

The logo for GGAS (Greenhouse Gas Abatement Scheme) consists of a blue square with the letters 'GGAS' in white, bold, sans-serif font.

AUDIT SCOPE:

PRE-REGISTRATION OF NGACs

## Request for audit in relation to the creation of NSW Greenhouse Abatement Certificates (“NGACs”)

Name of Accredited Abatement Certificate Provider: <Insert here>

Accreditation Number: <Insert here>

Applicable Rule: <Insert here>

Name of Nominated Auditor: <Insert here>

This form details the nature and scope of the services to be provided by the nominated auditor at the request of the Scheme Administrator. These procedures are in respect of the application to register NSW Greenhouse Abatement Certificates (NGACs) under the *Greenhouse Gas Benchmark Rule* (<Insert Rule Name>) No. <Insert Rule Number> of 2003. This Rule will be referred to in this form as ‘the Rule’.

Copies of the Rule and other relevant documentation are available on the Scheme website:  
[www.greenhousegas.nsw.gov.au](http://www.greenhousegas.nsw.gov.au).

Guidance on the conduct of audits is contained in the Greenhouse Gas Reduction Scheme – Audit Guideline

### All queries should be directed to:

Scheme Administrator  
Greenhouse Gas Reduction Scheme  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

**Or delivered to:**

IPART  
Level 8  
1 Market Street  
SYDNEY NSW 2000

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## 1. Audit Scope

### 1(a) Background Information

<Name of ACP> in its capacity as an accredited Abatement Certificate Provider (“ACP”) is seeking to register NSW Greenhouse Abatement Certificates (“NGACs”) under the *Greenhouse Gas Benchmark Rule* (<Rule Name>) No. <Rule Number> of 2003 (“the Rule”). The Scheme Administrator has accredited <Name of ACP> on the condition that an audit is performed prior to registration of NGACs.

There are a number of areas where assurance is required in relation to the registration of a number of NGACs. Accordingly, there are a number of matters on which the nominated auditor is requested to provide an opinion.

The Scheme Administrator requires a report to be prepared by the nominated auditor, detailing the audit opinion and related findings in relation to the matters detailed in Section 1(b) below. This report is required to be lodged with the Scheme Administrator.

The form and content of the audit report is discussed further in Section 2 below.

### 1(b) Scope

The Scheme Administrator requires the auditor to conduct sufficient procedures to enable the auditor to express an opinion on the following matters that, in all material respects:

- NGACs proposed to be registered in respect of the period covered by the audit has been calculated, in all material respects:
  - in accordance with the Rule, Act, Regulations and Conditions of Accreditation;
  - based on accurate and reliable records and other relevant supporting documentation;
  - in a manner consistent with the methodology and approach specified in the ACP’s Application for Accreditation and subsequently submitted information, as approved by the Scheme Administrator;
  - in a manner consistent with the Notice of Accreditation including any Conditions of Accreditation as specified by the Scheme Administrator.
- If required, the ACP’s record keeping arrangements are considered adequate to:
  - meet the requirements of 73IF of the Electricity Supply (General) Regulation 2001;
  - be consistent with *Guide to Record Keeping for Abatement Certificate Providers*;
  - support the creation of NGACs using the approach outlined by the ACP in its application form; and
  - demonstrates the ability to achieve on-going compliance with the Rule for the purpose of certificate creation.
- If relevant, the systems and procedures of the ACP are consistent with the *Minimum Requirements for DAF Installation Projects*, which is available on the Scheme website [www.greenhousegas.nsw.gov.au](http://www.greenhousegas.nsw.gov.au).

- If required, in respect of any metering equipment, that the classifications of tariff and generator meters, current transformers and voltage transformers are of an accuracy level sufficient to support the creation of NGACs by reference to Schedule 7.2 of the National Electricity Rules.

The Scheme Administrator also requests the auditor to note any relevant matters regarding the operating procedures of the ACP and if appropriate, recommend any changes to Conditions of Accreditation.

### 1(a) Audit Approach

The specific audit procedures undertaken will be determined by the auditor using professional judgement in regard to what is sufficient evidence to support an opinion in relation to all of the matters within the audit scope.

The Scheme Administrator is seeking a reasonable assurance audit to be conducted in accordance with an appropriate standard (AUS 108: Assurance Engagements, ISAE 3000, etc). The auditor must acknowledge in the audit report the standard applied in conducting the audit.

The following provides a non-exhaustive list of the types of audit procedures that may be undertaken by the auditor:

- Comparison of approved project details to existing documentation;
- Review of information systems to assess the extent to which they generate information relevant to the areas subject to audit. This may require an examination of:
  - design and operation of internal system controls; and/or
  - design of queries and calculation formulae which are used to generate information that is subject to audit.
- Sample testing of completeness and accuracy of recording, aggregation and transcription of source data used to support the calculated number of NGACs;
- Sample testing and/or review of relevant documentation supporting adherence to the *Minimum Requirements for DAF Installation Projects*, including (1) Contractual Relationship between ACP and Installers; (2) Training of Installers; (3) Register of Installers; and (4) Customer Service.
- Comparison of calculation methodology and approach against the methodology and approach outlined in the ACP's Application for Accreditation, subsequent information and conditions of accreditation;
- Reviewing or re-performing calculations to confirm that any arithmetical calculations are fairly presented;
- Review of each component of the data collection and recording process;
- Discussions with and interviews of the relevant ACP personnel in relation to systems, procedures, controls and quality assurance activities; and
- Observation and review of relevant documentation that supports process descriptions provided by the applicant, eg, processes for storing electronic data.

## 2. Reporting

### Content of audit report

The auditor is to provide a written report to the Scheme Administrator detailing:

- An outline of the approach undertaken by the auditor in relation to the performance of the audit;
- The auditor's opinion<sup>1</sup> in relation to each of the matters in the scope of audit, as detailed in Section 1(b);
- The number of NGACs registered or proposed to be registered;
- The time period covered by the audit;
- A schedule of findings as specified by the Audit Guideline; and
- Details of any limitations in the scope of work undertaken by the auditor, if applicable.

The ACP's calculations which are the subject of the audit must be appended to the audit report to the Scheme Administrator.

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<sup>1</sup> The audit opinion should be expressed in the positive form to provide reasonable assurance