# Cover image for the National Greenhouse and Energy Reporting audit templates National Greenhouse and Energy Reporting audit templates

December 2019

# National Greenhouse and Energy Reporting audit templates

These templates illustrate how the Clean Energy Regulator expects the following audit reports to be structured:

* an NGER reasonable or limited assurance engagement on an energy and emissions report (or part of a report) prepared under section 19 of the *National Greenhouse and Energy Reporting Act 2008* (NGER Act), and
* a verification engagement.

The template for reasonable and limited assurance engagements can be adapted for engagements to report on other compliance matters. 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 and the auditor must exercise their own discretion as to whether to use them. These parts are marked with brackets: **[Optional]**.

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

* the NGER Audit Determination, and
* relevant national and international audit standards, including:
  + ASAE 3000 *Assurance Engagements Other than Audits of Reviews of Historical Financial Information*
  + ASAE 3100 *Compliance Engagements*
  + ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, and
  + ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*.

For assurance engagements pursuant to sections 73, 73A, 74 or 74A of the National Greenhouse and Energy Reporting Act 2008, auditors must disclose both audit and non-audit fees, as well as the hours spent on the audit by the audit team on the coversheet of the audit report.

For verification engagements and voluntary audits of section 19 reports, we recommend disclosing both audit and non-audit fees, as well as the hours spent on the audit by the audit team on the coversheet of the audit report.

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.

# National Greenhouse and Energy Reporting audit report (reasonable or limited assurance) of energy and emissions report

## Audit report coversheet

### Audited body

|  |  |
| --- | --- |
| Name of audited body |  |
| Name of contact person for audited body |  |
| Contact person phone number |  |
| Contact person email address |  |

### Reporting requirements

*[Complete as appropriate dependent on scope of audit]*

|  |  |
| --- | --- |
| Total scope 1 emissions for audited body |  |
| Total scope 2 emissions for audited body |  |
| Total energy consumption for audited body |  |
| Total energy production for audited body |  |

### Audit description

|  |  |
| --- | --- |
| Kind of audit | Reasonable assurance/Limited assurance under sections 73 / 73A / 74 / 74A of the NGER Act. |
| Objective of the assurance engagement | Assurance on *[scope 1 emissions/scope 2 emissions/energy production/energy consumption in] [audited body]*’s energy and emissions report under s19 of the NGER Act. |
| Reporting period covered by audit |  |
| 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 |  |
| GEA 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 in relation to the audited body. |  |

### Peer reviewer details

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

## Part A—Auditor’s report

To: *[Directors/Clean Energy Regulator]*

We have conducted a *[reasonable/limited]* assurance engagement, being an audit pursuant to section *[73, 73A, 74 or 74A]* of the *National Greenhouse and Energy Reporting Act 2008* (NGER Act), of whether *[audited body]*’s energy and emissions report for the period *[date]* to *[date]* has been prepared in accordance with section 19 of the NGER Act.

The energy and emissions report being audited, consists of the following: *[Complete as appropriate dependent on scope of audit]*

* scope 1 greenhouse gas emissions *[reported amount in tonnes of CO2-e]*
* scope 2 greenhouse gas emissions *[reported amount in tonnes of CO2-e]*
* energy production *[reported amount in GJ]*
* energy consumption *[reported amount in GJ]*, and/or
* other subject matter that is the subject of the audit.

### Details of audited body

|  |  |
| --- | --- |
| Name of audited body |  |
| Address |  |
| ABN |  |

### Responsibility of *[audited body]*’s management

Management of *[audited body]* are responsible for preparation and presentation of the energy and emissions report in accordance with section 19 of the NGER Act, in all material respects. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the energy and emissions report that is free from material misstatement, whether due to fraud or error.

Management of *[audited body]* is responsible for the interpretation and application of the requirements of the NGER Act and the NGER Measurement Determination in determining operational control and quantifying emissions and energy, which are reflected in a *[Carbon Manual/Basis of Preparation]* which will be provided to us.

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

### 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. These include all of the requirements defined in the *National Greenhouse and Energy Reporting Regulations 2008* (NGER Regulations) regarding the Code of Conduct, independence and quality control.

Furthermore, *[name of assurance practitioner’s firm]* maintains:

* 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*, 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, a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibility

Our responsibility is to express an *[opinion/conclusion]* on *[audited body]*’s [*scope 1 emissions/scope 2 emissions/energy production/energy consumption in the]* energy and emissions report, based on the procedures we have performed and the evidence we have obtained.

We have conducted our *[reasonable/limited]* 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.

*[List any relevant audit standard 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 on Assurance Engagements ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*
* Australian Standard AS ISO 14064.3-2006 *Greenhouse gases–Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*], and
* ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagement*.

The NGER Audit Determination and relevant national and international standards require that we plan and perform this engagement to obtain *[reasonable/limited]* assurance about whether the energy and emissions report is free from material misstatement.

A *[reasonable/limited]* assurance engagement in accordance with the NGER Audit Determination and relevant national and international standards involves performing procedures to obtain evidence about the application of operational control requirements and the quantification of *[emissions and energy/scope 1 emissions/scope 2 emissions/energy production/energy consumption]* in the energy and emissions report in accordance with the requirements of the NGER Act. 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 making those risk assessments, we considered internal control relevant to *[audited body]*’s preparation of the energy and emissions report.

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

### Summary of procedures undertaken

The procedures we conducted in our *[reasonable/limited]* assurance engagement included:

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

* *interviews conducted to gather evidence*
* *analysing procedures that the audited body used to gather data*
* *testing of calculations that the audited body performed, and*
* *identifying and testing assumptions supporting the calculations.]*

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

### Use of our *[limited/reasonable]* assurance engagement report

This report has been prepared for the use of *[audited body]*, the Clean Energy Regulator *[and intended users identified in the terms of the engagement]* for the sole purpose of reporting on *[audited body]*’s energy and emissions report and their compliance with NGER Act. Accordingly, I/we expressly disclaim and do not accept any responsibility or liability to any party other than the Clean Energy Regulator, *[audited body]* and *[names of intended users]* for any consequences of reliance on this report for any purpose.

### Inherent limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed 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. We specifically note that *[audited body]* has used estimates or extrapolated underlying information to calculate certain amounts included within the greenhouse and energy information.

**[If limited assurance]** The procedures performed in a limited assurance engagement vary in nature from, and are narrower in scope than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether *[audited body]*’s energy and emissions report has been prepared, in all material respects, in accordance with section 19 of the NGER Act.

**[If conclusion is modified]** Basis for *[qualified/adverse/disclaimer]* conclusion

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

### Our conclusion

*[Insert conclusion as appropriate, referring to section 3.17 of the NGER Audit Determination.]*

**[If reasonable assurance]** In our opinion the energy and emissions report of *[audited body]* for the period *[date]* to *[date]* is prepared in accordance with section 19 of the NGER Act, in all material respects.

**[If limited assurance]** Nothing has come to our attention that causes us to believe that the energy and emissions report of *[audited body]* for the period *[date]* to *[date]* is not prepared in accordance with section 19 of the NGER Act, 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 |  |  |  |

### 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]*

# National Greenhouse and Energy Reporting audit report (verification engagement)

## Audit report coversheet

### Audited body

|  |  |
| --- | --- |
| Name of audited body |  |
| Name of contact person for audited body |  |
| Contact person phone number |  |
| Contact person email address |  |

### Reporting requirements

*[Complete as appropriate dependent on scope of audit]*

|  |  |
| --- | --- |
| Total scope 1 emissions for audited body |  |
| Total scope 2 emissions for audited body |  |
| Total energy consumption for audited body |  |
| Total energy production for audited body |  |

### Audit description

|  |  |
| --- | --- |
| Kind of audit | Verification  Section 73 / 73A / 74 / 74A |
| Objective of the assurance engagement |  |
| Reporting period covered by audit |  |
| 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 |  |
| GEA 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 in relation to the audited body. |  |

### Peer reviewer details

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

## NGER verification engagement report

To *[Directors / The Clean Energy Regulator]*

### Report on [brief description of engagement]

We have performed the procedures agreed with you, detailed in the written instructions of *[date]* and described below, with respect to *[brief description of assignment and reference to any attachments]*.

### *[Directors/The Clean Energy Regulator]*’s responsibility for the procedures agreed

The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the *[Directors / Clean Energy Regulator]*. You *[and other intended users]* are responsible for determining whether the factual findings provided by us, 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.

### Our responsibility

Our responsibility is to report factual findings obtained from conducting the agreed procedures. Our verification engagement was undertaken in accordance with the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination) and our signed letter of engagement, dated *[date]*. We have complied with ethical requirements *[specify]*.

Because the agreed procedures do not constitute either a reasonable or limited assurance engagement in accordance with the NGER Audit Determination and relevant national and international standards, we do not express any conclusion and provide no assurance on the *[subject matter]*. Had we performed additional procedures or had we performed a reasonable or limited assurance engagement, other matters might have come to our attention that would have been reported to you.

### Factual findings

The procedures were performed solely to assist you meeting the requirements as outlined in our signed letter of engagement for verification engagement, dated *[date]*. The procedures performed and factual findings obtained are as follows:

*[Provide a listing of the specific procedures performed or reference to the terms and procedures of the engagement contained in another document such as an engagement letter, and the factual findings including any errors or exceptions identified.]*

### Findings

The procedures were performed solely to assist you in *[insert details of objective of verification engagement].*

The procedures performed and the factual findings obtained are as follows:

|  |  |  |
| --- | --- | --- |
| Procedures performed | Factual findings | Errors, exceptions or contraventions identified |
| *1. [Insert procedure]* | *[Insert findings]* | *[None/detail the exceptions]* |
| *2. [Insert procedure]* | *[Insert findings]* | *[None/detail the exceptions]* |

### Other matters to be reported

As required under section 4.8 of the NGER Audit Determination, we report the following matters:

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

#### Aspects impacting on verification engagement

*[Insert any details of aspects of the matter being audited that particularly impacted on the carrying out of the verification engagement.]*

#### Other matters

*[Insert any details of all matters, related to the matter being audited, that the audit team leader has found during the carrying out of the verification engagement that he or she believes amount to a contravention of the National Greenhouse and Energy Reporting Act 2007 (the NGER Act), the National Greenhouse and Energy Reporting Regulations 2008 (the NGER Regulations) or associated provisions.]*

### Restriction on use of report

This report is intended solely for the use of *[the Clean Energy Regulator/audited body/intended users]* for the purpose set forth in the first paragraph of this report. 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. Use of this report is restricted to those parties that have agreed on 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, we expressly disclaim and do not accept any responsibility or liability to any party other than *[the Clean Energy Regulator, the audited body and other intended users]* for any consequences of reliance on this report for any purpose.

*[Insert more information on the use of this report if it will be going further than the audited body or the Clean Energy Regulator]*

Yours faithfully

*[Signature—of audit team leader]*

*[Name—of audit team leader]*

*[Firm]*

*[Location]*

*[Date]*