# Cover image for the Emissions Reduction Fund audit templatesEmissions Reduction Fund audit templates

December 2019

# Emissions Reduction Fund audit templates

These templates show how the Clean Energy Regulator expects a reasonable assurance engagement report for registered projects under the Emissions Reduction Fund to be structured. It is not mandatory to follow this template but it is recommended, and it is the responsibility of auditors to ensure their audit reports meet legislative requirements.

Where text is included within brackets, for example *[audited body]*, information **must** be provided in line with the suggested text.

Some parts of the template are optional. It is up to the auditor to exercise their own discretion as to whether to use these parts, which are marked in brackets as [Optional].

The audit must be conducted in accordance with the relevant requirements for assurance engagements under:

* the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination), and
* relevant national and international audit standards, including:
  + ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*
  + ASAE 3100 *Compliance Engagements*
  + ASAE 3410 *Assurance on Greenhouse Gas Statements*, and
  + Australian Standard AS ISO 14064.3 *Greenhouse gases Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*.
* Please note, only some components of ASAE 3410 will be relevant. Auditors should use this standard as guidance.

This coversheet requires auditors to disclose both audit and non-audit fees, as well as the hours spent on the audit by the audit team. Please refer to 5.7.1 of this handbook for more information on fee disclosure.

Refer to Division 3.4 of the NGER Audit Determination for further information on the legislative requirements for reporting an assurance engagement.

## Guidance for preparation of an initial audit report

An initial audit must cover the first reporting period for a project, or the first six months of the project, whichever is the longest of the periods.

* If the first offsets report under the Emissions Reduction Fund is submitted between six months to two years into the crediting period for emissions avoidance projects, or five years into the crediting period for sequestration projects, then the audit must cover the entirety of the reporting period.
* Where allowed for in the legislative rule made under the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act), a registered project may report more frequently than every six months. In these cases, the initial audit must cover a period of at least six months, be submitted with the final report covering the six month period, and cover the entirety of all reports covering the six month period.

## Scope of initial audit

The initial audit scope will cover whether, in all material respects:

* the proponent meets requirements of the relevant methodology determination under subsection 106(3) of the CFI Act
* the offsets report(s) has been prepared in accordance with section 76 of the CFI Act, and
* the project has been operated and implemented in accordance with the:
  + section 27 declaration
  + relevant methodology determination, and
  + requirements of the CFI Act.

## Guidance for preparation of a subsequent audit report

A subsequent audit report is required to be submitted in line with the project audit schedule, decided by the Clean Energy Regulator, and provided at project registration.

A subsequent audit must be submitted with the first offsets report after each date specified within the project’s audit schedule, and must cover a period of no less than 12 months.

If this offsets report covers a period of 12 months or greater, then the audit must cover the entirety of that report.

If this report covers a period of less than 12 months, the audit must cover the entirety of all offsets reports covering the preceding 12 month period.

In addition to scheduled audits, an audit consistent with the scope and requirements of subsequent audits must be undertaken and submitted with any single offsets report claiming 100 000 tonnes of carbon-dioxide equivalent (tCO2-e) or more in net abatement and/or sequestration.

## Scope of a subsequent audit

The subsequent audit report will provide assurance that, in all material respects, the offsets report(s) from the period of time covered by the audit have been prepared in accordance with section 76 of the CFI Act.

In addition to this, where information regarding changes to a project’s compliance with eligibility or monitoring requirements has been notified with an offsets report, or with a previous unaudited offsets report, the scope of the subsequent audit will be increased to review those eligibility factors, although will not extend to reviewing previously assured eligibility criteria.

If there is a change in the way the project is operated that is likely to result in the section 27 declaration being revoked, and the change has been notified but the change has not previously been audited, then the subsequent audit scope needs to include whether the reasons for the possible revocation have been rectified in all material respects.

## Modified or increased audit scope

Not all variations can be included in this audit template. In most cases the Clean Energy Regulator will notify the proponent if the audit scope is to be increased. If the audit team leader has concerns or requires clarity, they should contact the Clean Energy Regulator prior to commencement to ensure the scope is clear.

An audit scope may be increased:

* where a matter identified as a qualification to an audit opinion in a previous audit of the project has met project requirements during the period of time covered by the audit
* where a scheme proponent swaps the method used for a project partway into that project
* where the technology used is not widely used in Australia
* where the method has not been widely applied in Australia, or
* by agreement between the proponent and the Clean Energy Regulator.

## Legal right and eligibility

There is an expectation that the auditor will consider both legal right and eligibility requirements for all sites or activities within a project when forming an audit opinion. These may be declared at project registration stage and can be included within an initial audit. However, in some cases, such as when additional sites or activities are included after registration and the sites and activities have not been covered by a previous audit, the expectation is that they will be considered in the next scheduled or unscheduled audit.

## Multiple reports

If an audit covers multiple reports for the same project, or if multiple projects are audited in the same period, both the cover letter and Part A should include this information. The table in Part B of the audit report should also be completed.

When providing assurance over two or more projects on one audit report, each project must have their own, clearly stated, opinion. This may be accompanied by a relevant Part B for each associated project.

# Eligible registered project initial audit

## Eligible registered project initial audit coversheet

### Audited body [the proponent]

|  |  |
| --- | --- |
| Name of proponent |  |
| Name of contact person for proponent |  |
| ABN/ACN | *[Use ACN only if proponent has no ABN]* |
| Contact person phone number |  |
| Contact person email address |  |

### Registered project

|  |  |
| --- | --- |
| Name of registered project |  |
| Unique registered project identifier |  |
| Total reporting period(s) covered by engagement |  |
| Net abatement/sequestration during reporting period(s) (in tCO2-e) |  |
| Location of registered project |  |
| Method under which the registered project operates |  |

### Audit description

|  |  |
| --- | --- |
| Type of audit | Initial |
| Kind of audit | Reasonable assurance |
| Objective of the assurance engagement |  |
| Audit fee *(inclusive of GST and disbursements)* |  |
| Total hours spent on the audit by audit team |  |
| Non-audit fees paid to the audit team leader and audit firm for services and activities excluding this audit over the past 12 months |  |
| Why did the provision of non-Part 6 services or activities not result in a conflict of interest situation?  (write not applicable if no non-audit fees were paid to the audit firm) |  |
| Date terms of engagement signed |  |
| Date audit report signed |  |

### Auditor details

|  |  |
| --- | --- |
| Name of audit team leader |  |
| Greenhouse and energy auditor registration number |  |
| Organisation |  |
| Phone number |  |
| Address |  |
| Names and contact details of other audit team members |  |
| Details of exemptions under 6.71 of the NGER Regulations for the audit team leader or professional member of the audit team. These may include:   * conflict of interest and details of the procedures for managing conflict of interest * relevant relationships, and * exemptions for an audit team leader to carry out more than five consecutive greenhouse and energy audits for the proponent. |  |

### Peer reviewer details

|  |  |
| --- | --- |
| Name of peer reviewer |  |
| Organisation |  |
| Phone number |  |
| Address |  |

## Part A—Auditor’s initial audit report

To *[proponent’s name]*

We have conducted a reasonable assurance engagement for an Emissions Reduction Fund project, being an initial audit pursuant to sections 13 and 76 of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act), for the reporting period *[date]* to *[date]*, to report on whether:

* the proponentmet the requirements of the *[name of applicable method]* (the method), and
* the offsets report(s) for *[identify eligible registered project by unique project identifier, abatement/sequestration activity and location]* Emissions Reduction Fund registered project (the project) has been prepared in accordance with section 76 of the CFI Act, and
* the project has been operated and implemented in accordance with:
  + the section 27 declaration that is in operation for the project, and
  + the relevant methodology determination, and
  + the requirements of the CFI Act.

The offsets report(s) consists of the following:

* the total net abatement/sequestration during the reporting period of *[insert total in tCO2-e]*.

[*Details of individual reports covered by this audit are included in Part B*]

### Details of proponent

|  |  |
| --- | --- |
| Name |  |
| Address |  |
| ABN/ ACN | *[Use ACN only if proponent has no ABN]* |

### Responsibility of *[proponent]*’s management

The management of *[proponent]* is responsible for:

* *[proponent]*’s compliance with the *[method applicable to the project]*
* the preparation and presentation of the offsets report in accordance with section 76 of the CFI Act, and
* a project’s compliance with the section 27 declaration in operation for the project and the requirements of the *[method applicable to the project*], the CFI Act, the *Carbon Credits (Carbon Farming Initiative) Regulations 2011* (CFI Regulations) and the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (the Rule).

This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation, and presentation of the offsets report that is free from material misstatement, whether due to fraud or error, the project’s compliance with the CFI legislation and [*proponent*]’s compliance with the *[method applicable to the project].*

### Our independence and quality control

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, due care, confidentiality and professional behaviour. This includes all of the requirements specified in the *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations) regarding the Code of Conduct, independence and quality control.

[*Please list any quality assurance, accreditation or ethical standards used to ensure independence and quality control is maintained. These could include:*

* In accordance with Australian Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, *[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.
* In accordance with ISO 14065 *Greenhouse Gases—Requirements for Greenhouse Gas Validation and Verification Bodies for Use in Accreditation or Other Forms of Recognition* and the NGER Regulations, *[name of auditor]* 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.
* In accordance with ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*, *[name of auditor]* have met the independence requirements and have the required competencies and experience to conduct the assurance engagement.
* *[name of auditor]* has met the independence requirements of the APES 110 *Code of Ethics for Professional Accountants*.]

### Our responsibility

Our responsibility is to express an opinion on the offsets report, whether the project was undertaken in accordance with the relevant legislation, and whether *[proponent]* meets the requirements in the method, based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination) and relevant national and international standards, as listed below. The NGER Audit Determination and relevant standards require that we plan and perform this engagement to obtain reasonable assurance about whether the offsets report is free from material misstatement, and whether the project and *[proponent]* meet the requirements of the relevant legislation, in all material respects.

*[List any relevant audit standards used in undertaking the assurance engagement. These standards could include:*

* Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*
* Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*
* Australian Standard AS ISO 14064.3 *Greenhouse gases–Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*.

A reasonable assurance engagement, in accordance with the NGER Audit Determination, ASAE 3000 and/or ASAE 3100, involves performing procedures to obtain evidence about the quantification of abatement/sequestration and related information in the offsets report, and about whether the project and *[proponent]* meet the requirements in the relevant legislation. The nature, timing and extent of procedures selected depend on the audit team leader’s judgement, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error.

In making those risk assessments, we considered internal controls relevant to *[proponent]*’s offsets report and project in order to design assurance procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of *[proponent]*’s internal control.

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

### Summary of procedures undertaken

The procedures conducted in our reasonable assurance engagement included:

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

* *interviews conducted to gather evidence*
* *analysing procedures that the proponent used to gather data*
* *testing of calculations that the proponent performed*
* *identifying and testing assumptions supporting the calculations, and*
* *undertaking an assessment of legal right.*

*More detailed procedures can be included in Part B of the audit report.]*

### Use of our reasonable assurance engagement report

This report is intended solely for the use of *[proponent]*, the Clean Energy Regulator *[and intended users identified in the terms of the engagement]* for the purpose of reporting on *[proponent]*'s offsets report and project.

Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Clean Energy Regulator, *[proponent]* and *[names of intended users]* for any consequences of reliance on this report for any purpose.

### Inherent limitations

There are inherent limitations in performing reasonable assurance engagements. For example, reasonable assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, omission or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of misstatement in abatement/sequestration included in the offsets report or non-compliance with the legislation, because such an engagement is not performed continuously throughout the reporting period being examined, and because the procedures performed in respect of abatement/sequestration or compliance with the legislation are undertaken 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 both its nature and the methods used for determining, calculating and sampling or estimating such data. [If applicable] We specifically note that *[proponent]* has used estimates or extrapolated underlying information to calculate certain amounts included within the offsets report.

Basis for [qualified/adverse/disclaimer] opinion[Include if conclusion is modified]

*[Insert basis for modification to the auditor’s report.]*

### Our conclusion

In our opinion, in all material respects, for the reporting period *[date]* to *[date]:*

* the proponentmet the requirements of the *[name of applicable method]* (the method), and
* the offsets report(s) for *[identify eligible registered project by unique project identifier, abatement/sequestration activity and location]* Emissions Reduction Fund registered project (the project) has been prepared in accordance with section 76 of the CFI Act, and
* the project has been operated and implemented in accordance with:
  + the section 27 declaration that is in operation for the project
  + the relevant methodology determination, and
  + the requirements of the CFI Act.

*[Signature—of audit team leader]*

*[Name—of audit team leader]*

*[Firm]*

*[Location]*

*[Date]*

## Part B—Detailed findings

Section 5.7.3 of this handbook provides detailed advice on how to fill out Part B of the audit report.

As required under section 3.23 of the NGER Audit Determination, audit team leaders must outline the following:

*[If no entry is needed, indicate that it is not applicable]*

### Issues requiring particular attention

|  |
| --- |
|  |

### Aspects impacting on assurance engagement

|  |
| --- |
|  |

### Contraventions of NGER legislation

|  |
| --- |
|  |

### Matters corrected during the course of the audit

|  |  |
| --- | --- |
| Issue A |  |
| Issue B |  |
| Issue C |  |

### Other matters

|  |
| --- |
|  |

### Audit findings and conclusions table

|  |  |  |  |
| --- | --- | --- | --- |
| Risk area investigated  *[as outlined in the audit plan]* | Testing conducted | Findings | Conclusion |
| Issue A | *[Provide a description of the audit procedures carried out to audit this item of the scope]* | *[Provide a description of the audit finding. The auditor may include a summary of the process/figures audited and whether any material misstatements were identified]* | *[Insert conclusions against the issue/risk area]* |
| Issue B |  |  |  |
| Issue C |  |  |  |

### Multiple offsets reports

*[If this audit covers multiple offsets reports, please complete table below.]*

|  |  |  |
| --- | --- | --- |
| Project | Report period | Reported abatement/sequestration |
| [*name of project*] | *[date range]* | *[amount in tCO2-e]* |
|  | *[date range]* | *[amount in tCO2-e]* |

|  |  |
| --- | --- |
| Total abatement/sequestration | *[amount in tCO2-e]* |

### Peer reviewer conclusion

|  |  |
| --- | --- |
| Name of the peer reviewer |  |
| Peer reviewer’s credentials |  |
| Peer reviewer contact details |  |
| Outcome of the evaluation undertaken by the peer reviewer |  |

*[Signature—of audit team leader]*

*[Name—of audit team leader]*

*[Firm]*

*[Location]*

*[Date]*

# Eligible registered project subsequent audit

## Eligible registered project subsequent audit coversheet

### Audited body [the proponent]

|  |  |
| --- | --- |
| Name of proponent |  |
| Name of contact person for proponent |  |
| ABN/ACN | *[Use ACN only if proponent has no ABN]* |
| Contact person phone number |  |
| Contact person email address |  |

### Registered project

|  |  |
| --- | --- |
| Name of registered project |  |
| Unique registered project identifier |  |
| Reporting period |  |
| Net abatement/sequestration during reporting period(s) (in tCO2-e) |  |
| Location of registered project |  |
| Method under which the registered project operates |  |

### Audit description

|  |  |
| --- | --- |
| Type of audit | Subsequent |
| Kind of audit | Reasonable assurance |
| Objective of the assurance engagement |  |
| Audit fee *(inclusive of GST and disbursements)* |  |
| Total hours spent on the audit by audit team |  |
| Non-audit fees paid to the audit team leader and audit firm for services and activities excluding this audit over the past 12 months |  |
| Why did the provision of non-Part 6 services or activities not result in a conflict of interest situation?  (write not applicable if no non-audit fees were paid to the audit firm) |  |
| Date terms of engagement signed |  |
| Date audit report signed |  |

### Auditor details

|  |  |
| --- | --- |
| Name of audit team leader |  |
| Greenhouse and energy auditor registration number |  |
| Organisation |  |
| Phone number |  |
| Address |  |
| Names and contact details of other audit team members |  |
| Details of exemptions under 6.71 of the NGER Regulations for the audit team leader or professional member of the audit team. These may include:   * conflict of interest and details of the procedures for managing conflict of interest * relevant relationships, and * exemptions for an audit team leader to carry out more than five consecutive greenhouse and energy audits for the proponent. |  |

### Peer reviewer details

|  |  |
| --- | --- |
| Name of peer reviewer |  |
| Organisation |  |
| Phone number |  |
| Address |  |

## Part A—Auditor’s subsequent audit report

To *[proponent’s name]*

We have conducted a reasonable assurance engagement for an Emissions Reduction Fund project, being a subsequent audit pursuant to sections 13 and 76 of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (CFI Act), for the reporting period *[date]* to *[date],* to report on whether:

* the offsets report(s) for [*identify eligible registered project by unique project identifier, abatement/sequestration activity and location*] Emissions Reduction Fund registered project (the project) has been prepared in accordance with section 76 of the CFI Act

*[****and if required -*** *please choose from the following:]*

* where a change relating to the project’s compliance with project eligibility requirements or monitoring requirements, or a change relating to the scope or location of the project as notified in an offsets report in accordance with paragraph 70(3)(a) or (c), and the change has not previously been audited—whether, following the change, the project meets the project requirements in all material respects
* where there is a change in the way the project is being operated that is likely to result in the section 27 declaration for the project being revoked as notified in accordance with section 87, and the change has not been previously audited—whether the reasons the section 27 declaration was likely to be revoked have been rectified in all material respects, and/or
* a specific scope increase or modification as specified by the Clean Energy Regulator. *[Additional explanatory terms may be required for modified or increased scope]*

The offsets report(s) consists of the following:

* a total net abatement/sequestration during the reporting period of *[insert total in tCO2-e]*.

[*Details of individual reports covered by this audit are included in Part B*]

### Details of proponent

|  |  |
| --- | --- |
| Name |  |
| Address |  |
| ABN/ ACN | *[Use ACN only if proponent has no ABN]* |

### Responsibility of [proponent]’s management

The management of *[proponent]* is responsible for:

* *[proponent*]’s compliance with the *[method applicable to the project]*
* the preparation and presentation of the offsets report in accordance with section 76 of the CFI Act, and
* the project’s compliance with the Section 27 Declaration in operation for the project and the requirements of the *[method applicable to the project*], the CFI Act, the *Carbon Credits (Carbon Farming Initiative) Regulations 2011* (CFI Regulations) and the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (the Rule).

This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the offsets report that is free from material misstatement, whether due to fraud or error, the project’s compliance with the CFI legislation and *[proponent]*’s compliance with the *[method applicable to the project]*.

### Our independence and quality control

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour. This includes all of the requirements specified in the *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations) regarding the Code of Conduct, independence and quality control.

[*Please list any quality assurance, accreditation or ethical standards used to ensure independence and quality control is maintained. These could include*:

* In accordance with Australian Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, [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.
* In accordance with ISO 14065 *Greenhouse Gases—Requirements for Greenhouse Gas Validation and Verification Bodies for Use in Accreditation or Other Forms of Recognition* and the NGER Regulations, *[name of auditor]* 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.
* In accordance with ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements, [name of auditor]* have met the independence requirements and have the required competencies and experience to conduct the assurance engagement .
* *[name of auditor]* has met the independence requirements of the APES 110 C*ode of Ethics for Professional Accountants*.]

### Our responsibility

Our responsibility is to express an opinion on the offsets report, (whether the project was undertaken in accordance with the relevant legislation, and whether *[proponent]* meets the requirements in the method), based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination) and relevant national and international standards, as listed below. The NGER Audit Determination and relevant standards require that we plan and perform this engagement to obtain reasonable assurance about whether the offsets report is free from material misstatement, and whether the project and *[proponent]* meet the requirements of the relevant legislation, in all material respects.

*[List any relevant audit standards used in undertaking the assurance engagement. These standards could include:*

* Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*
* Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*
* Australian Standard AS ISO 14064.3 *Greenhouse gases* [Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.]

A reasonable assurance engagement, in accordance with the NGER Audit Determination, ASAE 3000 and/or ASAE 3100, involves performing procedures to obtain evidence about the quantification of abatement/sequestration and related information in the offsets report and about whether the project and *[proponent]* meet the requirements in the relevant legislation. The nature, timing and extent of procedures selected depend on the audit team leader’s judgement, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error.

In making those risk assessments, we considered internal controls relevant to *[proponent]*’s offsets report and project in order to design assurance procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of *[proponent]*’s internal control.

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

### Summary of procedures undertaken

The procedures conducted in our reasonable assurance engagement included:

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

* *interviews conducted to gather evidence*
* *analysing procedures that the participant used to gather data*
* *testing of calculations that the participant performed*
* *identifying and testing assumptions supporting the calculations, and*
* *undertaking an assessment of legal right.*

*More detailed procedures can be included in Part B of the audit report*.]

### Use of our reasonable assurance engagement report

This report is intended solely for the use of *[proponent]*, the Clean Energy Regulator *[and intended users identified in the terms of the engagement]* for the purpose of reporting on *[proponent]*'s offsets report and project.

Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the Clean Energy Regulator, *[proponent]* and *[names of intended users]* for any consequences of reliance on this report for any purpose.

### Inherent limitations

There are inherent limitations in performing reasonable assurance engagements. For example, reasonable assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, omission or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of misstatement in abatement/sequestration included in the offsets report or non-compliance with the legislation, because such an engagement is not performed continuously throughout the reporting period being examined, and because the procedures performed in respect of abatement/sequestration or compliance with the legislation are undertaken 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 both its nature and the methods used for determining, calculating and sampling or estimating such data.

**[If applicable]** We specifically note that *[proponent]* has used estimates or extrapolated underlying information to calculate certain amounts included within the offsets report.

Basis for *[qualified/adverse/disclaimer]* opinion*[Include if conclusion is modified]*

*[Insert basis for modification to the auditor’s report.]*

### Our conclusion

In our opinion, in all material respects, for the reporting period *[date]* to *[date]* the offsets report(s) for *[identify eligible registered project by unique project identifier, abatement/sequestration activity and location]* Emissions Reduction Fund registered project (the project) has been prepared in accordance with section 76 of the CFI Act.

[***and if required,*** *please choose from the following*:]

* if a change relating to the project’s compliance with project eligibility requirements or monitoring requirements, or a change relating to the scope or location of the project as notified in an offsets report in accordance with paragraph 70(3)(a) or (c), and the change has not been previously audited – following the change, the project meets the project requirements in all material respects
* if a change in the way the project is being operated that is likely to result in the section 27 declaration for the project being revoked has been notified in accordance with section 87, and the change has not been audited previously—whether the reasons the section 27 declaration was likely to be revoked have been rectified in all material respects, and/or
* if the scope has been increased or modified as specified by the Clean Energy Regulator, then the project meets the requirements in all material respects.

*[Signature—of audit team leader]*

*[Name—of audit team leader]*

*[Firm]*

*[Location]*

*[Date]*

## Part B—Detailed findings

Section 5.7.3 of this handbook provides detailed advice on how to fill out Part B of the audit report.

As required under section 3.23 of the NGER Audit Determination, audit team leaders must outline the following:

*[If no entry is needed, indicate that it is not applicable]*

### Issues requiring particular attention

|  |
| --- |
|  |

### Aspects impacting on assurance engagement

|  |
| --- |
|  |

### Contraventions of NGER legislation

|  |
| --- |
|  |

### Matters corrected during the course of the audit

|  |  |
| --- | --- |
| Issue A |  |
| Issue B |  |
| Issue C |  |

### Other matters

|  |
| --- |
|  |

### Audit findings and conclusions table

|  |  |  |  |
| --- | --- | --- | --- |
| Risk area investigated  *[as outlined in the audit plan]* | Testing conducted | Findings | Conclusion |
| Issue A | *[Provide a description of the audit procedures carried out to audit this item of the scope]* | *[Provide a description of the audit finding. The auditor may include a summary of the process/figures audited and whether any material misstatements were identified]* | *[Insert conclusions against the issue/risk area]* |
| Issue B |  |  |  |
| Issue C |  |  |  |

### Multiple offsets reports

*[If this audit covers multiple offsets reports, please complete table below.]*

|  |  |  |
| --- | --- | --- |
| Project | Report period | Reported abatement/sequestration |
| [*name of project*] | *[date range]* | *[amount in tCO2-e]* |
|  | *[date range]* | *[amount in tCO2-e]* |

|  |  |
| --- | --- |
| Total abatement/sequestration | *[amount in tCO2-e]* |

### Peer reviewer conclusion

|  |  |
| --- | --- |
| Name of the peer reviewer |  |
| Peer reviewer’s credentials |  |
| Peer reviewer contact details |  |
| Outcome of the evaluation undertaken by the peer reviewer |  |

*[Signature—of audit team leader]*

*[Name—of audit team leader]*

*[Firm]*

*[Location]*

*[Date]*