



The EU ETS Verifier

Role, responsibilities and challenges

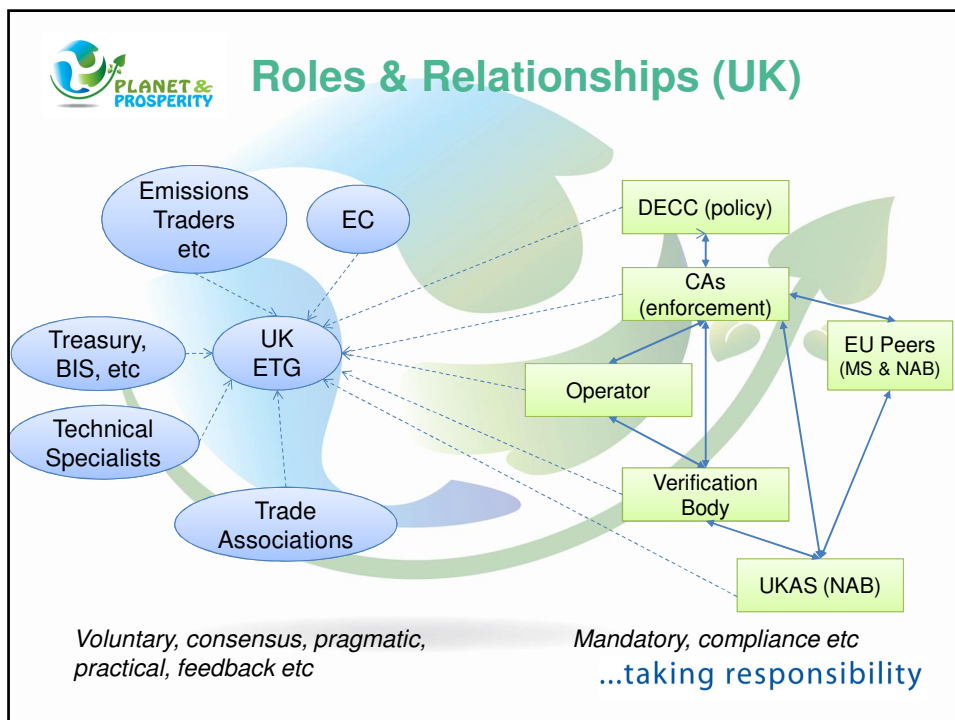
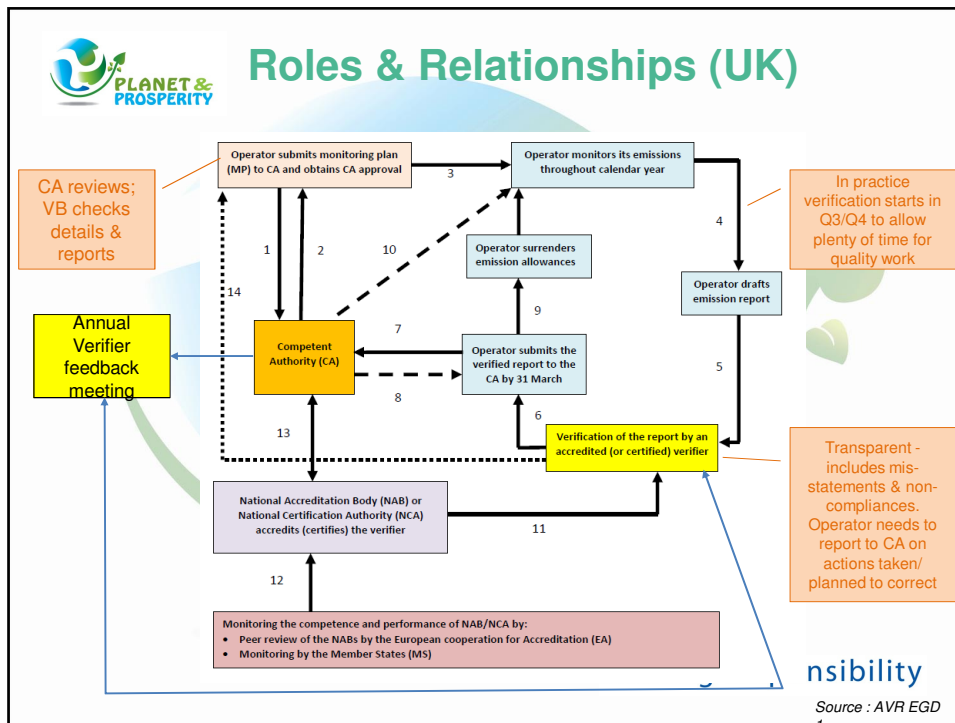
...taking responsibility



Roles & Responsibilities

- Safeguard market trust
 - detect & prevent fraud
- Examine emissions accounts
 - confirm declared numbers
 - Confirm rules compliance
 - drive good practice & robustness
- Provide independent opinion on validity; taking account of :
 - quantitative materiality
 - qualitative materiality
- Support CA compliance activities
- Aid joined up thinking & share good practice

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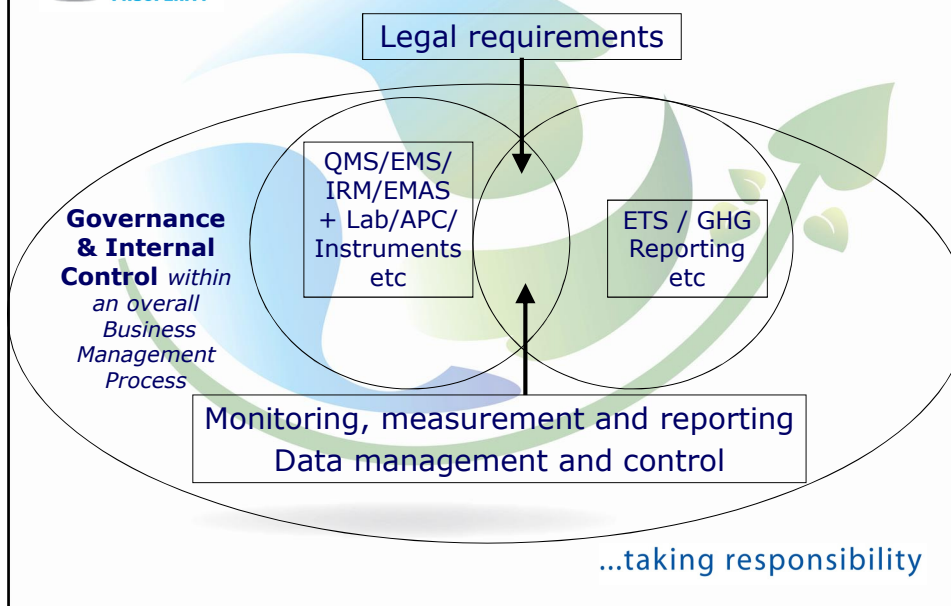


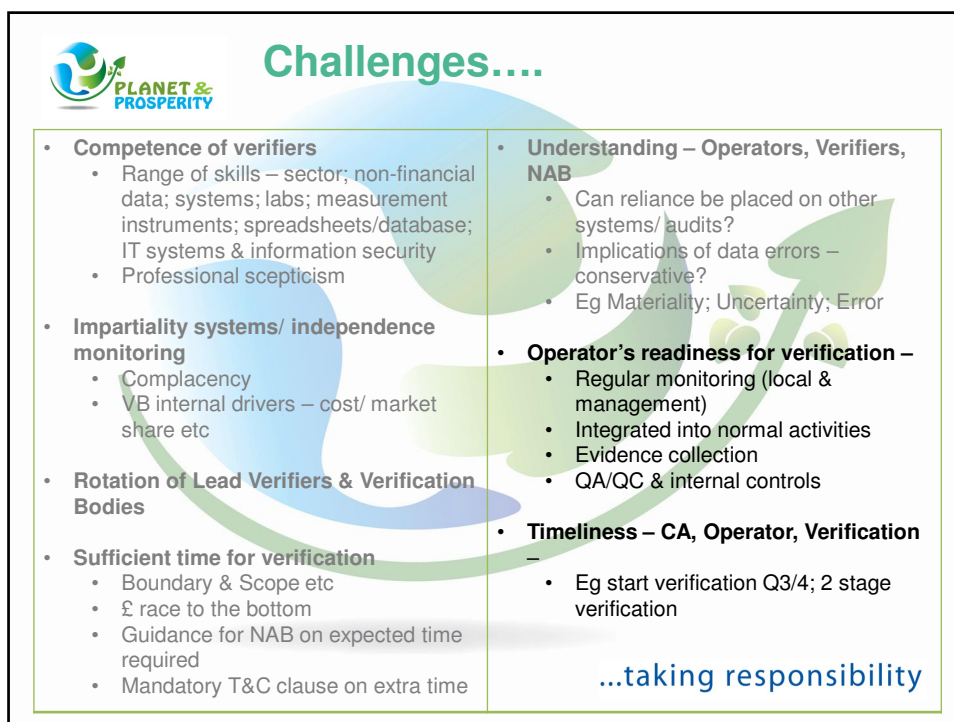
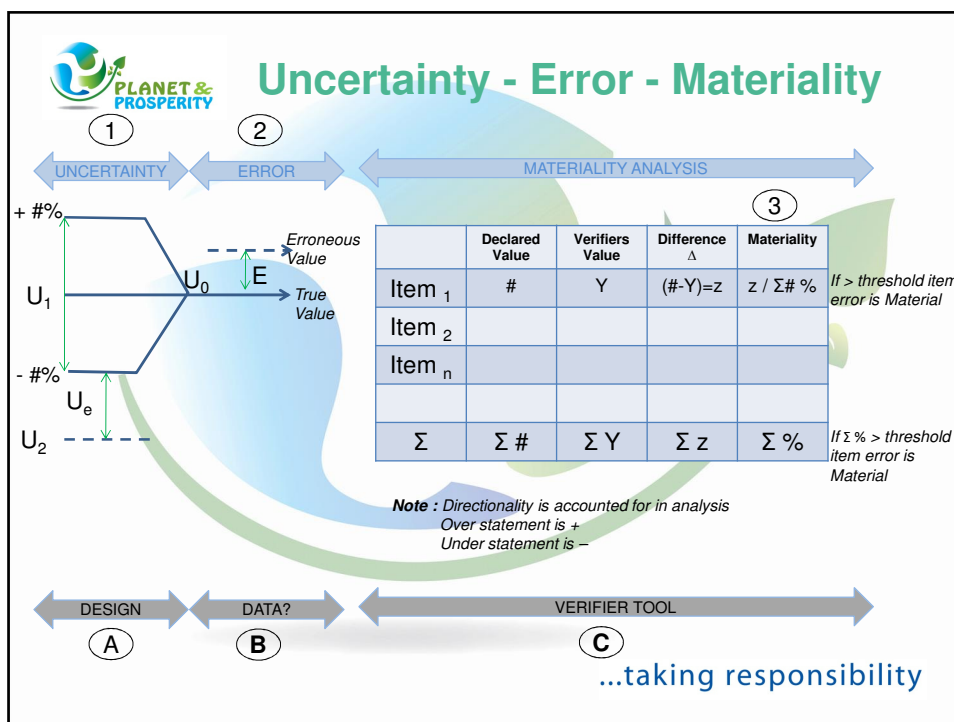
Challenges....

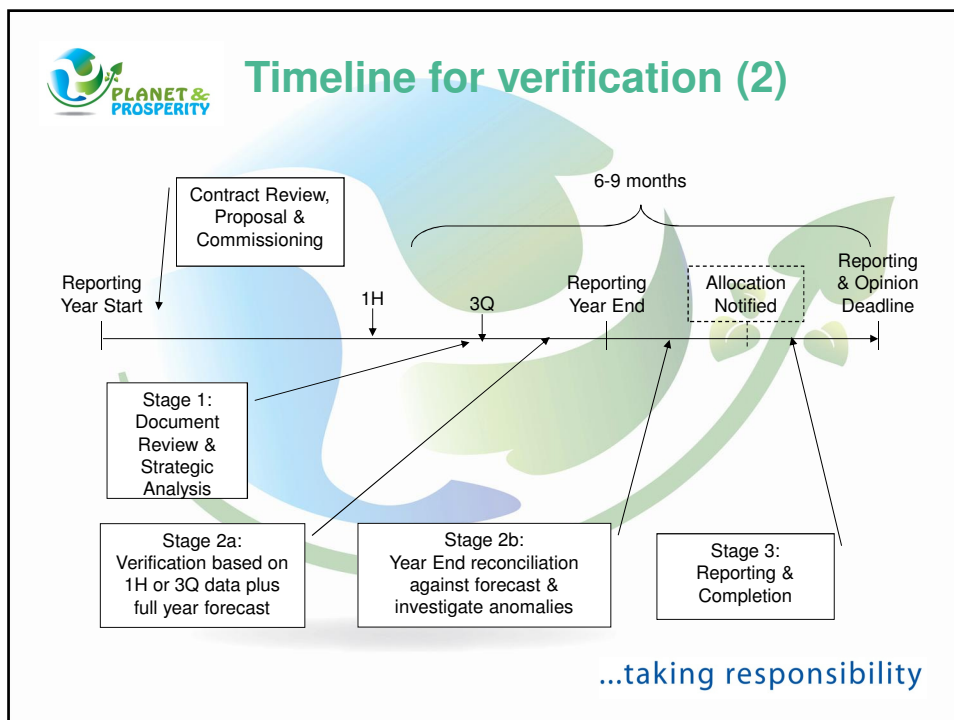
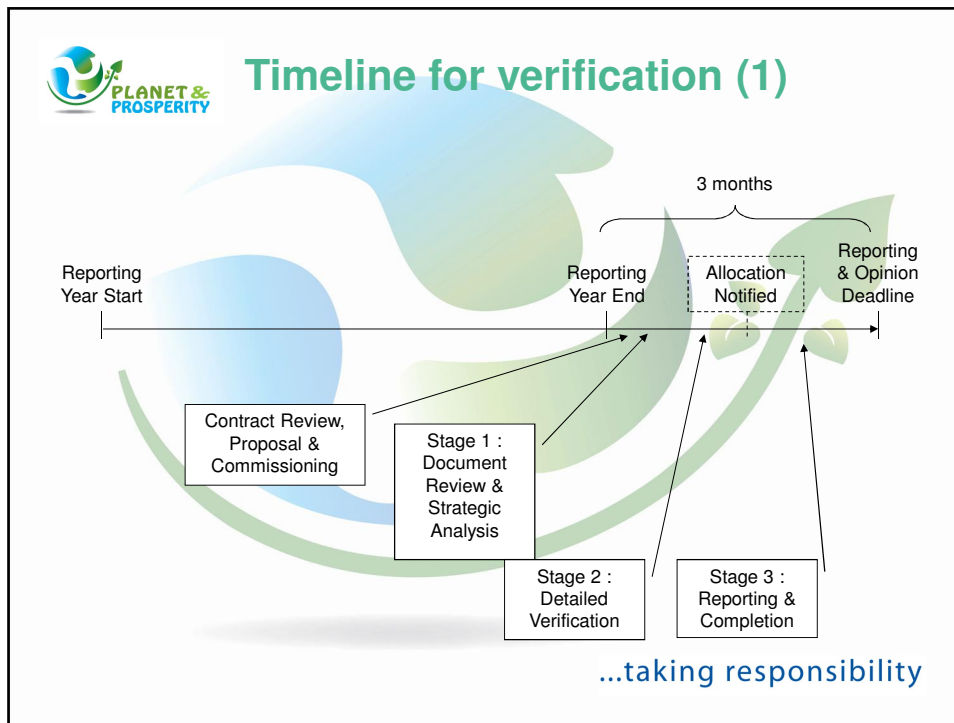
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| <ul style="list-style-type: none"> • Competence of verifiers <ul style="list-style-type: none"> • Range of skills – sector; non-financial data; systems; labs; measurement instruments; spreadsheets/database; IT systems & information security • Professional scepticism • Impartiality systems/ independence monitoring <ul style="list-style-type: none"> • Complacency • VB internal drivers – cost/ market share etc • Rotation of Lead Verifiers & Verification Bodies • Sufficient time for verification <ul style="list-style-type: none"> • Boundary & Scope etc • £ race to the bottom vs days • Guidance for NAB on expected time required • Mandatory T&C clause on extra time | <ul style="list-style-type: none"> • Understanding – Operators, Verifiers, NAB <ul style="list-style-type: none"> • Can reliance be placed on other systems/ audits? • Implications of data errors – conservative? • Eg Materiality; Uncertainty; Error • Readiness for verification – <ul style="list-style-type: none"> • Regular monitoring (local & management) • Integrated into normal activities • Evidence collection • QA/QC • Timeliness – CA, Operator, Verification <ul style="list-style-type: none"> • Eg start verification Q3/4; 2 stage verification <p>...taking responsibility</p> |
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Integration of systems









Lessons....

- Its harder & takes more time than you think
- Like a 'financial audit' –
 - more than just an EMS or sustainability report audit, but not just a technical or process audit – all parts needed
- CAs - work with verifier on compliance/ robustness don't duplicate effort
- Smaller installations - *not necessarily easier/quicker*
- Some operators - *still disorganised after 10 years! – changes, succession, single person!*
- Operational problems push ETS monitoring to the bottom of the list!
- Need to involve Operator's senior management team - *Use management representation letters*
- Harmonise verifier understanding - *annual feedback from CA & NAB – discussion of issues*
- Rotate Lead Verifiers if not Verification Bodies
- Consider an ETG type forum

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Questions & Answers

- Initial list responses
- Other questions?

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Thank you...

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