



# EU ETS Verification Reports (Opinion Statements)

Points for discussion at the EU  
Compliance Forum 07/02/2012

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## Verification Reports....

- Who I am
- What does Article 27 require
- Why have a standard template
- What does the UK's current template cover
- Why the UK's template is in its current format
- What adjustments are being made to align to the AVR

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## My credentials.....

- ***Independent*** Advisor - climate change accounting & assurance
- ***Lucy Candlin***, FIEMA, C.Env, RPA
  - Co-chair, UK ETG WG3/7 on MRV
    - Chair of sub-groups on A&V and Aviation
  - Lead GHG Verifier – *10+ years experience*
  - EU ETS VB Accreditation Technical Assessor
  - Advisor to EU; UK(DEFRA/DECC & EA); CCAR, TCR and CARB in USA; and Korean MOE/NIEHR
  - Experience working with CB & financial accounting based GHG assurance activities

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## AVR Article 27.....

- Article 27 requirements largely based upon EA6/03 which specifies the basis for –
  - Internal VB reports (*work papers*)
  - Verification Report (*external report*)
  - Verification Statement (*opinion statement*)
- Article 27 specifies
  - Verification Report minimum contents
- Also requirements in other AVR Articles
  - *Outlined in italics in subsequent slides*

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## Article 27 requires.....

- Opinion Finding of –
  - Satisfactory (verified)
  - Not satisfactory (not verified) due to –
    - Uncorrected material mis-statements OR
    - Limitations on the scope of the verification resulting in insufficient evidence to issue a reasonable assurance opinion (Article 28 details)
- Additional option (UK) – Verified with comments –
  - to draw attention to a particular point
  - not related to material mis-statement/non-compliance

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## Article 27 requires as minimum.....

- Report submitted to CA (+Emissions Report) –
  - Basis of work eg
    - Operator name, reference to their emissions report, aggregate emissions being reported & reporting year
    - Objectives & scope of verification
    - Criteria used as basis of verification
      - Permit & monitoring Plan(s)
      - (Verification standards)
    - Responsibilities of operator, CA and verifier
    - Dates of site visits & nominated verifier (or justification of waiver)
    - Names of verification team members (inc TE and ITR)

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## Article 27 requires as minimum.....

### – Findings -

- Identified & uncorrected mis-statements, non-conformities &/or non-compliances with MRR –
  - Sufficient detail (nature, element, etc)
  - Scale of mis-statements (eg % of total declared)
- Conservativeness of method for filling data gaps & materiality of result
- Undeclared information on changes to capacity, activity level and/or installation operations relevant to allowance allocation
- *Recommendations for improvement*
- *Failure to act on prior year findings/recommendations*

### – Opinion statement

- *Positive form of words – reasonable assurance*
- Authorised signatory name & signature



## Why have a standard template?

- Facilitates assessment of opinions by all parties -
  - Completeness
  - Consistency
  - Comparability
- Real items of interest are –
  - the Opinion
  - the issues
- UK experience at Phase 1 baseline –
  - 900+ opinions ranging –
    - 1 page of bullet points to 30 pages of detail
    - Different forms of words depending upon VB background  
(*eg financial, technical, certification*)
  - confusion

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## UK's current template....



### DRAFT UK ETS Phase 3 VOS

- Why this structure and form of words?
- Part of the ETSWAP system for 2011 reporting
  - Links to reporting workflow
  - Integrates all key documents together

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# Verification Reports

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