



Ministry of the Environment
of the Czech Republic

Ministerstvo životního prostředí

Accreditation and Verification in the Czech Republic

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**TAIEX - ECRAN Workshop on Operating a Competent Authority,
Vilnius, 13 - 15 October 2015**

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Introducing A&V

simplified timeline of compliance cycle in year N

When	Who	What to do
By 31 December Year N	Operator	Prepare annual emission report (AER) corresponding with the approved monitoring plan
by 31 March N+1	Verifier contracted by the Operator	Finish verification and issue verification report to the Operator (deadline in the CZ is 15 March!)
by 31 March N+1	Operator	Submit <i>verified</i> annual emissions report with the verification report to the CA (deadline in the CZ is 15 March!)
By 30 April N+1	Operator	Surrender allowances (amount corresponding to verified annual emissions) in Registry system
By 30 September N+1	Operator	Submit report on possible improvements of the MP, if applicable (deadline in the CZ is 30 June!)

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Introducing A&V

- Importance of the verification: to give confidence to all parties that rely upon the annual emission report.
 - The operator is responsible for conformity of the annual report with requirements of the legislation
 - The verifier is responsible for completing an objective assessment and providing a verification statement concerning the annual report based on evidence.
- Importance of the accreditation: To ensure that verification of the annual emission report is carried out by verifiers who:
 - Possess the technical competence
 - Are independent and impartial
 - Are aware of the requirements and principles set out in the legislation

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Legislation/Standards

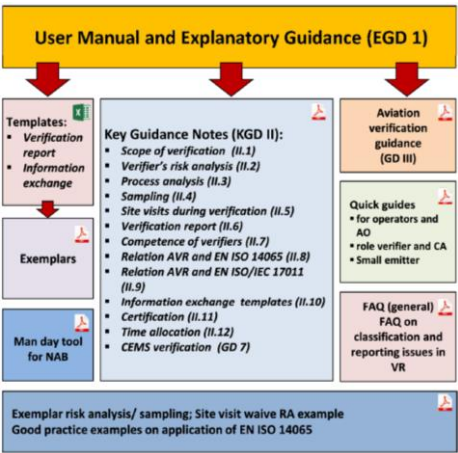
- Directive 2003/87/EC of the European Parliament and the Council of 13 October 2003
 - *Czech Climate Act* (zákon č. 383/2012 o podmínkách obchodování s povolenkami na emise skleníkových plynů)
 - *Czech Regulation No. 192/2014* on templates (new permit application and free allocation for aviation)
- **Commission regulation No. 600/2012** of 21 June 2012 = „Accreditation and Verification Regulation“ or „**AVR**“
- EN ISO 14065:2013 Greenhouse gases — Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition =>Czech mutation
- EA-6/03 M : 2013 EA Document for recognition of Verifiers under the EU ETS Directive

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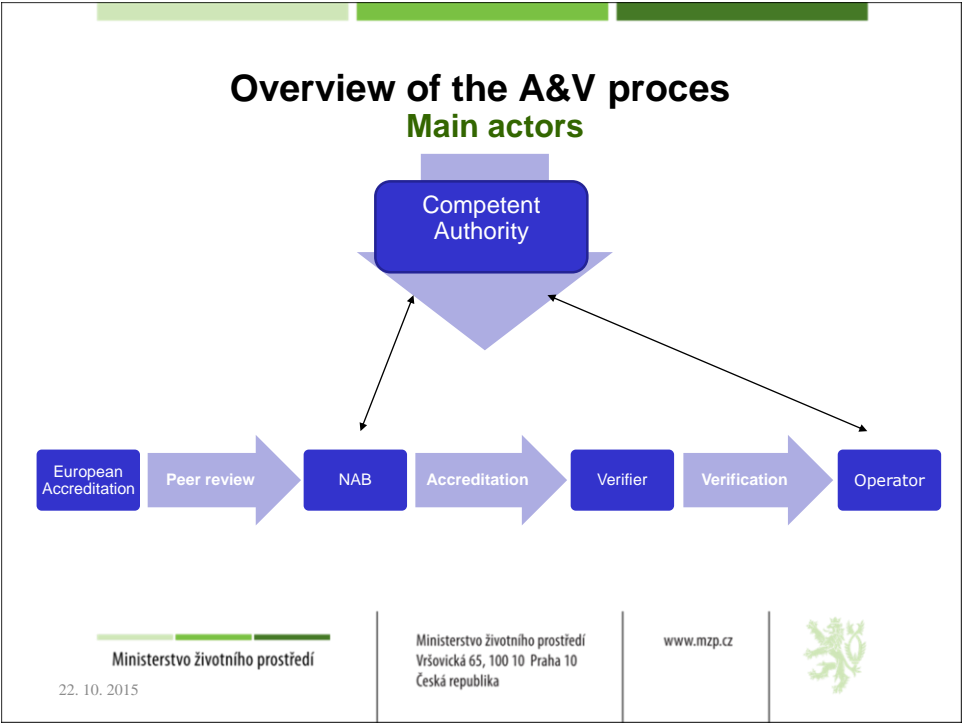
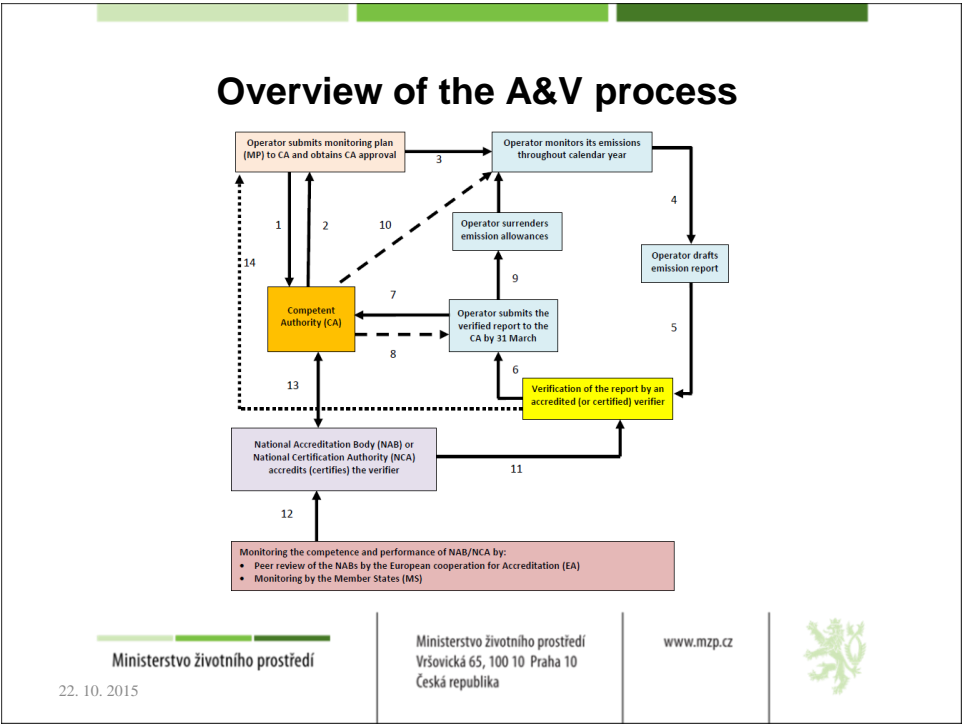
Guidance documents on the AVR

A suite of guidance documents developed by the Commission

- to explain the requirements in the Accreditation and verification regulation.
Available here:
http://ec.europa.eu/clima/policies/ets/monitoring/documentation_en.htm
- In the Czech Republic only EG1, verification template and notification template available in Czech language = potential language barrier



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A&V main actors in the Czech Republic (2)

Competent authority = Ministry of the Environment („MoE“)

- Has an overall responsibility for the A&V process
- Performs compliance checks (Reviews Annual Emission Reports and Verification Reports);
- If the operator's report is not verified as satisfactory, the CA must undertake action (i.e. making a conservative estimation of the emission data and taking enforcement action).
- Carries out state supervision on enforcement;
- Exchanges information with the CAI (National Accreditation Body)

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A&V main actors in the Czech Republic (2)

National Accreditation Body = Czech Accreditation Institute (CAI)

- It is the only accreditation body appointed by the Ministry of Industry and Trade to perform accreditation activities in accordance with the Accreditation Regulation 765/2008.
- CAI is a member of the EA (the European Cooperation of Accreditation for EU ETS).
- It has signed the Multilateral Agreement of the European Cooperation of Accreditation for EU ETS => it has to comply with ISO 17001 and EA 6/03.
- CAI accredits verifiers according to the accreditation standard ČSN EN ISO 14065:2013 and AVR.

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A&V main actors in the Czech Republic (3)

Verifiers

In 2015 there are 9 accredited verifiers based in the Czech Republic and accredited by CAI. The list of verifiers is available here:

<http://www.cia.cz/en/Subjects?ScopelId=G&DisableFilter=true>

Czech Environmental Inspectorate (ČIŽP)

The Czech Environmental Inspectorate acts as inspection body for enforcement of obligations imposed on operators.

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Accreditation step by step

- Pre-assessment: the verifier applies for accreditation and the NAB selects its team and prepares for the assessment);
- Drafting the accreditation plan: it consists of the activities to be performed during the assessment related to the specific elements in the ISO standard);
- Office audit (it involves a document review of mainly quality manuals, procedures, documentation on competence of auditors (lead auditor) and internal verification documentation);
- Witness audit: assessing the performance of auditors on site
- Issuing the accreditation certificate
- Annual surveillance – includes witness audits

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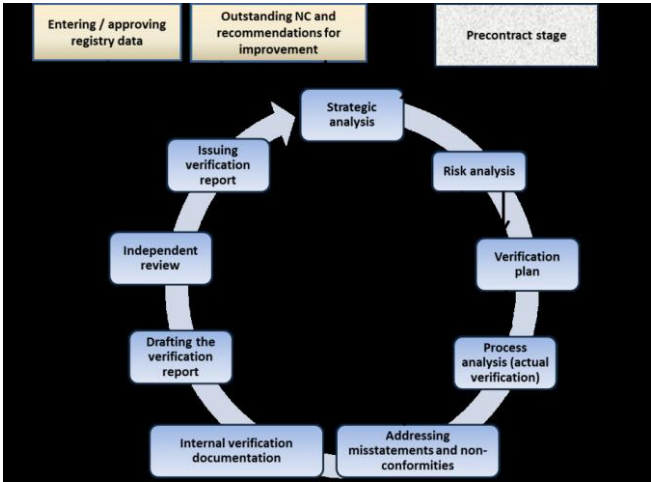


General verification principles and obligations

General verification principles and obligations

- Reliability of verification
- Independence of the verifier
- Professional scepticism
- Reasonable level of assurance
- Materiality
- Scope of verification

Verification process



Lessons learned in the Czech Republic

- According to AVR, Art. 9 the verification contract has to provide „for a possibility of time to be charged in addition to the time agreed in the contract.“ Operators didn't know about the obligation. MoE had to inform them via email. No problems afterwards.
- According to AVR, Art. 8, in the pre-contractual phase the operator „shall provide the verifier with all relevant information that enables the verifier to carry out the activities [...]“ Operators are often reluctant to provide monitoring plan before signing the contract. Tip: the verifier has a special questionnaire with the relevant information included.

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Verification Report („VR“)

- By 15 March the operator submits the Annual Emission Report and the Verification Report to the MoE
- The VR is an XLS file and is submitted on CD
- Contents of the VR: the minimum requirements are set in the AVR, Art. 27
- The most important part = verifier's statement:
 - The report is satisfactory. It can also be verified with comments OR
 - The report cannot be verified (due to material misstatement(s), limitation of scope or non-conformities that, individually or combined with other non-conformities (which should be specifically identified, as material items, in Annex 1, along with non-material concerns remaining at the point of final verification) provide insufficient clarity and prevent the verifier from stating with reasonable assurance that the data are free from material misstatements)



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Verification Report („VR“)

- MoE performs the VR checks as part of compliance check
- Use of „macros“ for data extraction – MoE aggregates data from the sheet „Annex I – findings.“ As a result MoE has the complete list of all misstatements, non-conformities, non-compliances and recommendations for improvement.
- MoE then creates a table of all installations that are obliged to send an improvement report according to the MRR, Art.69 (besides the VR it uses relevant information from monitoring plans using macros)
- More in-depth checks of VR on a random basis (the only criterion: at least 1 VR per verifier)

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Information exchange

Formal Information Exchange according to the chapter VI of AVR

When	Who	What to do
By 15 November N	Verifier	Send to the NAB the notification of the planned verifications referred to in the AVR, Article 76. <i>The notification is updated at the end of the month until February the next year (Czech Republic only)</i>
By 31 December N	NAB	Send to the CA the accreditation work program referred to in the AVR, Article 70
By 1 June N+1	NAB	Send to the CA the management report referred to in the AVR, Article 70
By 30 September (Czech Republic only)	CA	Send to the NAB information referred to in the AVR, Article 72 (basically results from the compliance checks).

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Information exchange

Another means

- Technical Committee on Accreditation of GHG reports (MoE, CAI, Verifiers, Operators/Industry groupings). Organized by CAI, meetings on annual basis.
- Workshop for verifiers – organized by MoE every year. Program: news on the upcoming compliance cycle and evaluation of the previous one.

Informal information exchange

- Meetings in person MoE-CAI/operators/verifiers
- Telephone, emails

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Mutual recognition of verifiers

- AVR, Art. 66: *Member States shall recognize the equivalence of the services delivered by those national accreditation bodies that have successfully undergone a peer evaluation.*
- Important aspects to consider for the verifier:
 - Language skills and culture => use of local verifiers can help
 - Legal agreements and commitments
 - Reporting in national systems (IT systems/harmonized templates)
 - National legislations referred to in Activity group 98 and 99, Annex I AVR
- Verifiers accredited by CAI perform V activities also in SK, BG, PL, HR. One foreign verifier is active in the Czech Republic

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Solving problems

- Annual Emission Report cannot be stated as satisfactory.
 - Negative verification statement never occurred in the Czech Republic. However in one case the verifier was unable to state with reasonable assurance that the data are free from material misstatements due to discovered data gaps. A meeting of MoE, V and O and we settled before 15 March using guidelines elaborated by the M&R Task Force.
- During compliance check 2014/2015 several misstatements discovered by MoE after 30 April. The operator had to resubmit the AER and VR. The national administrator for the Union Registry
- Threat to the impartiality/independence discovered during this compliance check
 - companies contracted by an accredited verification body were providing consultancy services for the operator (potential breach of the AVR, Art. 42). CAI investigated and the verification and consultancy were not provided by the same persons. An informal rule was adopted that at least 2 years have to pass between the consultancy and verification by the same person.

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Tips and Tricks

- Importance of an informal communication: good relationship between the CA and the NAB facilitates the exchange and problem solving. We know each other we meet in person on a regular basis.
- We have a very good experience with workshops for verifiers.
- IT system might help a lot. Unfortunately in the Czech Republic no IT system is in place now. But we participate in the pilot phase of the DECLARE project initiated by the Commission.
 - The DECLARE's main purpose is to streamline the submission of reports and exchange of other documents between various institutions (XLS templates will be kept).
 - It can be operational for the compliance cycle 2016/17
- Participation in M&R and A&V Task Forces is recommended


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Timeline of the MRVA activities in the Czech Republic			
When	Who	What to do	
1 January N		Start of monitoring period	
By 28 February N	CA/Registry	Allocation of allowances for free (if applicable) on the operator's account in the Registry	
By 15 November N	Verifier	Send to the NAB the notification of the planned verifications referred to in the AVR, Article 76	
By 31 December N	NAB	Send to the CA the accreditation work program referred to in the AVR, Article 70	
31 December N		End of monitoring period	
by 15 March N+1	Verifier	Finish verification and issue verification report to operator	
by 15 March N+1	Operator	Submit <i>verified</i> annual emissions report	
By 31 March N+1	CA/Registry	Enter verified emissions figure in the verified emissions table of the Registry	
By 30 April N+1	Operator	Surrender allowances (amount corresponding to verified annual emissions) in Registry system	
By 1 June N+1	NAB	Send to the CA the management report referred to in the AVR, Article 70	
By 30 June N+1	Operator	Submit report on possible improvements of the MP, if applicable	
May-August N+1 (Czech Republic only)	CA	Carry out further checks on submitted annual emissions reports, where considered necessary or as may be required by national legislation; require changes of the emissions data and surrender of additional allowances	
By 30 September (Czech Republic only)	CA	Send to the NAB information referred to in the AVR, Article 72 (basically results from the compliance checks).	
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Thank you for your attention!

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