



# EU ETS Verifier Accreditation

Technical Workshop – Belgrade  
28-29<sup>th</sup> June 2016

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## Technical Expert Trainer -

Lucy Candlin, Director, Planet & Prosperity :

- **Practicing Lead Verifier** & Independent Technical Reviewer subject to rules of ~ 5 UKAS accredited VBs
- **Accreditation Assessor/Technical Expert** – Ireland
- Past **Advisor to UKAS** on development of their EU ETS accreditation system, inc CIS5 guidance on ETS, and Assessor briefings
- **Helped establish 2 Aviation specific Verification Bodies** subject to UKAS & COFRAC accreditation (+ accredited verification processes for 2 VBs)
- **Co-wrote/reviewed the ECs AVR guidance** and exemplars
- **Wrote the 'Guide to Accreditation to ISO14065'** for The Climate Registry in California, working with ANAB
- Sit on the UKAS MS-TAC as a GHG specialist
- Sit on a VB Impartiality Committee as a GHG/EU ETS specialist
- Chair UK ETG's MRVA Working Group

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## Session 7 -

### Verification of Emissions :

- The role of verification
- Verification principles
- Verification activities

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## Role of verification?

- To provide trust for the market by confirming....
  - The emissions value declared is correctly calculated:
    - Complies with MRR rules & guidance
    - Complies with Monitoring Plan (MP)
    - Is accurate (*within materiality thresholds*)
- Supports quality of Operators internal accounting & controls
- Also provides input to financial accounts....
  - Value declared has a real and financial value:
    - Confirming assets/liabilities in company balance sheets
    - Assets traded (like shares) in the market have impact on Profit & Loss
    - Accounting for VAT on trades etc
- Supports the role of the Competent Authority & Regulators

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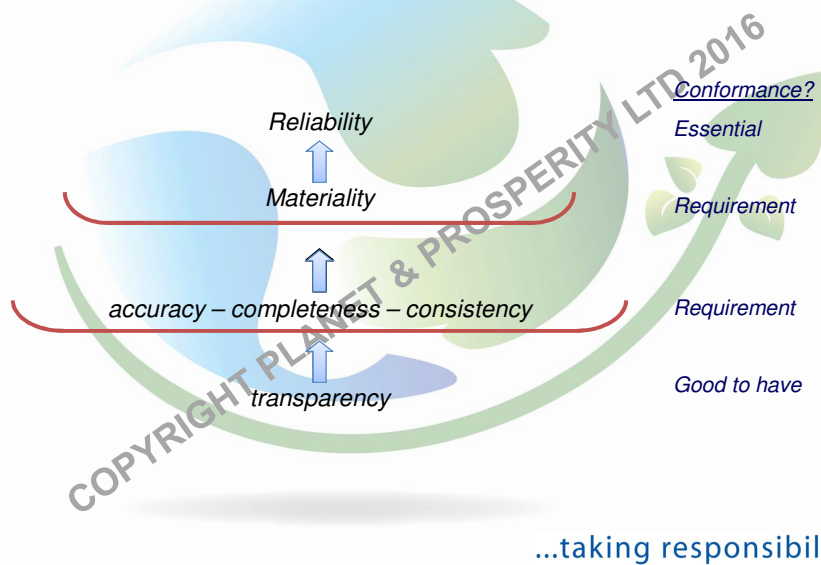
## Principles of Verification

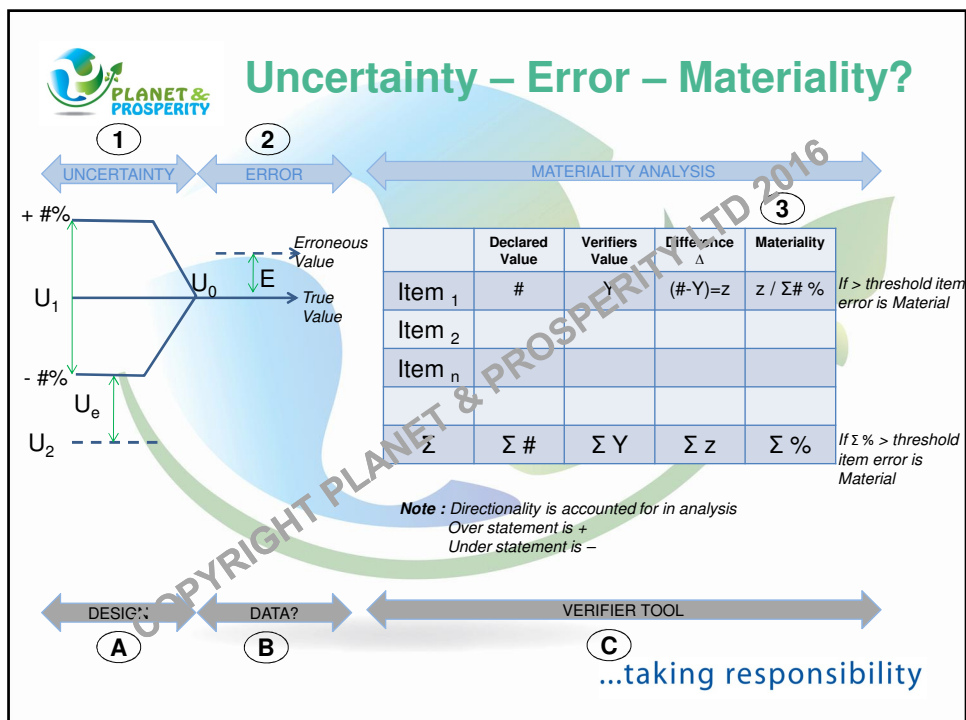
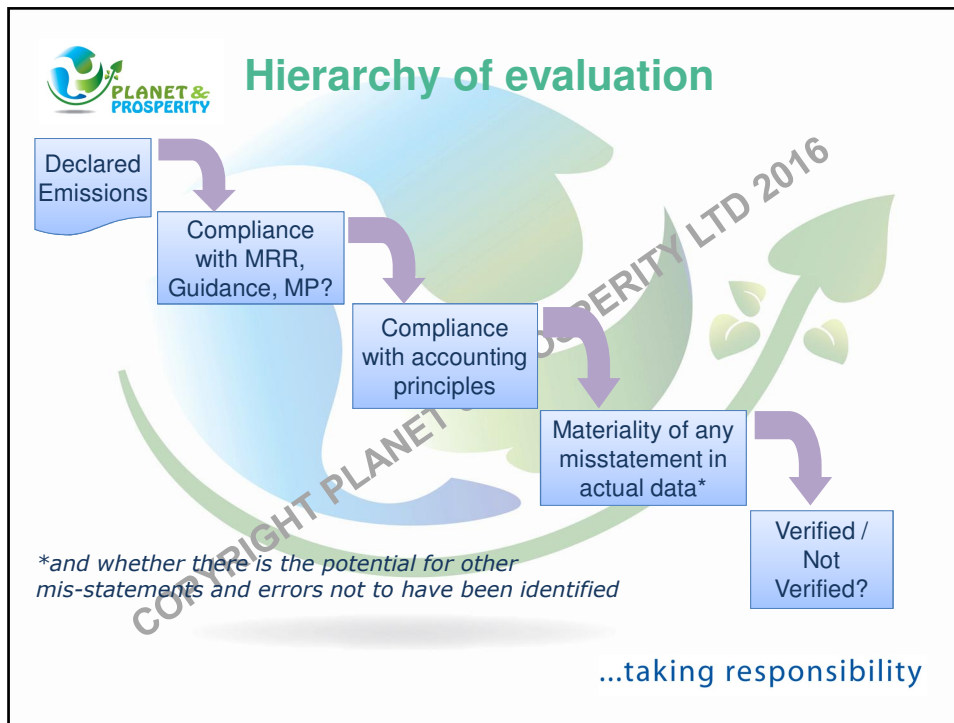
Verifier	(AVR)	Declared Emissions	(MRR)
• Professional Scepticism	A7(2)	• Completeness	[AVR: A7(4)(a)] & MRR A5
• Independence	A7(3)	• Consistency	A6
• Public Interest	A7(3)	• Comparability	A6
• Reliability	A6	• Transparency	A6
• Materiality	A7(4)(c)	• Accuracy	A7
• Improvement of performance in monitoring and reporting of emissions	A30	• Integrity of methodology	A8
		• Continuous improvement	A9

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## Hierarchy of Principles







## Verification Activities

- Review Monitoring Plan & associated procedures
- Visit site :
  - Inspect installation
  - Interview key personnel
  - Test internal controls
  - Collect evidence
- Review & test spreadsheets/ databases etc
  - Analytical procedures
- Cross check & triangulate evidence
  - Identify risk of non-compliance and/or mis-statement
- Form a conclusion

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## Questions & Answers

- Questions?

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## Session 8 -

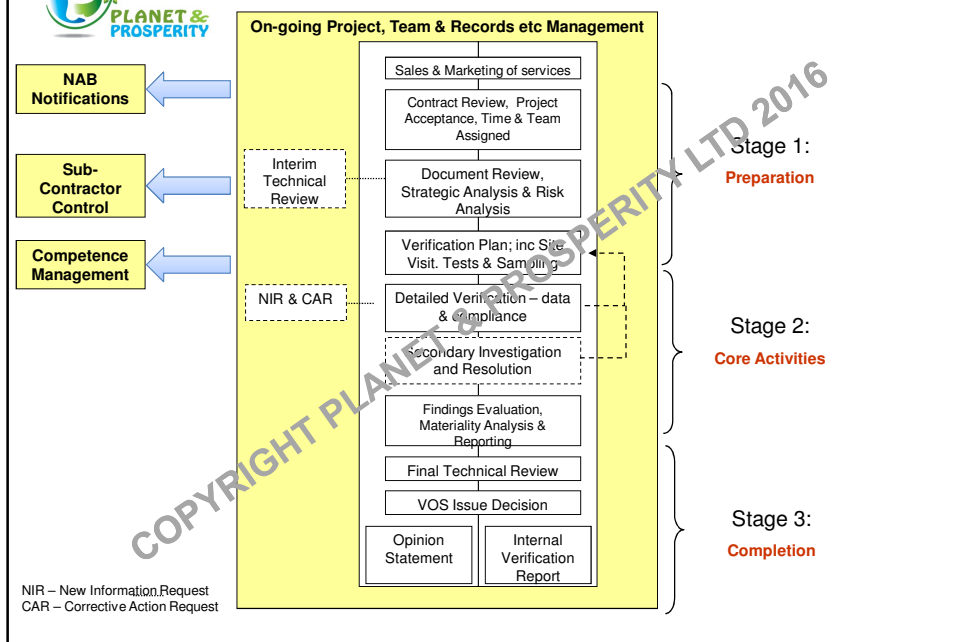
### The Verification Process:

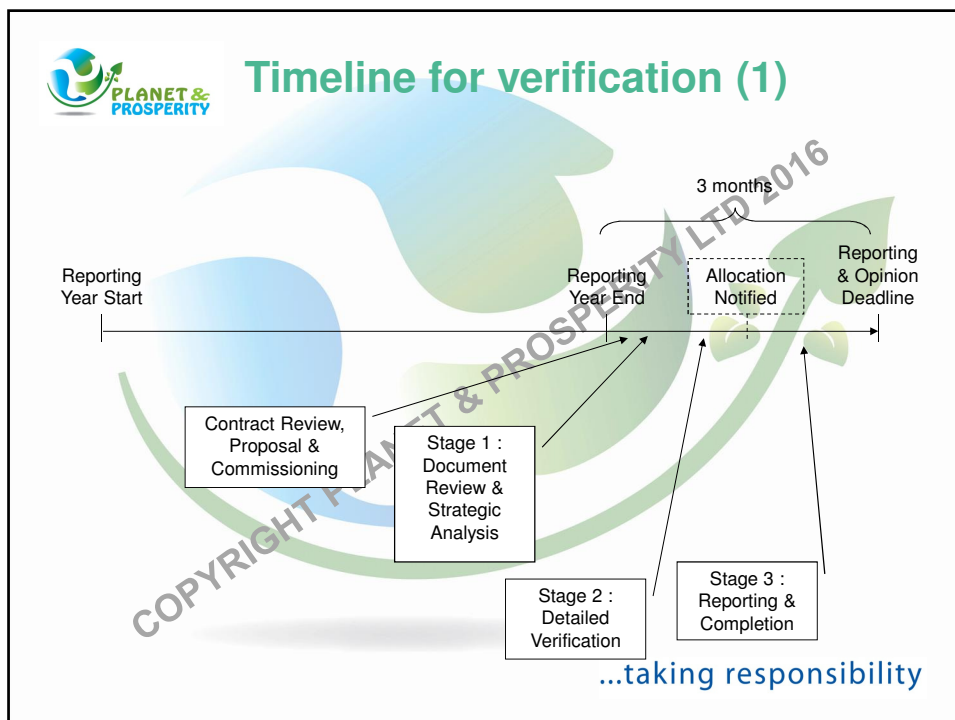
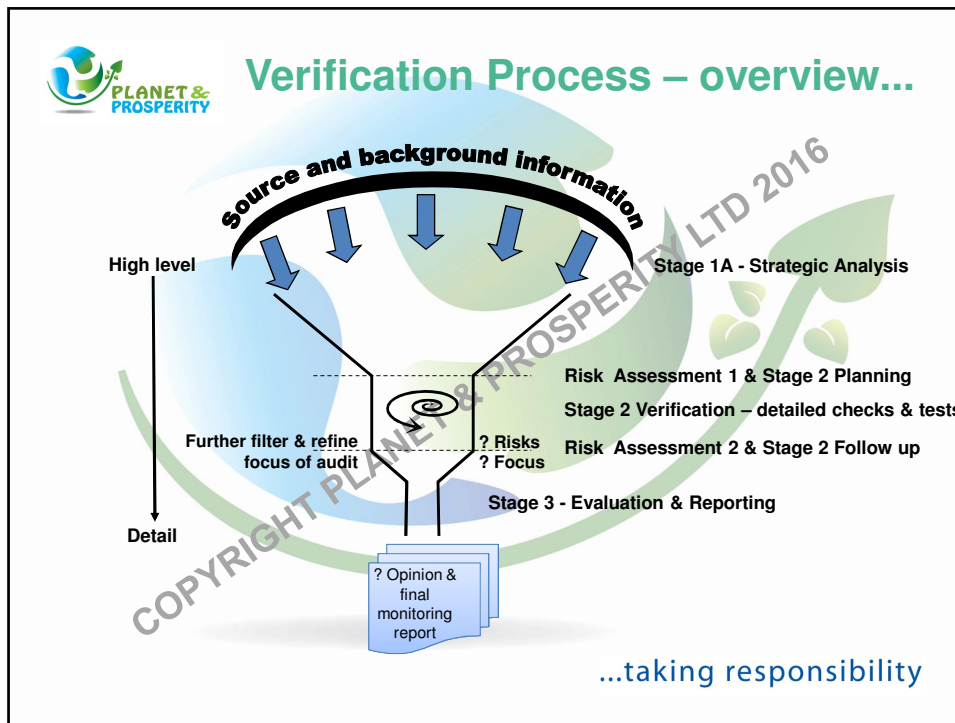
- Preparation for verification
- Verification in detail
- Verification follow up & close

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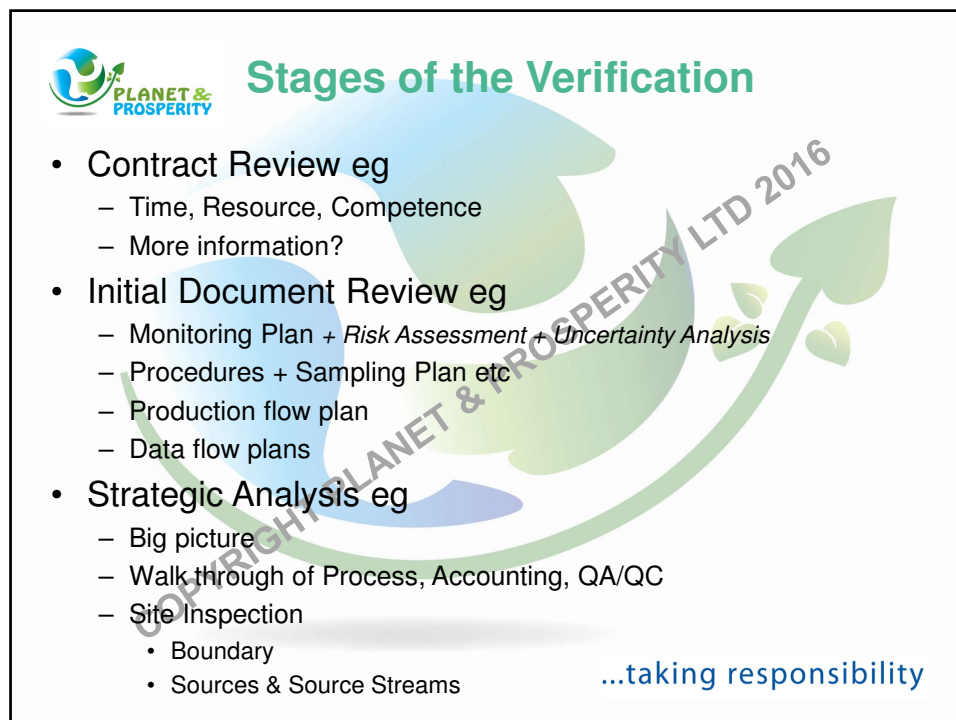
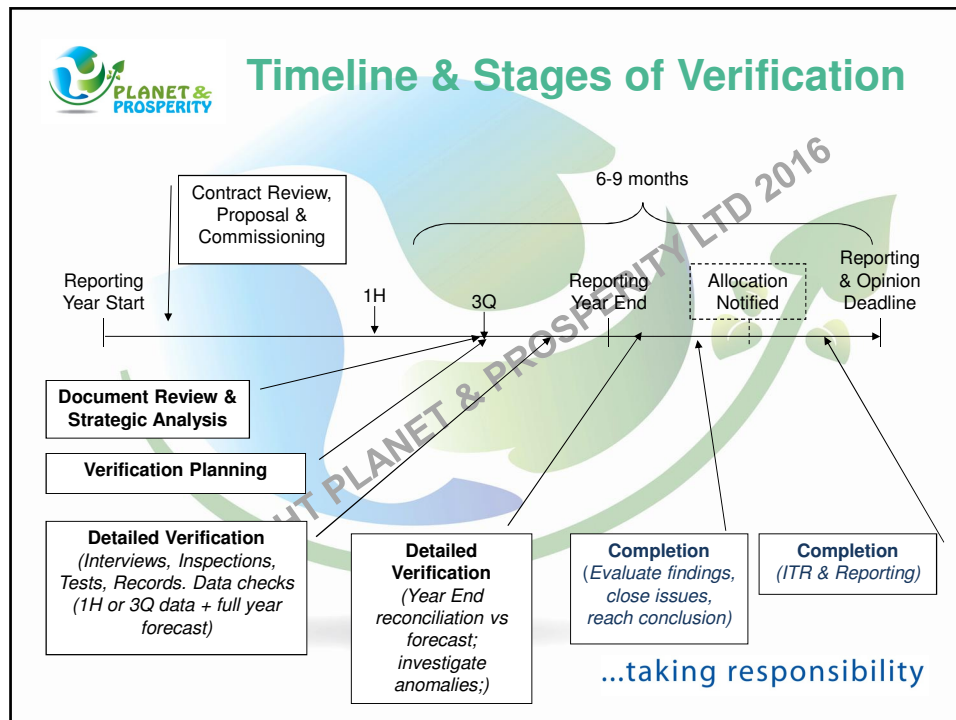


## Verification Process – overview...













## Stages of the Verification

- Planning
    - Risk assessment –
      - Gaps
      - Weakness/breakdown of internal controls
      - Mis-statement potential
    - Focus of effort
    - Tests + sample to be tested (data & process records etc)
  - Detailed verification
    - Iterative, depending on findings
    - Inspections; Interviews; Tests; Record review; etc
  - Evaluation of Findings
    - Materiality analysis
  - Documentation –
    - Results of analysis & 'tests'
    - Issues log
    - Opinion Statement
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## Reporting the Verification

The Verification Report may be:-

- Verified - ie it is unqualified
- Verified with comments – ie it is qualified or flagged
- Not Verified – ie it is Declined/Denied

Standard Templates :

- EU .xls Template
- National systems eg ETSWAP
- Based on .xls and XETL

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## Independent Review

- Mandatory, 100% Independent Technical Review?
- Checks :
  - Audit trail and evidence supports conclusion
  - Verification was planned appropriately and all required tasks have been completed
  - Work papers are complete
  - VB procedures have been implemented
- ITR must have all relevant competencies

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## Questions & Answers

- Questions?

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## Session 9 -

### Verifier Competence:

- Competence requirements
- Competency assessment processes

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## Competence requirements

- Understand –
  - appropriate GHG terminology & language
  - rules and guidance (including additional nationally specified legislation etc)
  - Sector specific attributes (eg refinery, aviation etc)
- Knowledge of –
  - carbon/emissions sources & source streams
  - monitoring and reporting principles
  - data processing tools, IT & electronic controls systems
  - uncertainty assessment & measurement instruments
  - labs, sampling & analysis
  - Internal controls & management systems
  - materiality assessment
  - Information management systems & information security

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## Assessment processes etc

### Required Competence Processes include:

- Clear criteria for each role
- CV/ experience evaluation
- Training needs evaluation
- Training provision (initial & regular updates)
- Witnessing in action
- Feedback from clients/ audit teams
- Performance evaluation (eg from ITR or other file review)
- Register of approved persons (& their sector etc scopes)

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## Good Auditor Attributes....

- **Well organised** – properly prepared with questions
- **Openness** – to not wander unannounced
- **Observation** – be alert & attentive to surrounding activities
- **Objectivity** – take notice of facts that can be confirmed
- **Even disposition** – auditees feel comfortable with auditor's personality
- **Patience** – with auditees
- **Flexible** – to adjust to unexpected findings, situations & changing schedules
- **Naturally curious** – to get to the root cause of a situation
- **Resilience** – to handle challenges by site staff with professionalism
- **Professionally sceptical** – not to accept things on face value or allow yourself to become too familiar with the situation/ site

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## Bad Auditor Attributes.....

- Argumentative, Aggressive or Sarcastic
- Exasperating &/ or repetitive
- Exaggeration of trivial vs major issues
- Making excuses for the auditee/ becoming too familiar  
(note all discrepancies)
- Presenting own views/ opinions
- Insufficient records review
- Too much records review
- Identification of symptoms not root causes
- Jumping to conclusions without evidence
- Lack of clarity in expressing findings

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## Questions & Answers

- Questions?

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Thank you...

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