

Appendix 5

(Ref: Para. 56 and Para.135)

EXAMPLE ASSURANCE PRACTITIONER'S REPORTS

The following examples of assurance practitioners' reports are for guidance only and are not intended to be exhaustive or applicable to all situations.

Example 1: Agreed-upon Procedures Engagement (Verification) on Measurement of ABC's Emissions from [Source]

Coversheet¹⁴⁸

Entity:¹⁴⁹ [Registered Corporation]

Kind of engagement: Verification engagement pursuant to section 73 of the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) on [subject matter] of [registered corporation/liable entity].

Date that the terms of engagement were signed: [date]

Date Report of Factual Findings (Verification Report) was signed: [date]

Period engagement was carried out: [date] to [date]

Contact for engagement: [name and contact details]

Engagement team leader:¹⁵⁰ [name and contact details]

[Exemptions under regulation 6.71, *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations): [detail if any]]

[Procedures for managing conflict of interest situation: [detail if any]]

Professional team members: [name and contact details]

To [Clean Energy Regulator/Engaging Party]

Report of Factual Findings

I/We have conducted a verification engagement pursuant to section [73/74] of the NGER Act involving performance of the procedures agreed with you and [name of any intended users party to the terms of the engagement] to report factual findings for the purpose of assisting you [and [name of other intended users or class of intended users]] in assessing, in combination with other information obtained by you, the [insert purpose of the engagement, for example accuracy of the application of measurement methodologies for emissions from [source] during the [period] ended [date]]. The procedures performed are detailed in the terms of the engagement of [date] and described below [(or if appropriate) set forth in the attached schedules] with respect to the measurement of ABC's emissions from [source] during the [period] ended [date].

¹⁴⁸ See NGER Audit Determination, section 3.21(3), for required contents of the coversheet.

¹⁴⁹ Entity is referred to as the "audited body" under the NGER Audit Determination and is defined in the NGER Regulations.

¹⁵⁰ Engagement team leader is referred to as the "engagement partner" in ASQC 1 and the "audit team leader" in the NGER Audit Determination.

[The Clean Energy Regulator/Engaging Party]'s Responsibility for the Procedures Agreed

[The Clean Energy Regulator/Engaging Party and any intended users party to the terms of the engagement] are responsible for the adequacy or otherwise of the procedures agreed to be performed by us. You [and name of other intended users or class of intended users] are responsible for determining whether the factual findings provided by me, in combination with any other information obtained, provide a reasonable basis for any conclusions which you or other intended users wish to draw on the subject matter.

Assurance Practitioner's Responsibility

My/Our responsibility is to report factual findings obtained from conducting the procedures agreed. I/We conducted the engagement in accordance with Standard on Related Services ASRS 4400 *Agreed-Upon Procedures Engagements to Report Factual Findings* and the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination). I/We have complied with ethical requirements equivalent to those applicable to other assurance engagements, including independence,¹⁵¹ and have signed an *Independence and Conduct Declaration* dated [date] and provided to you prior to commencement of the engagement.

Because the agreed-upon procedures do not constitute either a reasonable or limited assurance engagement in accordance with AUASB standards, I/we do not express any conclusion and provide no assurance on ABC's emissions from [source] during the [period]. Had I/we performed additional procedures or had I/we performed a reasonable or limited assurance engagement on ABC's emissions from [source] in accordance with AUASB standards and NGER Audit Determination, other matters might have come to our attention that would have been reported to you.

*Factual Findings*¹⁵²

The procedures were performed solely to assist you in evaluating the [insert purpose of the engagement, for example accuracy of the application of measurement methodologies for ABC's emissions from [source]]. The procedures performed and the factual findings obtained are as follows:

Procedures Performed	Factual Findings	Errors or Exceptions Identified
1. I/We obtained and checked the addition of the production listing for [source] during the period prepared by ABC, and I/we compared the total to the balance in the related inventory account in the accounting system.	I/We found the addition to be correct and the total volume to be in agreement.	[None/detail the exceptions]
2. I/We checked plant production log for XXX dates randomly selected during the period to production schedule.	I/We found the volumes compared to be in agreement, except for the exceptions noted.	[None/detail the exceptions]
3. [Insert procedure]	[Insert findings]	[None/detail the exceptions]
4. [Insert procedure]	[Insert findings]	[None/detail the exceptions]

¹⁵¹ See APES 110 (Dec 2010), section 291.

¹⁵² The assurance practitioner may choose instead to present the table of factual findings as an attachment to the report, particularly if it is lengthy.

[The following procedures included in the terms of the engagement could not be performed for the reasons set out below:]¹⁵³

[Procedure Unable to be Performed]	[Reasons Procedure was Unable to be Performed]
<i>[Detail procedure in terms of the engagement]</i>	<i>[Detail reasons]</i>

*Other Matters to be Reported*¹⁵⁴

As required by the NGER Audit Determination, I/we also report the following matters which particularly impacted carrying out of the engagement:

1. *[Detail matter impacting engagement]*.
2. *[Detail matter impacting engagement]*.

As required by the NGER Audit Determination, I/we also report the following matters which I/we believe amount to contraventions of the NGER Act or NGER Regulations:

1. *[Detail of contravention; Section or Regulation contravened]*.
2. *[Detail of contravention; Section or Regulation contravened]*.

Restriction on Distribution and Use of Report

This report is intended solely for the use of [the Clean Energy Regulator/ABC] and [intended users identified in the terms of the engagement] for the purpose set out above. As the intended user of our report, it is for you and other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the subject matter. As required by ASRS 4400, distribution of this report is restricted to those parties that have agreed the procedures to be performed with us and other intended users identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results). Accordingly, I/we expressly disclaim and do not accept any responsibility or liability to any party other than [the Clean Energy Regulator, ABC and name of intended users] for any consequences of reliance on this report for any purpose.

[Assurance practitioner's signature]

[Date of the report of factual findings]

[Assurance practitioner's address]

¹⁵³ Insert this table where there has been a limitation of scope such that certain procedures could not be performed.
¹⁵⁴ Other matters reported may be included as additional columns in the tables of factual findings.

Example 2: Limited Assurance Report on a Greenhouse and Energy Report

INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT ON ABC'S¹⁵⁵ GREENHOUSE AND ENERGY REPORT

Coversheet¹⁵⁶

Entity:¹⁵⁷ [Registered Corporation]

Kind of engagement: Limited assurance engagement pursuant to section 73 of the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) on [registered corporation]'s Greenhouse and Energy Report under section 19 of the NGER Act.

Date that the terms of engagement were signed: [date]

Date assurance report was signed: [date]

Period engagement was carried out: [date] to [date]

Contact for engagement: [name and contact details]

Engagement team leader:¹⁵⁸ [name and contact details]

[Exemptions under regulation 6.71, *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations): [detail if any]]

[Procedures for managing conflict of interest situation: [detail if any]]

Professional team members: [name and contact details]

Part A: Report on Greenhouse and Energy Report

To: [Clean Energy Regulator/Engaging Party]

I/We have undertaken a limited assurance engagement of the accompanying Greenhouse and Energy Report of ABC for the year ended 30 June 20X1, comprising greenhouse gas emissions, energy production and energy consumption from the operation of facilities under the operational control of ABC and entities in ABC's group (the Group) and the measurement methods and criterion reported on pages xx–yy, prepared in accordance with section 19 of the NGER Act. [This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental scientists.]¹⁵⁹

The emissions and energy in the Greenhouse and Energy Report for the year ended 30 June 20X1 subject to my/our limited assurance engagement are:

- Greenhouse gas emissions: [quantity of the Group's emissions] t CO₂e
- Energy production: [quantity of the Group's production] GJ
- Energy consumption: [quantity of the Group's consumption] GJ

¹⁵⁵ Where ABC is a registered corporation, being a controlling corporation registered under section 12 of the NGER Act.

¹⁵⁶ See NGER Audit Determination, section 3.21(3), for the required contents of the coversheet.

¹⁵⁷ Entity is referred to as the "audited body" under the NGER Audit Determination and is defined in the NGER Regulations.

¹⁵⁸ Engagement team leader is referred to as the "engagement partner" in ASQC 1 and the "audit team leader" in the NGER Audit Determination.

¹⁵⁹ The sentence should be deleted if it is not applicable to the engagement (for example, if the engagement was to report only on scope 2 emissions and no other experts were used).

ABC's Responsibility for the Greenhouse and Energy Report

ABC is responsible for the preparation of the Greenhouse and Energy Report in accordance with the NGER Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse and Energy Report that is free from material misstatement, whether due to fraud or error.

Emissions and energy quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

My/our Independence and Quality Control

[Each professional member of the engagement team and I/we have signed an *Independence and Conduct Declaration* and provided them to the Clean Energy Regulator prior to commencement of the engagement on [date].]¹⁶⁰ The engagement team and I have [also] complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with Australian Standard on Quality Control 1,¹⁶¹ [name of assurance practitioner's firm] maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

My/our Responsibility

My/Our responsibility is to express a limited assurance conclusion on the Greenhouse and Energy Report based on the procedures I/we have performed and the evidence I/we have obtained. I/We conducted my/our limited assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2008* (NGER Audit Determination) and Standard on Assurance Engagements ASAE 3410, *Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410), issued by the Auditing and Assurance Standards Board. The NGER Audit Determination and ASAE 3410 require that I/we plan and perform this engagement to obtain limited assurance about whether the Greenhouse and Energy Report is free from material misstatement.

A limited assurance engagement undertaken in accordance with the NGER Audit Determination and ASAE 3410 involves assessing the suitability in the circumstances of ABC's selection of measurement methods and criterion provided in the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (NGER Measurement Determination) as the basis for the preparation of the Greenhouse and Energy Report, assessing the risks of material misstatement of the Greenhouse and Energy Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Greenhouse and Energy Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures I/we performed were based on my/our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

[The assurance practitioner may insert a summary of the nature and extent of procedures performed that, in the assurance practitioner's judgement, provides additional information that may be relevant]

¹⁶⁰ Insert if engaged by the Regulator.

¹⁶¹ ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*.

to users' understanding of the basis for the assurance practitioner's conclusion.¹⁶² The following section has been provided as guidance, and the example procedures are not an exhaustive list of either the type, or extent, of the procedures which may be important for users' understanding of the work done.¹⁶³

[Given the circumstances of the engagement, in performing the procedures listed above I/we:

- Through enquiries, obtained an understanding of ABC's control environment and information systems relevant to emissions and energy quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether ABC's methods for developing estimates are appropriate and had been consistently applied. However, my/our procedures did not include testing the data on which the estimates are based or separately developing my/our own estimates against which to evaluate ABC's estimates.
- Undertook site visits at [number of sites] to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. My/our procedures [did/did not] include testing information systems to collect and aggregate facility data, or the controls at these sites.¹⁶⁴

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had I/we performed a reasonable assurance engagement. Accordingly, I/we do not express a reasonable assurance opinion about whether ABC's Greenhouse and Energy Report has been prepared, in all material respects, in accordance with the NGER Act, using the methods available in the NGER Measurement Determination identified in the Greenhouse and Energy Report.

Restriction on Distribution and Use of Report

This report has been prepared for the use of ABC, the Clean Energy Regulator [and intended users identified in the terms of the engagement] for the sole purpose of reporting on ABC's Greenhouse and Energy Report. Accordingly, I/we expressly disclaim and do not accept any responsibility or liability to any party other than [the Clean Energy Regulator, ABC and name of intended users] for any consequences of reliance on this report for any purpose.

Limited Assurance Conclusion

Based on the procedures I/we have performed and the evidence I/we have obtained, nothing has come to my/our attention that causes me/us to believe that ABC's Greenhouse and Energy Report for the year ended 30 June 20X1 is not prepared, in all material respects, in accordance with section 19 of the NGER Act, applied as identified in that Report.

¹⁶² The procedures are to be summarised but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that an agreed-upon procedures engagement has been undertaken, and in most cases will not detail the entire work plan.

¹⁶³ In the final report, this explanatory paragraph will be deleted.

¹⁶⁴ This section should be deleted if the practitioner concludes that the expanded information on the procedures performed is not needed in the circumstances of the engagement.

[Assurance practitioner's signature]

[Date of the assurance report]

[Assurance practitioner's address]

Part B Detailed Findings

[Provide:

- (a) Details of the items or issues related to the matter assured that required particular attention during the assurance engagement;
- (b) Details of aspects of the matter assured that particularly impacted on the carrying out of the assurance engagement;
- (c) Details of any matter, related to the matter being assured, that the engagement team leader has found during the carrying out of the assurance engagement that he or she believes amount to a contravention of the NGER Act or NGER Regulations;
- (d) The name of the peer reviewer for the assurance engagement and details of the outcome of the evaluation undertaken by the peer reviewer; and
- (e) Any other matter, related to the matter assured, that the engagement team leader believes should be mentioned in the assurance engagement report.^{165]}

¹⁶⁵ Note that the assurance practitioner may choose to communicate significant deficiencies in internal control either in Part B of the assurance report or in a separate management letter to the entity, as these deficiencies are not specifically required to be included in Part B under the NGER Audit Determination

Example 3: Reasonable Assurance Report on a Greenhouse and Energy Report

**INDEPENDENT ASSURANCE PRACTITIONER'S REASONABLE ASSURANCE REPORT
ON ABC'S¹⁶⁶ GREENHOUSE AND ENERGY REPORT**

Coversheet¹⁶⁷

Entity:¹⁶⁸ [Registered Corporation]

Kind of engagement: Reasonable assurance engagement pursuant to section 73 of the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) on [registered corporation]'s Greenhouse and Energy Report under section 19 of the NGER Act.

Date that the terms of engagement were signed: [date]

Date assurance report was signed: [date]

Period engagement was carried out: [date] to [date]

Contact for engagement: [name and contact details]

Engagement team leader:¹⁶⁹ [name and contact details]

[Exemptions under regulation 6.71, *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations): [detail if any]]

[Procedures for managing conflict of interest situation: [detail if any]]

Professional team members: [name and contact details]

Part A: Report on the Greenhouse and Energy Report

To [Clean Energy Regulator/Entity/Engaging Party]

I/We have undertaken a reasonable assurance engagement of the accompanying Greenhouse and Energy Report of ABC for the year ended 30 June 20X1, comprising greenhouse gas emissions, energy production and energy consumption from the operation of facilities under the operational control of ABC and entities in ABC's group (the Group) and the measurement methods and criterion reported on pages xx-yy, prepared in accordance with section 19 of the NGER Act, [This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers and environmental scientists.]¹⁷⁰

The emissions and energy in the Greenhouse and Energy Report for the year ended 30 June 20XX subject to my/our reasonable assurance engagement are:

- Greenhouse gas emissions: [quantity of the Group's emissions] t CO₂e
- Energy production: [quantity of the Group's production] GJ
- Energy consumption: [quantity of the Group's consumption] GJ

¹⁶⁶ Where ABC is a registered corporation, being a controlling corporation registered under section 12 of the NGER Act.

¹⁶⁷ See NGER Audit Determination, section 3.21(3), for the required contents of the coversheet.

¹⁶⁸ Entity is referred to as the "audited body" under the NGER Audit Determination and is defined in the NGER Regulations.

¹⁶⁹ Engagement team leader is referred to as the "engagement partner" in ASQC 1 and the "audit team leader" in the NGER Audit Determination.

¹⁷⁰ The sentence should be deleted if it is not applicable to the engagement.

ABC's Responsibility for the Greenhouse and Energy Report

ABC is responsible for the preparation of the Greenhouse and Energy Report in accordance with section 19 of the NGER Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Greenhouse and Energy Report that is free from material misstatement, whether due to fraud or error.

Emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

My/Our Independence and Quality Control

I/We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. I/We have signed an *Independence and Conduct Declaration* and provided it to you prior to commencement of the engagement on [date].

In accordance with Auditing Standard ASQC 1,¹⁷¹ [name of firm] maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

My/our Responsibility

My/Our responsibility is to express an opinion on the Greenhouse and Energy Report based on the evidence I/we have obtained. I/We conducted my/our reasonable assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2008* (NGER Audit Determination), Standard on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410) and ASAE 3100 *Compliance Engagements* (ASAE 3100), issued by the Auditing and Assurance Standards Board (AUASB). That NGER Audit Determination and AUASB standards require that I/we plan and perform this engagement to obtain reasonable assurance about whether ABC's Greenhouse and Energy Report is free from material misstatement.

A reasonable assurance engagement in accordance with the NGER Audit Determination and ASAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the Greenhouse and Energy Report. 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 the Greenhouse and Energy Report. In making those risk assessments, I/we considered internal control relevant to ABC's preparation of the Greenhouse and Energy Report. A reasonable assurance engagement also includes:

1. Assessing the suitability in the circumstances of ABC's use of the *National Greenhouse and Energy Reporting (Measurement) Determination 2008*, applied as explained in the Basis of Preparation to the Greenhouse and Energy Report;
2. Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by ABC;
3. Evaluating the application of the activity definitions in determining facility boundaries and operational control in determining controlling corporation boundaries; and
4. Evaluating the overall presentation of the Greenhouse and Energy Report.

I/We believe that the evidence I/we have obtained is sufficient and appropriate to provide a basis for my/our opinion.

¹⁷¹ ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*.

Restriction on Distribution and Use of Report

This report has been prepared for the use of ABC, the Clean Energy Regulator [and intended users identified in the terms of the engagement] for the sole purpose of reporting on ABC's Greenhouse and Energy Report. Accordingly, I/we expressly disclaim and do not accept any responsibility or liability to any party other than [the Clean Energy Regulator, ABC and name of intended users] for any consequences of reliance on this report for any purpose.

Opinion

In my/our opinion, the Greenhouse and Energy Report for the year ended 30 June 20X1 is prepared, in all material respects, in accordance with section 19 of the NGER Act, applied as identified in that Report.

[Assurance practitioner's signature]

[Date of the assurance report]

[Assurance practitioner's address]

Part B: Detailed Findings

[Provide:

- Details of the items or issues related to the matter assured that required particular attention during the assurance engagement.
- Details of aspects of the matter assured that particularly impacted on the carrying out of the assurance engagement.
- Details of any matter, related to the matter being assured, that the engagement team leader has found during the carrying out of the assurance engagement that he or she believes amount to a contravention of the NGER Act or the NGER Regulations.
- The name of the peer reviewer for the assurance engagement and details of the outcome of the evaluation undertaken by the peer reviewer.
- Any other matter, related to the matter assured, that the engagement team leader believes should be mentioned in the assurance engagement report.^{172]}

¹⁷² Note that the assurance practitioner may choose to communicate significant deficiencies in internal control either in Part B of the assurance report or in a separate management letter to the entity, as these deficiencies are not specifically required to be included in Part B under the NGER Audit Determination.