [please select: Organisations / Products & Services / Events / Precincts].

*Qualified conclusion – limited assurance (limited assurance is the minimum level required to support a carbon neutral claim(s) against the National Carbon Offset Standard)*

Based on the procedures performed (as described above), with the exception of the matter(s) referred to in the qualification explanation below, nothing has come to our attention that would lead us to believe that the audited body’s carbon neutral [select as appropriate: claim has/claims have] not been prepared in all material respects in accordance with the *National Carbon Offset Standard* for [please select: Organisations / Products & Services / Events / Precincts].

*Qualified conclusion – reasonable assurance (select only if the audited body has requested a reasonable assurance audit)*

In our opinion, except for the matters referred to in the qualification explanation below, the audited body has prepared its carbon neutral claim(s) in all material aspects in accordance with the *National Carbon Offset Standard* for [please select: Organisations / Products & Services / Events / Precincts].

*Adverse opinion*

In our opinion, because of the effects of the matter/s referred to in the qualification explanation below, the audited body’s carbon neutral [select as appropriate: claim has / claims have] not been prepared in accordance with the *National Carbon Offset Standard*.

*Inability to form an opinion*

In our opinion, because of the existence of the limitation/s on the scope of our work, as described in the qualification explanation below, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation/s not existed, we are unable to and do not express an opinion as to whether the participant’s carbon neutral [select as appropriate: claim is/claims are] in accordance with the *National Carbon Offset Standard*.

## Qualification explanation

*Where an unqualified conclusion is provided, this part should be deleted.*

*Where an auditor provides an adverse, qualified or ‘unable to form an opinion’ audit conclusion, a clear description of the reasons for providing this conclusion and, where possible, a quantification of the effects of the qualification on the participant’s carbon neutral claim(s) should be provided here.*

## Recommendations

*Descriptions of any unresolved Major or Minor Corrective Action Requests (CARs) or observations relating to an adverse or qualified audit opinion can be provided here, with full details to be provided in section 2 of the report. Wherever possible, a participant should be provided with the opportunity to resolve a CAR or observation prior to the closure of the audit activity. Types of CARs are:*

*Major CAR*

*A systematic problem, unmet requirement of the National Carbon Offset Standard, total lack of procedure, or evidence of significant number of minor CARs in relation to a single element that represents a material misstatement or material discrepancy relating to the requirements of the relevant category or categories of the National Carbon Offset Standard. A major CAR must be corrected before an unqualified audit opinion can be given. (For further detail refer to section 2.1.2 of ‘Assurance Guidance for Asssurance Audits under the National Carbon Offset Standard’, available at* [*www.environment.gov.au/ carbon-neutral*](http://www.environment.gov.au/climate-change/government/carbon-neutral)*).*

*Minor CAR*

*A deficiency in management of any element of the carbon neutral claim(s) that, if not corrected, could result in the claim(s) not meeting the requirements of the relevant category of the National Carbon Offset Standard. A minor CAR must be corrected prior to completion of the carbon account and public report for the reporting year following the audit.*

*Observation*

An item where clarification or improvement is appropriate.

[Insert a description of recommendations as appropriate. For example include:]

* [The Minor Corrective Action Request/s identified in the qualification paragraph must be addressed and resolved by the time of the next annual carbon account and public report in order for the carbon neutral claim(s) to continue to be in accordance with the *National Carbon Offset Standard*.]
* [Any recommendations.]

## Limitations on use

This Audit Statement has been prepared for the management of the audited body and, if the carbon neutral [select as appropriate: claim is / claims are] to be certified, for review by the Department of the Environment and Energy. It is solely for use in assessing whether a carbon neutral claim has been prepared in accordance with the requirements of the *National Carbon Offset Standard*. We disclaim any liability for reliance upon this Report by any other party or for any other purpose other than that for which it was prepared.

## Confirmation of Audit Findings

*Insert the details of the lead auditor with the authority to sign the report.*

|  |  |
| --- | --- |
| Name of lead auditor |  |
| Position of lead auditor |  |
| Signature of lead auditor |  |
| Date |  |

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# SECTION 2 Corrective Action Requests and Observations

*In this section the auditor must provide descriptions of any Corrective Action Requests and observations that were identified but not resolved during the audit activity. It is optional to also provide details of Corrective Action Requests or observations that were resolved. Types of Corrective Action Requests and observations are defined above.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Finding** | **Summary of CAR/ observation** | **Summary of action taken to address the CAR/ observation**  **(Participant’s response and auditor’s conclusion)** | **Was the CAR resolved prior to the closure of the audit activity?** |
| Choose an item. |  |  | Choose an item. |
| Choose an item. |  |  | Choose an item. |
| Choose an item. |  |  | Choose an item. |
| Choose an item. |  |  | Choose an item. |
| Choose an item. |  |  | Choose an item. |

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# SECTION 3 Documents Reviewed

*This section provides details of all documents reviewed by the Auditor during the audit.*

|  |  |  |
| --- | --- | --- |
| **Name or description of document** | **Document title / filename** | **Author and date prepared, and version if applicable** |
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