

**The Climate Registry**

# **Guidance on Accreditation**

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**Version 1.0**

Accurate, transparent, and consistent measurement of  
**greenhouse gases** across North America

May 2008



# **Guidance on Accreditation for Verification Bodies**



**The Climate Registry**

**May 2008**



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# ABBREVIATIONS AND ACRONYMS

<b>ANSI</b>	American National Standards Institute
<b>CCAR</b>	California Climate Action Registry
<b>CDM</b>	Clean Development Mechanism
<b>COI</b>	Conflict of Interest
<b>EMA</b>	La Entidad Mexicana de Acreditación
<b>ETG</b>	Evaluation Task Group (of the Accreditation Body's Accreditation Committee)
<b>GOA</b>	Guidance on Accreditation for Verification Bodies
<b>GRP</b>	General Reporting Protocol
<b>GVP</b>	General Verification Protocol
<b>IAF</b>	International Accreditation Forum
<b>ISO</b>	International Organization for Standardization
<b>SCC</b>	Standards Council of Canada



# PART 1: BACKGROUND

## 1.1 Background

In 2007, U.S. states, Canadian provinces, Mexican states and Native Sovereign Nations established a common greenhouse gas (GHG) registry for North America: The Climate Registry (the Registry). The Registry's mission is: to standardize GHG accounting rules across multiple jurisdictions; to provide a voluntary standard for entity GHG reporting; to support mandatory reporting programs; to reduce associated costs; and to provide meaningful emission reports for interested parties, including the public. In doing this the Registry has also taken account of the evolution of GHG accounting, reporting and verification in the international arena and sought to ensure alignment where appropriate with recognized norms and good practice.

The Registry's primary initiative is to collect voluntary, entity wide GHG data from a diverse range of organizations across North America. This voluntary reporting program seeks to ensure GHG data is collected consistently across jurisdictions, streamlining reporting for organizations that have operations across many jurisdictions, including where practicable international jurisdictions.

For more information about the Registry, please refer to the Registry's website: [www.theclimateregistry.org](http://www.theclimateregistry.org).

## 1.2 The Registry's Goals

The Registry seeks to achieve a number of goals through its voluntary reporting program. The Registry aims:

- To develop and manage the premier voluntary GHG emissions registry in North America
- To utilize the technical and policy resources of the voluntary reporting program to support state, provincial, native sovereign

nation, and federal mandatory GHG reporting programs

- To serve as a centralized repository of high quality, accurate, transparent, verified GHG emissions for the public
- To engage stakeholders, including environmental groups, businesses, local governments, and other interested parties to assist in developing and improving the Registry's programs
- To promote least cost solutions whenever possible

## 1.3 Voluntary Reporting Program Overview

Participation in the Registry's reporting program is voluntary. However, once a Reporter chooses to join the Registry, it must comply with all the Registry's reporting requirements. All Reporters who choose to join the Registry must report for their whole entity:

- Their GHG emissions based upon the internationally-recognized gasses (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, PFC, HFC, SF<sub>6</sub>)
- From their operations in Canada, the United States, and Mexico
- Broken down to the facility level

To ensure the accuracy and credibility of the reported emissions data, the Registry requires Reporters to use an approved third-party Verification Body to assess their emission reports annually. The approach to and requirements for verification are outlined in the Registry's *General Verification Protocol*. Once verified, entity level emission reports are shared with interested parties, including the public.

The Registry's voluntary reporting program includes three tools that help Reporters

calculate, report, and verify their emissions annually:

- **General Reporting Protocol:** Guidance to Reporters on how to calculate and report GHG emissions
- **General Verification Protocol:** Guidance to Verification Bodies on how to verify reported emissions
- **Climate Registry Information System (CRIS):** Online GHG software application through which Reporters calculate, report, and verify their annual GHG emissions.

**NOTE:** Some states, provinces, and native sovereign nations have expressed interest in using a portion of the Registry's technical tools to support state, provincial, and regional mandatory GHG reporting programs. Accreditation for delivery of verification services under such regulated schemes may include different and/or supplementary requirements than those outlined in this document, the Registry's Guidance on Accreditation for Verification Bodies (GOA); however, the Registry aims to encourage mutual recognition where practicable (preferably through mechanisms such as the International Accreditation Forum Multilateral Recognition Agreements). Nevertheless, the requirements set forth in the GOA pertain strictly to the Registry's voluntary program.

## 1.4 Verification and Accreditation

To maintain the robustness of the Registry and confidence in the emissions data that are reported through the Registry; the Registry requires that all emission reports are subject to independent third-party verification. A logical follow on from this is that the third-party bodies approved to conduct these verifications need to demonstrate that they themselves are independent, impartial and competent to conduct the work. This is done through the process of accreditation.

The process of verification is similar to the process that financial auditors apply to company financial reports and annual accounts. The process of accreditation is effectively an assessment of the Verification Bodies to ensure that they are competent to provide the services required by the *General Verification Protocol*, and maintaining and demonstrating the quality and conformity of their work and their independence and impartiality.

Given its multi-national reach and its goal of standardizing reporting and verification procedures across jurisdictions, the Registry has made an effort to base both verification and the accreditation of Verification Bodies approved by its program to the fullest extent possible on internationally recognized standards, developed by the International Organization for Standardization (ISO). These standards for GHG accounting, verification and accreditation have been drawn up to be applicable globally, and based upon good practice derived from earlier GHG programs and experiences (see Box 1). However, as a program that seeks to meet the goals of the states, provinces and native sovereign nations that established it, the Registry has also developed a number of program specific requirements and guidance that are articulated in its *General Reporting Protocol*, *General Verification Protocol* and GOA.

To support the process of verification of emissions reported in accordance with the *General Reporting Protocol*, the Registry developed the *General Verification Protocol*, which draws significantly on the requirements of ISO14064-3:2006. The *General Verification Protocol* provides a detailed description of the verification process that Verification Bodies recognized by the Registry must follow in verifying the emission reports of Registry Reporters (both ISO 14064-3:2006 and additional Registry specific requirements), as well as the administrative processes that Verification Bodies must follow during verification. The *General Verification Protocol* also necessarily provides some discussion of the Registry's requirements on how Verification Bodies achieve and maintain accreditation.

The GOA aims to not unnecessarily duplicate details given in the *General Verification Protocol*.

In order to conform with international practice regarding GHG emissions verification, deliver a robust accreditation program and ensure the objectivity of accreditation, the Registry plans to partner with the relevant national standards organizations within North America that are recognized by the International Accreditation Forum (IAF) and able to administer ISO 14065 accreditation programs in their respective nations - the American National Standards Institute (ANSI), the Standards Council of Canada (SCC) and La Entidad Mexicana de Acreditación (EMA). These partner Accreditation Bodies will administer most aspects of the accreditation process on behalf of the Registry. This is a common approach to assessment and accreditation programs for a wide range of management system and product standard certification and increasingly for GHG emissions accounting schemes.

The Registry has already entered into a partnership with ANSI and expects to establish similar partnerships with SCC and EMA as soon as it is feasible (interested Verification Bodies should check with the Registry as to the status of these partnerships prior to initiating applications procedures with any Accreditation Body).

The GOA provides an overview of the processes and requirements that Verification Bodies seeking recognition by the Registry to conduct verification for its program must meet. It draws heavily on ISO 14065:2007, the international standard that specifies processes and requirements for accreditation of Verification Bodies in relation to GHG verification. It also articulates specific Registry requirements that are additional to ISO 14065:2007. The general description of the processes that the Accreditation Bodies the Registry have selected to partner with are likely to use in assessing Verification Bodies (see sections 3.1-3.6) are based upon the requirements of ISO 17011:2004 (a standard governing the general functioning of

Accreditation Bodies) and a survey of the operational practices of the Registry's anticipated partners.

Figure 1.1 outlines the relationships between the parties associated with a verification, and also the reference documents upon which each party's activities are based; fuller details of these reference documents are given in Section 2.4. The roles, responsibilities and relationships between the Registry and partner Accreditation Bodies are detailed in Section 1.5 and outlined in Figure 1.2.

**Figure 1.1 The Relationship Between the Various Parties to a Verification**

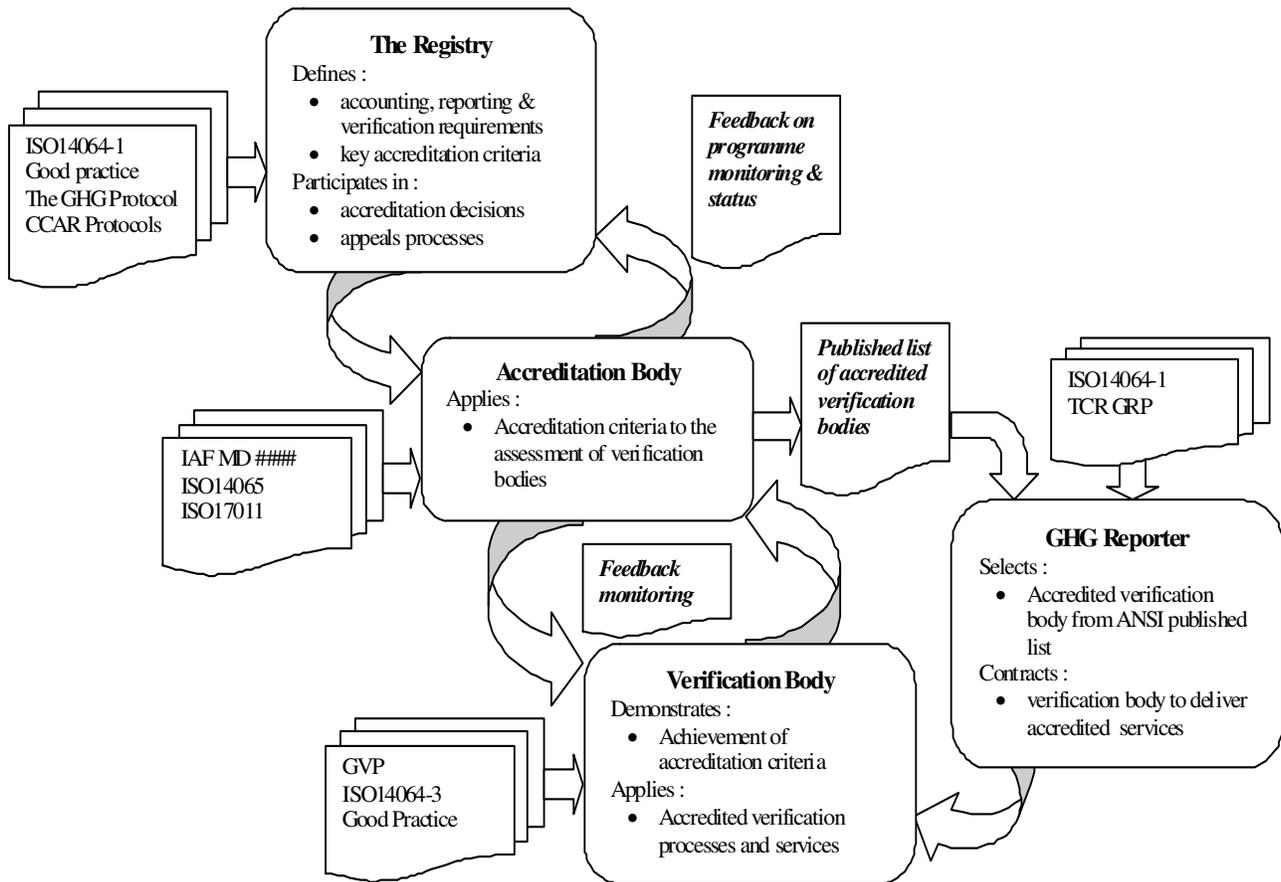
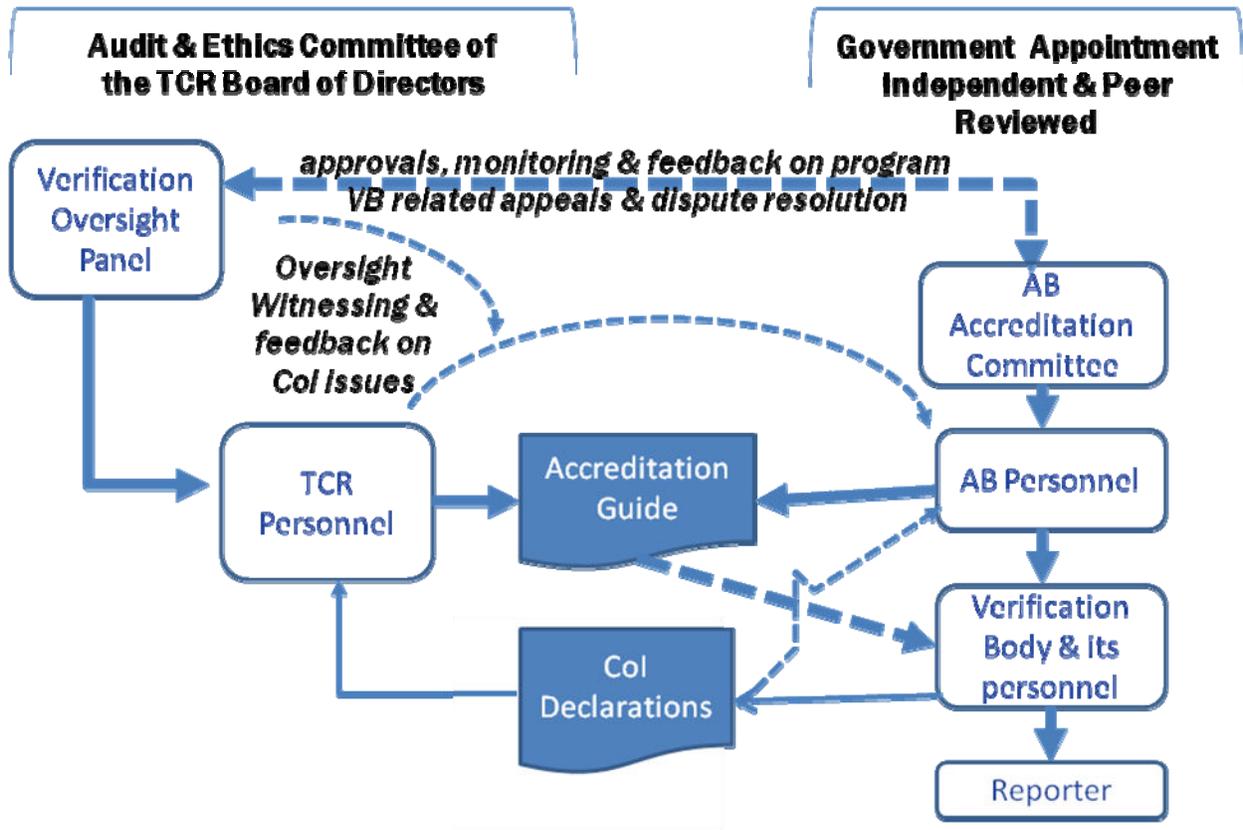


Figure 1.2 The Relationship Between the Governance of the Registry and of the Accreditation Body



### **Box 1.1 The International Organization for Standardization (ISO) ([www.iso.org](http://www.iso.org))**

ISO is the recognized institution that sets international standards for a wide range of products, services and systems; since 1947 it has published more than 16500 International Standards that, once accepted by members, are mandatory for publication in member states with the effect that any equivalent local standard is withdrawn. Membership of ISO is composed of the one national body “*most representative of standardization in its country*”; or where a country doesn’t yet have a fully developed national standards activity there are membership categories that allow them to remain informed and engaged but not participate in standard setting activities.

ISO members participate in the standards development process by convening a series of working groups at national and international level, comprising experts in the relevant field and other interested parties (such as regulators, government departments, academia and non-governmental organizations), who work together to draft and reach consensus on the text language of the proposed voluntary standard which will be satisfactory for global application. Wherever possible, international standards draw from existing good practice and standards that may have been pioneered at a national level.

The need for credible accounting of greenhouse gas (GHG) emissions has become more important over time, evidenced by –

- the need to accurately measure country compliance under the Kyoto Protocol
- the participation of companies in various GHG emissions reporting systems
- the requests for disclosure under the Carbon Disclosure Project of institutional investors
- the trading of carbon “offsets” on commercial commodity markets e.g. arising from CDM or voluntary project emission reductions

Consequently, there is a need for accurate, transparent and complete accounting of GHG emissions and emission reductions or removals.

In 2002, ISO recognized that the various schemes emerging at international, national and voluntary sector level were using different sets of guidance or rules for GHG accounting, which was giving rise to differences in the quality of the various programs and even between different projects within those programs. Consequently, it endeavoured to create a series of standards that would :

- enhance environmental integrity by promoting consistency, transparency and credibility in GHG quantification, monitoring, reporting and verification;
- enable organizations to identify and manage GHG-related liabilities, assets and risks
- facilitate the trade of GHG allowances or credits; and
- support the design, development and implementation of comparable and consistent GHG schemes or programs.

The ISO Standards related to greenhouse gas accounting and verification have been developed under the auspices of TC207 (the Technical Committee that covers environmental management) and the ISO/CASCO Conformity Assessment Policy Committee. TC207 has drawn on previous work, such as “the GHG Protocol” ([www.ghgprotocol.org](http://www.ghgprotocol.org)); as well as the experiences of accounting and verification practitioners who have been developing and testing different mechanisms for GHG accounting, monitoring and non-financial assurance with clients since the mid 1990’s.

## 1.5 Roles & Responsibilities of Involved Parties

Both the Registry, its partner Accreditation Bodies, and Verification Bodies themselves have specific roles associated with the verification and accreditation processes. These roles are outlined below.

### 1.5.1 The Climate Registry

The general roles of the Registry within the accreditation process are to:

- Define the parameters of the accounting and reporting protocols associated with the sectors that it aims to include within the Registry's program
- Define any specific reporting requirements that the Registry expects Reporters to meet, over and above those that are specified in the ISO14064:2007 series of standards
- Define any specific verification requirements that the Registry expects Verification Bodies to meet, over and above those that are specified in ISO14064-3:2007 and ISO14065:2007
- Maintain on its website a list (or a web link to the partner Accreditation Body lists) of the Verification Bodies that are approved to deliver Registry verifications (which will also make clear where accreditations have been suspended or revoked, and if so for what reason)
- Exercise oversight of the verification and accreditation processes through a specific body, appointed by the Audit and Ethics Committee of its Board of Directors. The Registry's Verification Oversight Panel (Oversight Panel) will consist of a selection of Registry staff, Board Members, employees of Registry Members and external experts. Individuals will be selected to represent a broad range of expertise including, financial, accounting,

legal, regulatory inspection, and GHG emissions technical expertise.

The roles of the Oversight Panel are to:

- Oversee the verification and accreditation processes operated by the Registry and those delegated to its partner Accreditation Bodies, including where it so chooses to:
  - Observe Verification Bodies in action during the course of their verification activities.
  - Observe its selected Accreditation Bodies in action during the course of an accreditation.
- Participate in the confirmation decisions on the awarding of accreditation via direct input in the decision making process of partner Accreditation Bodies
- Participate in the appeals, dispute and conflict investigation and resolution processes implemented by partner Accreditation Bodies, where such matters relate to a Verification Body that is approved to deliver Registry verification, a verification undertaken as part of the Registry's program, or a non-Registry verification undertaken by a Registry Verification Body where the issue under discussion is of sufficient magnitude that it may affect the reputation of the Registry by association.
- To exercise general oversight of Accreditation Bodies and consider forming relationships with other Accreditation Bodies on an as needed basis (this will also include receiving regular reports from partner Accreditation Bodies on their accreditation programs and making suggestions for refinements)

### 1.5.2 Partner Accreditation Bodies

The Registry enters into a formal agreement with partner Accreditation Bodies whereby it delegates to them the responsibilities for the accreditation and monitoring of Verification

Bodies and the enforcement of the accreditation process related to the Registry's program and protocols. An overview of the general accreditation process is described in Part 3. The details of the accreditation processes for each partner Accreditation Body are provided in relevant Appendices. Under these agreements, the role of any Accreditation Body with which the Registry enters into partnership is therefore to:

- Assess the mechanisms, systems and processes of the Verification Body to ensure that it meets the requirements of ISO14065:2007 and the additional requirements of the Registry, articulated in Section 4.2 of this document
- Monitor, on an ongoing basis, that the Verification Body is maintaining its verification process in accordance with the Standard and additional requirements
- Monitor, on an ongoing basis for the duration of the Registry and Accreditation Body's agreement (and the Verification Bodies continued accreditation) the delivery of verification engagements by the Verification Body to ensure that it is fielding verification teams with the requisite knowledge, competence and impartiality to manage the risks associated with GHG reporting and assurance
- Implement investigations and/or consider sanctions against accredited Verification Bodies if it is brought to the Accreditation Body's attention that there is:
  - A failure to meet required the Standard or additional Registry requirements;
  - A failure to properly use the accreditation symbol;
  - A significant lapse of impartiality or failure to properly manage a Conflict of Interest (including failure to properly assess COI in the first place);
  - A complaint about the Verification Body, by a client, that the Verification Body

- persistently has not, or cannot, resolve; or
- The Registry so requests.

- Provide to the Registry, on a regular periodic basis, an update report on the status of accreditations and accredited Verification Bodies, the progress of the accreditation program, any significant issues arising in, or from, the accreditation program (or one of the accredited Verification Bodies), and any international developments in accreditation and verification that might affect the Registry's accreditation requirements, including mutual and multi-lateral recognition agreements.
- Issue certificates of accreditation to Verification Bodies that demonstrate and maintain the systems, processes and personnel to deliver verification services consistent with ISO 14065 and with the Registry's additional requirements.
- Maintain a publicly available list of the Verification Bodies that are approved to deliver Registry verifications (this list will make clear where accreditations have been suspended or withdrawn, and for what reason).

### 1.5.3 Verification Body

In order to be approved by the Registry for the delivery of verification of GHG emissions that are to be reported and registered in the Climate Registry the Verification Body must:

- Achieve accreditation by a partner Accreditation Body indicating that it meets the requirements of ISO14065:2007 and the additional Registry requirements; and maintain that accreditation on an ongoing basis for as long as it wishes to deliver Registry verifications
- Provide sufficient access to the Accreditation Body and the Registry's Oversight Panel to assess it sites, systems, processes, documents and personnel and

ensures through its contractual obligations with its clients that any necessary access to their sites and documents is also provided

- Where accreditation to ISO14065:2007 is achieved under an Accreditation Body that is not a Registry partner, it must demonstrate that its accreditation has been recognized and accepted by a partner Accreditation Body under a mutual recognition agreement; and that the partner Accreditation Body has confirmed that the Registry's additional requirements have been met
  - Demonstrate that it has properly trained its personnel, in particular Verifiers, Lead Verifiers and Technical Reviewers in the key requirements of GHG accounting and assurance and that they are competent to deliver verification services; and that it maintains that knowledge and competency up to date for all of its personnel
  - Demonstrate that it undertakes a robust conflict of interest (COI) assessment for each and every verification engagement that it undertakes, by delivering in a timely manner to the Registry the completed COI Assessment Form (see the Registry's *General Verification Protocol*) and responding to any queries that the Registry or its partner Accreditation Bodies might have as a result of their review of the Assessment Form.
  - Demonstrate that the time allocated for the completion of verification engagements is reasonable in relation to the risk assessment(s) and would meet the needs of reasonable assurance, regardless of the commercial fee that the Verification Body chooses to charge its clients.
- Where a Verification Body is part of (or becomes part of) a larger organization that provides consultancy services (in particular in relation to GHG services), to demonstrate how the Verification Body comprises a separate and independent part of the group (including its management structures and separation of personnel, etc.) such that there is no COI between the parts providing verification and any part providing consultancy services that may relate in some way to GHG emissions. (Further information on how this might be approached is provided in Appendix E).
  - Inform the Accreditation Body immediately of changes in any aspect of its status or operations that affects its:
    - Legal, commercial or organizational status;
    - Organization and management, in particular key managerial staff;
    - Policies or procedures, where relevant;
    - Premises;
    - Personnel, equipment, facilities, working environment or other resources, where significant; and
    - Other matters that may affect the accredited Verification Body's capability, or scope of accredited activities, or conformance with the accreditation requirements or any other relevant criteria of competence specified by the Registry or the Accreditation Body.

# PART 2: INTRODUCTION TO THE GUIDE

## 2.1 The Purpose of the GOA

The purpose of the GOA is to give a “plain English” overview of key aspects of the accreditation process, approach and requirements in order that organizations considering becoming approved to verify emissions reports to the Registry’s protocols have an understanding of the obligations and responsibilities that will be required of them and the risks and liabilities that verification may entail.

While providing an overview of the process and requirements, it should be clear that the GOA is not a substitute for reading and understanding the Registry’s *General Verification Protocol* or the relevant ISO Standards and partner Accreditation Body literature that together provide the necessary detail to implement an “accreditable” verification process. Where practicable, this document provides signposts to more detailed information or documentation.

## 2.2 Who Should Use this Document

This document is aimed at the organizations that are interested in becoming an accredited Verification Bodies approved to verify emissions reports submitted to the Registry. Organizations interested in becoming accredited Verification Bodies approved by the Registry may apply to any one of the Accreditation Bodies with which the Registry has established a partnership (interested Verification Bodies should check with the Registry to confirm the partner status of an Accreditation Body, prior to commencing application procedures). Because the Registry is focused on entity reporting, the GOA emphasizes annual emissions verification, although it is recognized that ISO14065:2007 also covers the validation of project protocols, baselines and methodologies, and the verification of emissions assertions resulting from them.

Although the GOA is primarily directed towards North American-based Verification Bodies for whom North American Accreditation Bodies will be the prime Accreditation Bodies, the Registry recognizes that ISO14065:2007 is an international standard and that there may be Verification Bodies that have been accredited to ISO14065:2007 by another national Accreditation Body outside of North America, and who wish to be accredited by the Registry’s partner Accreditation Bodies under mutual recognition processes. Since the Registry has certain requirements additional to those outlined in ISO14065:2007 and ISO14064-3:2007 it would be necessary for Verification Bodies seeking accreditation under any future mutual (bi-lateral or multi-lateral) recognition processes to demonstrate that they conform also to the Registry’s additional requirements. To facilitate transparency, the GOA clearly identifies where these additional requirements are imposed (see Section 4.2). The process of mutual recognition is addressed in Section 3.6.

## 2.3 The Structure and Focus of this Document

Part 1 provides background information on the Registry, its programs and protocols

Part 2 (this part) provides an introduction to the GOA document

Part 3 provides an overview of the generic process used by Accreditation Bodies to assess Verification Bodies

Part 4 provides an overview for Verification Bodies of ISO14065:2007 accreditation requirements with indications of the expectations of activities and evidence that would likely be sought by Accreditation Bodies; it also provides signposts to other more detailed information where relevant. Part 4 also provides a list of the additional requirements, specified by the Registry, that Verification Bodies must meet in order to achieve accreditation.

The GOA also includes several appendices, which the Registry anticipates will be revised more frequently than the body of the GOA. Consequently, these appendices are published as separate documents, to facilitate their update. The appendices include the following:

- **Frequently Asked Questions** (FAQs) and responses selected to facilitate understanding of the process of accreditation evaluation
- **Glossary of Terms**
- **Competency Expectations** defined by IAF as part of its mandatory guidance to Accreditation Bodies
- **Specific Accreditation Processes** operated by the Registry's partner Accreditation Bodies
- **Guidance on the Maintenance of Impartiality for Verification Bodies that Provide Advisory Services**

Details related to the verification process itself are outlined in the *General Verification Protocol* and may only be referenced in this document; therefore it will be important for Verification

Bodies to fully review the *General Verification Protocol* alongside this guidance.

## 2.4 Underpinning References

The guidance given in the GOA is based on internationally recognized standards and interpretive guidance from the IAF. The IAF is made up of national Accreditation Bodies that mutually agree on best practices and publish mandatory documents giving guidance on the interpretation and application of international Standards. These documents in part underpin the IAF peer review process of each other's accreditation activities, in order to maintain quality, equivalency and consistency across the globe. Of particular note, the IAF has provided a mandatory interpretation on the application of ISO14065:2007 for its constituent members who are obligated to use the guidance when applying accreditation processes to the Standard.

The following normative references have been used throughout the GOA:

Reference	Applicable to
<ul style="list-style-type: none"> <li>• ISO14064-3:2007 –Greenhouse Gases – Part 3 : Specification with guidance for the validation and verification of greenhouse gas assertions</li> </ul>	Verification Body
<ul style="list-style-type: none"> <li>• ISO14065:2007 – Greenhouse Gases –Requirements for greenhouse gas validation and Verification Bodies for use in accreditation or other forms of recognition</li> </ul>	Verification Body
<ul style="list-style-type: none"> <li>• ISO 17011:2004 – Conformity Assessment – General requirements for Accreditation Bodies accrediting conformity assessment bodies</li> </ul>	Accreditation Body
<ul style="list-style-type: none"> <li>• IAF MD: 2008 (to be published) – IAF Mandatory Document on the Application of ISO14065:2007<sup>1</sup></li> </ul>	Accreditation Body

<sup>1</sup> This document is currently undergoing final voting and is expected to be finalised in Q3 of 2008. Once finalised it will be available from IAF - <http://www.iaf.nu/>

The Registry has reviewed the requirements outlined in the above documents and determined some additional Registry specific requirements. These are signposted in Section 4.1 and detailed in Section 4.2.

Also of relevance are the following documents (the GOA does not duplicate information from them):

Reference	Applicable to
<ul style="list-style-type: none"> <li>ISO14064-1:2007 - Greenhouse Gases – Part 1 : Specification with guidance at the organizational level for the quantification and reporting of greenhouse gas emissions and removals</li> </ul>	Reporters, Verification Bodies
<ul style="list-style-type: none"> <li>The Climate Registry <i>General Reporting Protocol</i></li> </ul>	Reporters, Verification Bodies
<ul style="list-style-type: none"> <li>The Climate Registry <i>General Verification Protocol</i></li> </ul>	Verification Bodies

# PART 3: OVERVIEW OF THE ACCREDITATION PROCESS

## 3.1 Introduction

This section aims to provide an overview of the underlying purposes of accreditation along with the general processes of accreditation that are expected to be applied by most Accreditation Bodies. Accreditation Bodies themselves work in conformance with internationally recognized standards, such as ISO17011:2004, which means that the processes they follow are generally consistent, although some aspects of details will vary between Accreditation Bodies. In addition, as each Verification Body is unique, the specific details of the process (for example number of visits, etc.) that may be applied to individual organizations will vary. Accreditation Bodies will prepare an assessment plan for each Verification Body based upon the information provided in the initial application (and for re-accreditation as a result of ongoing surveillance). The details of the processes applied by each of the Registry's partner Accreditation Bodies are outlined in the respective appendices to the GOA (see Appendix D for a description of the ANSI process; additional appendices describing the SCC and EMA processes will be added as the Registry formalizes partnerships with these organizations).

The Registry's partner Accreditation Bodies are in the process of developing and implementing their accreditation programs (further details are provided on each Accreditation Body's website). For example, ANSI is launching a pilot program, beginning in June of 2008, which will aim to accredit a batch of Verification Bodies before the end of the year. Beginning in 2009, applications for accreditation can be made to ANSI at any time; there is no restriction upon who may apply and applicants will not need to wait for a formal call for applications, as has been the case with some North American schemes previously. SCC also plans to launch an ISO 14065 accreditation program in a similar timeframe. Details of the SCC process will be included in an appendix once its partnership with the Registry is formalized.

## 3.2 The Purpose of Accreditation

Accounting for, and reporting, GHG emissions has become one of the stepping stones for the development of policies and programs both at a regulatory level and also for governance and risk management purposes within organizations. However, in order for decision making to be sound it is necessary to be confident that the data upon which decisions are based is reliable, in much the same way that commercial decisions would need to be based upon sound financial accounting.

If verification is the processes by which there is an independent confirmation that the amount of emissions are fairly stated by the Reporter in accordance with the agreed protocol, and that decisions based upon that information would be reasonable; then accreditation is the process of competence assessment, quality control and regulation of the independent auditor – much as the Public Company Accounting Oversight Board in the United States, or the Canadian Public Accountability Board, supervises financial auditors for publically traded companies.

If the ultimate endpoint of the monitoring and reporting of GHG emissions is to enable decisions on policies, reduction programs, investments and/or trading to be made on sound information, then it is the objective of Verification Bodies to detect and prevent misstatement in the emissions assertions and associated reports that might affect such decisions or activities.

Accreditation is the process by which the independent Verification Body demonstrates to an independent entity (the Accreditation Body) that they have the appropriate competence based systems, processes, quality controls, impartiality and independence to successfully complete emissions verifications that are able to detect and prevent fraud; and to manage the risks associated with the verification process

and the reliance placed upon the verification statement by other interested parties.

To ensure that the quality of the accreditation process is maintained, the Accreditation Body itself conforms with internationally recognized standards, consistency guidance provided by the International Accreditation Forum and is itself assessed through a process of regional and international co-operation which, in the case of Mutual/Multi-lateral Recognition Agreements (MLAs), is a formal inspection by another national Accreditation Body as part of a peer review process.<sup>1</sup>

Only those Verification Bodies accredited to ISO14065:2007 and the additional Registry requirements, either directly by an Accreditation Body with which the Registry has partnered or through a mutual recognition process by a partner Accreditation Body, will be authorized to conduct Registry related verifications.

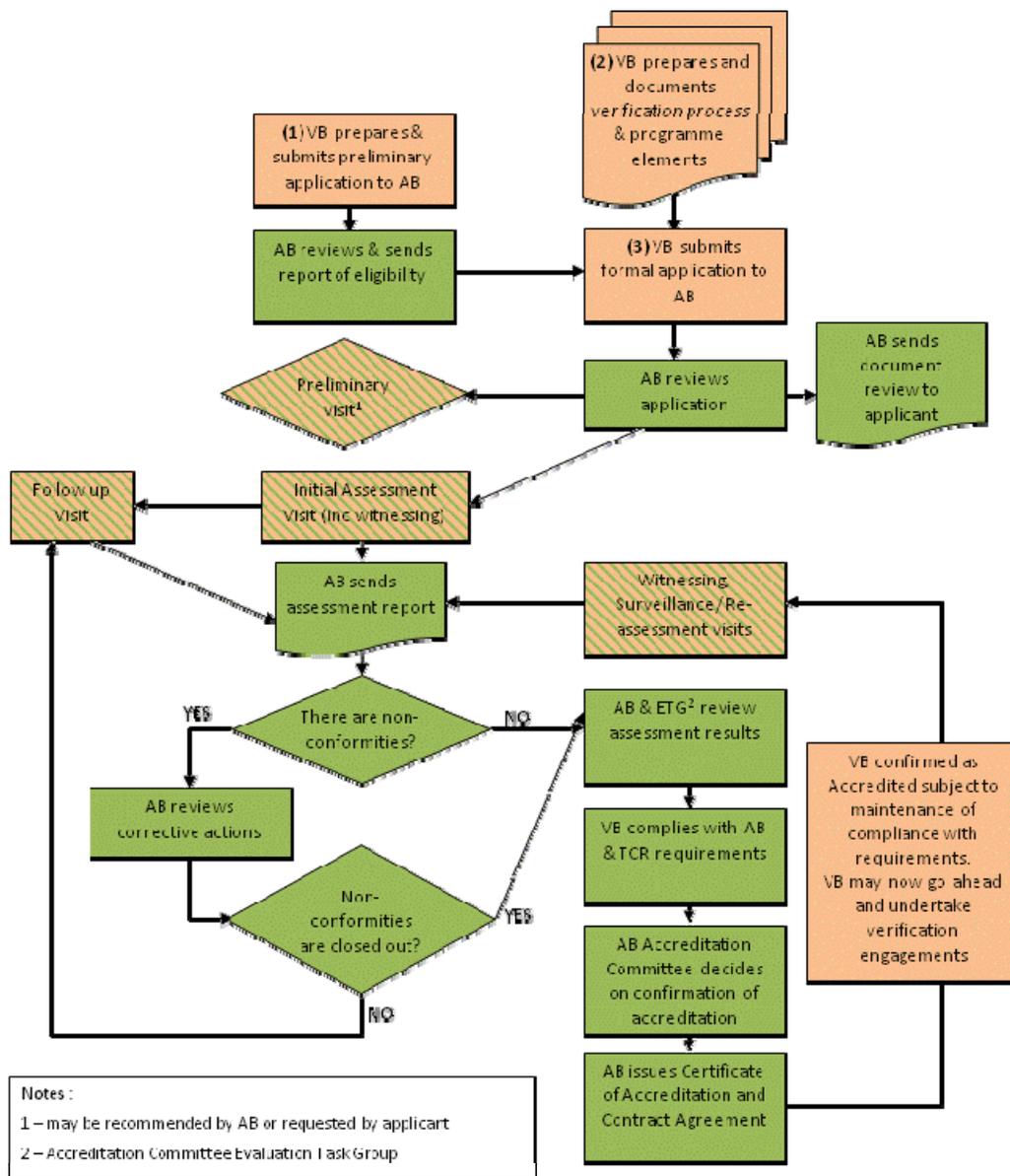
### 3.3 Overview of Accreditation Processes

Accreditation is the process whereby a designated Accreditation Body assesses the competence of the Verification Body to carry out its functions according to relevant standards/guidelines and applicable legislation (if relevant); it is an ongoing cyclical process. Figure 3.1 outlines the overall process of accreditation that is typical of most Accreditation Bodies. This is in line with approaches to the accreditation of organizations for other purposes such as management systems or product certifications. The sections below describe some of the key activities associated with accreditation. The details of partner Accreditation Body specific processes and requirements are outlined in the relevant appendices (see Appendix D for a description of the ANSI process; additional appendices for SCC and EMA will be added as soon as the Registry can formalize these partnerships).

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<sup>1</sup> Further information on MLAs and Peer Review processes can be found on - <http://www.iaf.nu/>

**Figure 3.1 Overview of the Typical Process of Accreditation**



### 3.3.1 Accreditation Cycles

Accreditation is a cyclical process moving from Initial Accreditation, through Surveillance Assessments and onto Re-accreditation. This cycle may take up to five years to complete - five Years being the maximum duration of an accreditation certificate allowed under ISO17011:2004.

ISO17011:2004 also prescribes other thresholds that Accreditation Bodies use to determine their own specific accreditation cycle, including:

- Where no surveillance assessments are undertaken, re-accreditation must be done using full reassessment audits at intervals of not more than two years

- Where surveillance assessments are used, these must be at intervals of not more than two years, with full re-assessment audits at least every five years
- Where surveillance assessments are used, the first one after initial accreditation should be no later than one year from the date of initial accreditation

It is normal that for high risk or new schemes, the accreditation cycle may be relatively short and/or for the frequency of surveillance and witnessing to be increased. However, each of the Registry's partner Accreditation Bodies is likely to follow its own cycle that is consistent with the approach they use for accreditation of their other schemes.

### 3.3.2 Applications for Accreditation

Applications for accreditation can be made at any time by any organization that is eligible under the requirements of ISO14065:2007 and the Registry's rules. There is no restriction upon who may apply and applicants will generally not need to wait for a formal call for applications.

Individual Accreditation Bodies have their own specific forms and formats for the application, which may or may not include a preliminary assessment of eligibility to help applicants determine the viability of their application before putting in too much time and effort. However, in general an application should be anticipated to cover the following information:

- Corporate and organizational information about the applicant Verification Body including legal status, relationships with larger corporate entities, human and technical resources and scheme eligibility
- Information on the relevant activities of the organization and the physical locations to be covered by the scope of accreditation
- Information on the quality management processes and system operated by the applicant Verification Body that ensures

high quality and consistent delivery of the requirements of the relevant scheme for which accreditation is being sought (this might include for example the Verification Bodies quality system manual)

- A clear definition of the scope requested (see Section 3.4)
- An agreement that the organization will comply continually with the requirements of accreditation and any other obligations such as the provision of information, access to staff, locations and clients (for the purposes of witnessing of audits), etc.

Where a preliminary assessment is undertaken, this is normally not subject to a fee, unless a preliminary site visit is recommended by the Accreditation Body and accepted by the Verification Body, in which case the normal fees for site visits would be applied.

A non-refundable application fee is typically expected to accompany the formal application (whether this is the first step, or if it follows a preliminary assessment step). Details of the full application forms and fees can be found on the relevant Accreditation Body website.

Information relating to the applicant Verification Body (e.g. name, contact details, etc.) may be published by the Accreditation Body so that interested parties can provide feedback and comment upon the applicant's suitability to be an accredited Verification Body.

### 3.3.3 Initial Assessment

Initial assessment is a thorough review and inspection of all aspects of the Verification Bodies' operations, management, governance, control and delivery of the services to be accredited. It normally covers the following activities which aim to gather objective evidence of competence and conformity:

- **Document review** – checking that the design of the service control and delivery meets the scheme requirements (e.g. Registry rules), accreditation requirements

(e.g. ISO14065:2007), and achieves the quality that might be expected by good practice standards.

- **Office visits/on-site assessment** –for the purpose of assessing the effectiveness of the verification program activities, including checking the implementation and application of the system of control and other quality critical aspects such as policies, maintenance of independence and impartiality, establishment and maintenance of competence of relevant personnel, etc. Selection of sites to visit will be based on a sample designed to review a representative selection of locations and activities. During the initial assessment this will include both main/headquarters site and any others where key/critical activities are undertaken. Critical activities typically include:
  - Policy formulation
  - Process and/or procedure development
  - Contract/application review
  - Process(es) of initial qualification, training and ongoing monitoring of verification personnel competencies and associated records
  - Assignment of verification personnel and/or review of the final report (and associated evidence)
  - Approval and decisions on the results of the verification activities
- **Witness visits** – for the purposes of testing the processes of competency evaluation and team assignment; as well as assessing the competence of the verification team and checking that they are applying the Verification Body’s accredited verification process during the course of their work auditing the Reporter’s declared GHG emissions value and underlying accounting system. In particular, Accreditation Bodies will be interested in the skills of the Lead Verifier for GHG verification as well as team selection and management.

The selection of Verification Body locations to visit and client work to be subject to witness visits will be undertaken using a planned

process for selecting a sample that is representative of:

- The range of the Verification Body’s GHG program management activities;
- Technical scopes of Reporters subject to verification (i.e. to confirm that clients are included within the scopes applied for, and that the Verification Body is competent to work within those scopes);
- The activities to be conducted as part of a verification; and
- The verification personnel available to the Verification Body;

It is unlikely that the Accreditation Body will want to witness every member of the Verification Body’s overall GHG verification team or every relevant office during the initial assessment, but over the course of an accreditation cycle, it is likely that the Accreditation Body would aim to ensure that their assessments are broadly spread.

It is normally a requirement of the contractual agreement between Accreditation Body and Verification Body that the Verification Body ensures that its clients are aware of the need for the Accreditation Body to conduct witness visits on client sites; and that the Verification Body facilitate the arrangements required to implement such witness visits.

For each visit, on the basis of information provided to the Accreditation Body in the application and through subsequent discussion/ submission of documents, the Accreditation Body will normally provide an assessment plan and hold formal opening and closing meetings, during which the scope of the assessment and subsequent findings/non-conformances will be discussed. For witness visits, the Accreditation Body may also request to see copies of the relevant verification documents in advance of the visit. These might include, for example, the schedule and plan for the verification visit and subsequently any non-compliance/issues report

or key work papers that arise from the verification activity, including possibly risk assessments, sampling or detailed testing plans.

Once the assessment team has completed its assessments and evaluation, it will send its report for internal review and evaluation. Internal review is typically undertaken by a sub-group of the Accreditation Body's accreditation committee or decision body, which will confirm that all the Accreditation Body's procedures and processes have been followed, that the application is complete and eligible, and that sufficient evidence has been provided to demonstrate conformity with the requirements. Once the internal review is complete a recommendation is made to the accreditation committee or decision body that accreditation be granted (or denied if the review is not satisfied that requirements are fully met).

### 3.3.4 Surveillance Assessments

Surveillance assessments are essentially the same as those conducted for initial accreditation, but the process is a less comprehensive evaluation of the on-going application of the accredited verification process. Essentially surveillance follows the same range of activities as the initial assessment but on the basis of representative sample testing that over the course of time, and subsequent surveillance, would cover all requirements.

The interval between assessments normally depends upon the proven stability of the services provided by the Verification Body and the level of risk associated with the scheme for which verification is being provided.

On the basis of the assessment report a recommendation will be made to the accreditation committee or relevant decision body for continued accreditation (or suspension/withdrawal if the findings warrant).

### 3.3.5 Reaccreditation Assessments

Assessments for re-accreditation are essentially the same as those conducted for initial accreditation. However, the Accreditation Body will use the experience and knowledge gained from the initial and surveillance assessments to inform the planning and preparation of re-accreditation work; including the development of assessment and sampling plans.

On the basis of the assessment report a recommendation will be made to the accreditation committee for renewal of accreditation (or suspension/withdrawal if the findings warrant).

### 3.3.6 Reporting of Assessment Findings

The Accreditation Body will provide a report of each assessment activity outlining the assessment activities that were undertaken and any non-conformances that were identified during the course of the assessment. It is normal for Accreditation Bodies to require that non-conformances are closed out within a specific time period (often between 30 and 90 days depending upon the stage of accreditation and the significance of the non-conformance), and actions taken to close non-conformances may require a further assessment visit by the Accreditation Body to evaluate and confirm that they are acceptable.

Minor non-conformances that are identified and that are either not subsequently closed out, or as a cluster appear more significant, or appear persistently over time may be escalated into major non-conformances, with an appropriate level of action expected of the Verification Body.

On the basis of the findings and recommendation made by the assessment team, the Accreditation Body will confirm the continuation (or renewal) of accreditation.

### 3.3.7 Awarding Accreditation

Once the accreditation committee or relevant decision body has granted accreditation to the

Verification Body, the Accreditation Body will issue a certification stating the Verification Body, locations and scopes (see Section 3.4) for which accreditation is granted; it will also state the standards and protocols which the accreditation encompasses.

### 3.3.8 Extensions to Scope

If an accredited Verification Body wishes to extend the scope of its accreditation to include further “sectors” or source categories, the Verification Body may submit a request for extension to the Accreditation Body who will undertake an evaluation to determine whether extension to scope can be approved. Evaluation may include just document review or may cover the full set of assessment activities required for an initial accreditation, including witnessing. The program of required work will be discussed with the Verification Body when they submit their request for extension.

### 3.3.9 Suspension or Withdrawal of Accreditation

Accreditation may be suspended or withdrawn by the Accreditation Body if the Verification Body is not able to demonstrate that they are maintaining their verification program in accordance with the accreditation criteria. This is likely to be identified as part of normal surveillance activities or as a result of complaints about the Verification Body. There are also other grounds for suspension or withdrawal, including for example, bankruptcy, financial difficulties, improper use of the certificate or the Accreditation Body’s accreditation symbol, or discontinuing the relevant verification program, etc. Accreditation may be re-instated when the Verification Body demonstrates effective conformance with accreditation criteria.

It is also possible for accreditation to be affected by the results of investigation of COI Assessment Forms that the Registry requires. As part of the verification process, the Registry requires that COI Assessment Forms are submitted on a case by case basis (prior to a Verification Body commencing an engagement

with a Reporter). A sample of these will be investigated in depth by the Registry and/or possibly the relevant Accreditation Body (see the *General Verification Protocol* for a more detailed description of procedures related to COI). Where a COI Assessment Form is subsequently found to be incorrect, the Registry reserves the right to refer the accredited Verification Body to the relevant Accreditation Body with a recommendation of instant suspension and further investigation, with the possibility of revocation. If further investigation of the case in question or other cases indicates that the Verification Body rendered services to Reporters where the Registry’s COI provisions were contradicted, the relevant verification statement(s) will be annulled and the Verification Body will be liable for the value of the verification services.

## 3.4 The Scope of Accreditation

Accreditation will be granted against specific scopes to be specified by the Accreditation Body. The Registry expects that these will be based both upon source categories and industrial sectors, and generally may involve categories such as:

- Simple general scopes including simple combustion sources, indirect emissions, simple fugitive emissions (e.g. HVACs) and mobile sources
- Complex industry-specific scopes including more complex combustion, process, and fugitive emissions sources

As Accreditation Bodies may vary in their approach to scope, Verification Bodies must check the most up to date information on scopes which is provided on the relevant Accreditation Body’s website. The Registry is working with its current and proposed partner Accreditation Bodies to develop practicable and aligned approaches to scope definitions; it is expected that scopes will generally be organized according to the following categories:

- Work type (i.e. accounting for organizational entity emissions versus project reporting, etc.)
- Sectors or types of emission sources (i.e. source categories or industry types).

of all Economic Activities” (ISIC). This is produced by the United Nations and is currently in Revision 3.1, although an update is expected (see [http://unstats.un.org/unsd/publication/SeriesM/seriesm\\_4rev3\\_1e.pdf](http://unstats.un.org/unsd/publication/SeriesM/seriesm_4rev3_1e.pdf) - this document also provides information on alignment between ISIC and other classification systems).

It is expected that the industry sectors will follow a classification system such as the “International Standard Industrial Classification

**Figure 3.2 Example of Matrix of Scopes for Accreditation**

		Simple Scopes		Complex Scopes				
		ISIC Code :		4010	2694	2720	2320	
Subjects		Sectors :		Power Generation & Distribution	Cement and Lime Production	Aluminium	Oil & Gas	etc
		Simple General Sources (simple fugitive, combustion of liquid and gaseous fuels, indirect emissions)	Solid and Biomass Fuel Combustion					
Entity Accounting	Annual verification							
	Baselines							
	Validation							
Project Accounting	Annual verification							

= scope of accreditation & therefore area in which services can be offered to clients

*In this example, the VB is accredited to both simple scopes, plus the Aluminium sector for complex scopes*

Simple scopes are expected to cover emissions such as those from the following sources (where the reporting entity has no associated process emissions):

- Stationary combustion
- Mobile combustion
- Indirect emissions from imported electricity, steam, heat, cooling and CHP
- Fugitives from refrigeration and air conditioning

Complex scopes are expected to include all emissions covered in the simple scopes, plus any process related and fugitive emissions resulting from the activities of the relevant industrial sector.

Verification Bodies must have the appropriate scope of accreditation for the relevant client’s industrial sector or sources. Sectors are defined using internationally recognized codes and should be aligned wherever possible to the sectors identified in the *General Reporting Protocol*.

As many scopes can be included within the accreditation process as are desired by the

Verification Body, provided that they are able to demonstrate that they have the technical competence necessary for those scopes. It is important to note that for each scope of accreditation witnessing may be required. However, where a complex scope includes the activities of one or more of the simple scopes, the witnessing for the more complex scope will encompass any witnessing required for the relevant simple scope(s).

When considering the sectors for which accreditation is sought Verification Bodies need to consider their competence, including technical ability and experience to understand, for example, the emissions sources, the fuel sources (e.g. solid fuel accounting is often more complex than liquid fuels accounting), industrial plant, industrial processes, product supply chain processes, and boundaries. They should also ensure that they have (or have access to) the required competence, knowledge and capabilities associated with the context of verification engagements within specific sectors, such as legal compliance requirements, metering and measurement instrumentation, etc.

### 3.5 Costs of Accreditation

The costs of accreditation are generally based upon an initial fee to gain accreditation (and any extension to scope requested) plus the costs of surveillance and an annual license fee that allows the Verification Body to use the Accreditation Body's symbol of accreditation (often commonly known as a mark) or a certificate fee.

The relevant appendix containing the information on each of the Registry's partner Accreditation Bodies contains further information on their current fee structure. The information below provides a general indication of how Accreditation Bodies may structure fees, but should not be seen as representing all Accreditation Bodies. Interested Verification Bodies should consult directly with their relevant Accreditation Body. Fees are normally reviewed and revised by Accreditation Bodies on an annual basis and their up to date fee levels are publically available on their websites.

Area of charge	Notes
<ul style="list-style-type: none"> <li>Application fee</li> </ul>	Non-refundable, excludes any agreed preliminary site visit(s) which would be charges using the rates for assessment work. Preliminary desk review of eligibility (where offered) is not normally charged
<ul style="list-style-type: none"> <li>Assessment work by Assessors &amp; Technical Experts</li> </ul>	Charges are normally published on a per person per day basis; the overall level of these charges would depend upon the program of assessment agreed with the Verification Body
<ul style="list-style-type: none"> <li>Extension to scope fee</li> </ul>	Charges would depend upon whether the extension to scope can be undertaken by desk review of documents only or needs a site-based assessment
<ul style="list-style-type: none"> <li>Appeal fee</li> </ul>	
<ul style="list-style-type: none"> <li>Annual license fee</li> </ul>	Normally a percentage of Verification Body revenue, relating to a license to use the Accreditation Body's Accreditation Symbol. However, not all Accreditation Bodies charge a license fee. Some may have alternative structures such as a fee per accreditation certificate issued

Assessment work normally includes a number of visits/assessments at Head Office level, local Verification Body offices (where these are delivering GHG critical verification activities), and, on a sample basis, witnessing of activities at the client's site(s) during the performance of a verification.

The fees for this work will include preparation, onsite assessments, witness assessments, follow up and preparation of reports, review of corrective actions.

Since each Verification Body is different, the total fee likely to be charged by the Accreditation Body is related to:

- what they need to do to adequately assess each individual Verification Body
- how many assessment/ technical expert personnel are required; and
- how many witnessed visits will be required (which is normally determined by the number of scopes being accredited and the scale of verification activities being undertaken (e.g. the number and size of clients)

Consequently, it is not possible to give a fixed indicative cost for accreditation in the GOA. The amount of time required to initially assess a Verification Body will depend upon the size of the Verification Body, its structure (in terms of numbers and location of offices, etc), and its prior experience of this type of verification work, as well as the range of scopes that it wishes to be accredited to.

A further determinant of the time required for assessment is the prior experience, and in particular, the state of readiness of the Verification Body itself. Organizations that have undertaken previous accreditation processes for other schemes (e.g. Standards certification, CDM/EU GHG verification, etc.) and already have in place many of the verification process, program and personnel controls and quality/impartiality mechanisms expected under ISO14064:2006 and ISO14065:2007 are likely

to require less time for the assessors to establish their acceptability, unless a significant amendment of existing systems has been required.

Whereas organizations that are not currently accredited certification or Verification Bodies but are seeking to become accredited for the first time as a GHG Verification Body, may find that they have to put into place many of the required mechanisms and consequently have to be examined and re-examined before the assessors are satisfied as to the robustness of the newly instituted processes and mechanisms.

### 3.6 Mutual Recognition of Accreditation

Mutual recognition is a process whereby formal arrangements are put into place between two (or more) Accreditation Bodies to agree that they will recognize an accreditation issued by the other designated Accreditation Body(s) or will share the accreditation process. The objective of mutual recognition is to eliminate the need for suppliers of products or services to be accredited or certified in each country where they sell their products or services. This approach is supported by guidance from IAF on "Cross Frontier Accreditation" and also its processes of Multilateral Recognition Agreements. Membership of IAF is deemed to demonstrate the equivalence of Accreditation Bodies, which members formally recognize by signing Multilateral Agreements.

In relation to GHG verification, this could ultimately mean that a Verification Body accredited to ISO14065 by an IAF member might have that accreditation recognized by one of the Registry's partner Accreditation Bodies as part of bi-lateral recognition agreement or an IAF coordinated Multilateral Recognition Agreement. Where a national Accreditation Body (such as one of the Registry's partners) is providing accreditation to a specific GHG Scheme (such as the Registry), the applicant Verification Body would need only to be subject to supplementary accreditation by the national

Accreditation Body for any additional Scheme specific requirements.

At present there is no IAF Multilateral Recognition Agreement in place in relation to ISO14065:2007, although there is one for the application of ISO Guide 65 on Product Certification (which pre-dated the development of ISO14065:2007) which has been used in some parts of the world for mutual recognition of accreditation of GHG verification schemes (such as the EU ETS). Until IAF develops such a Multilateral Recognition Agreement, it is likely that any mutual recognition between Accreditation Bodies will be done on the basis of bi-lateral agreements.

Most of the Registry's partner Accreditation Bodies are in the process of developing their

GHG Verification Body accreditation processes and programs and are still evolving their criteria and expectations for accreditation. Until such time as these programs are fully established, the Registry's partner Accreditation Bodies are unlikely to be in a position to evaluate one other's programs for equivalence and mutual acceptability; thus there are currently no processes of mutual recognition in place. However, the Registry will urge its partner Accreditation Bodies to explore bi-lateral agreements as quickly as possible with other national Accreditation Bodies that have ISO14065:2007 programs in place and to work within the IAF to establish an appropriate Multilateral Recognition Agreement.

## PART 4: ISO14065 ACCREDITATION REQUIREMENTS

### 4.1 Requirements of Accreditation to ISO14065:2007

For reasons of ISO copyright this section of the GOA is not able to reproduce the full text of the relevant sections of ISO14065:2007, therefore we have outlined below a summary and interpretation of the key elements of the Standard that Verification Bodies need to address as part of their application for accreditation. This should not be used as a substitute to the Standard when preparing an application for accreditation. The additional requirements column signposts to further details in either:

- ISO14065 (ISO5/### items) or ISO14064-3 (ISO4-3/### items), where these documents detail more useful information in the section(s) whose number is cited;
- IAF MD:2008 (to be published) (IAF/### items) where this guidance has more relevant detail; or
- To further Registry specific requirements in Part 5 of the GOA (TCR items), where the Registry has added specific requirements for its program.

ISO14065 also provides informative annexes with more detailed guidance on impartiality, the relationships between ISO14064-3 and ISO14065 and management systems. Verification Bodies may also find it useful to

review the entire IAF guidance provided in IAF-MF: 2008 (to be published), as this will be used by the accreditation assessors and will give some indication of what accreditation assessors will look for in the assessment process.

The guidance below also discusses some of the elements and evidence that the accreditation assessors will be looking for during their assessment visits in order to confirm that the Standard's requirements and overarching principles are met. These principles include:

- Impartiality
- Competence
- Factual/evidence based decision making, based upon professional skepticism
- Openness and timely release of information
- Confidentiality

It must be noted that the GOA is written only from the perspective of the Registry's reporting and verification criteria and does not include discussion of everything that Accreditation Assessors might look for under other GHG accounting schemes. Verification bodies should consult with the Accreditation Body to which they will apply for details of that Accreditation Body's process and requirements.

Requirement of ISO14065	Additional Requirements
<p><b>4.1.1 General Requirements</b>            (detailed mostly in clauses 5.1 – 5.3 of the Standard)            A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>• <b>It is a legal entity such that it can be held legally responsible for its activities</b>                Assessors will look at the governance structures and legal status of the entity to determine if it may be deemed a legal entity.</li> <li>• <b>It has legally enforceable contracts/agreements with its verification clients</b>                Assessors will be looking to ensure that this includes:               <ul style="list-style-type: none"> <li>○ The Verification Body’s policy on the use of its mark by its clients to ensure that it is clearly time limited, in appropriate language, and that there is no ambiguity or opportunity for clients to misuse it, for example by applying it to products or packaging</li> <li>○ Information on the objectives and scope of verification, proposed level of assurance, materiality threshold(s), reporting and verification criteria and the estimated time required to deliver the planned work, along with indications of when the time estimate might increase or decrease</li> <li>○ Levels of liability cover offered/available</li> </ul> </li> <li>• <b>It remains responsible for, and holds authority over, its activities, decisions and Verification Statements</b>                Assessors will be looking for evidence of systems and controls that prevent the Verification Body from sub-contracting certain parts of the required verification process or activities; in particular those related to the final decision on determining and awarding verification statements.</li> <li>• <b>It has designated top management with overall authority and responsibility for policies, operational implementation, contractual arrangements, supervision of finances and the provision of resources, quality controls, decisions on issuance of Verification Statements and the resolution of complaints and appeals; such authority and responsibility may be delegated to committees or individuals but the top management retains oversight obligations</b>                Assessors will be looking for documentary evidence that these roles and responsibilities are in place and functioning; including for example, job descriptions, formally delegated responsibilities, terms of reference for committees, meeting minutes and notes, etc.</li> <li>• <b>It has documented information in relation to the key aspects of its legal and organizational structure and relevant mechanisms , including roles, responsibilities, duties and authorities management and other personnel associated with the verification process</b></li> <li>• <b>Where it is a clear part of a larger legal entity, it has documented its structure, accountability and relationships with other parts of the same legal entity.</b>                Assessors will be looking for evidence to show:</li> </ul>	

Requirement of ISO14065	Additional Requirements
<ul style="list-style-type: none"> <li>○ That any potential conflicts of interest within an organization can easily be identified</li> <li>○ That it is possible to assess the formal separation of parts of a Group which might provide consultancy and verification services in different parts; in particular the separation of management controls, the use of “Chinese walls”, etc. (See Appendix of the GOA: Guidance on the Maintenance of Impartiality for Verification Bodies that Provide Advisory Services)</li> </ul>	
<p><b>4.1.2 Impartiality Requirements</b> (detailed mostly in clause 5.4 of the Standard) A Verification Body needs to be able to demonstrate that :</p> <ul style="list-style-type: none"> <li>• <b>It is able to act in an impartial manner and avoid unacceptable COIs; and that this is a commitment from the top management that they embed throughout the verification process and communicate publically</b> Assessors will be looking for evidence that formal processes of evaluation and management of COI are embedded within (and understood by) the whole organization; and that these are regularly monitored by top management with action being taken where issues arise. Such evidence is expected to demonstrate that not only do COIs not arise but they are demonstrably seen not to arise; or where they do arise that it is clearly communicated and demonstrated by top management to the rest of the organization that work in such areas will not be undertaken; or how such work should be controlled to mitigate the impacts of a non-significant COI.</li> <li>• <b>It has formal, documented, rules and contractual arrangements to enforce its commitment on impartiality and COI</b></li> <li>• <b>It has formal documented procedures for identifying and managing potential COIs or impartiality risks</b> Assessors will also be looking for evidence to show that the COI assessments for both the Verification Body business as a whole, and for individual engagements is being done by personnel with the appropriate levels of knowledge and authority to undertake them properly; and that, in the case of the overall business assessment, it is regularly reviewed.</li> <li>• <b>It has a formal mechanism, independent from operational activities, that ensures impartiality is achieved</b> Assessors will be looking for mechanisms such as an independent oversight committee, non-executive directors and/or a formal internal monitoring/audit function in order to determine if this is being achieved.</li> <li>• <b>It has analyzed the likely financial risks related to its verification activities and has put into place appropriate mechanisms to cover any liabilities that might arise</b> Assessors will be looking for evidence that this includes, for example, appropriate professional indemnity insurance, provisions, contingency funds and reserves of capital, etc.</li> </ul>	<p>ISO5/ 5.4.2 TCR 1</p> <p>TCR 2</p>

Requirement of ISO14065	Additional Requirements
<p>In addition to insurance coverage, assessors will be looking for evidence that the Verification Body understands the complexity of emissions accounting and information management, the amount of time necessary to deliver a verification to the required level of assurance (regardless of the fee level that is agreed with the client) and the potential commercial value of the emissions that are being verified - especially where emissions assertions will be used for purposes beyond reporting to the Registry.</p>	
<p><b>4.1.3 Competency Requirements</b> (detailed mostly in clause 6 of the Standard) A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>• <b>It has formal, robust and documented procedures to determine the competency requirements for:</b> <ul style="list-style-type: none"> <li>○ <b>Each “industrial” sector in which it wishes to operate</b></li> <li>○ <b>Each of the categories of personnel associated with the verification process and activities, including management, support staff (e.g. admin and marketing), Verifiers, Lead Verifiers, Technical Reviewers and Technical Experts</b></li> </ul> <p>Assessors will be looking for evidence that the personnel undertaking the evaluation of competency requirements have a real understanding of the purpose and intent of the verification criteria under consideration, the risks associated with delivery of verification against the criteria, and the skills needed to deliver the verification in a manner sufficient to manage those risks identified. Assessors will also be looking for evidence of the competencies that Verification Bodies deem necessary for each type of personnel and the level (e.g. admin /support, technical contributor to verification, management oversight, etc) at which they are working (for example some form of matrix or other mechanism).</p> </li> <li>• <b>It has formal, robust and documented procedures (and records of the application of those procedures) for assessing personnel against competency requirements, managing their allocation to appropriate scopes and technical activities, and enabling continuing development of skills, knowledge and experience to ensure their continued competence; in particular in relation to processes to:</b> <ul style="list-style-type: none"> <li>○ <b>Select, train, authorize and monitor Verifiers, Lead Verifiers and Technical Reviewers</b></li> <li>○ <b>Select, authorize and monitor technical experts</b></li> <li>○ <b>Ensuring continual professional development of Verifiers, Lead Verifiers and Technical Experts by making available up-to-date information on, for example, verification processes, techniques, methods, specific program requirements and any relevant legislation, etc.</b></li> </ul> <p>Assessors will be looking for evidence that there have been formal assessments of personnel competency; these can take a number of different forms including, for example, witnessing personnel in action, peer review, exams or structured tests, evaluation of adequacy of prior experience, etc.</p> </li> </ul>	<p>ISO5/ 6.3.2 ISO5/6.3.3 ISO5/6.3.4 ISO5/6.3.6 ISO5/6.3.7</p> <p>TCR 3</p>

**Requirement of ISO14065****Additional Requirements**

Assessors will also be looking for formal processes for the selecting and assignment of the verification team, and in particular the Lead Verifier, to ensure that the mix of skills and experience in the team matches the sector and scope of individual verifications, and that the resources assigned to the work are not over stretched by other commitments.

- **All personnel assigned to verification process or individual activities are demonstrably competent to deliver those activities**

As part of the witnessing process Assessors will be evaluating the individual personnel that they are observing to ensure that they demonstrate in practice the level of competence that they are deemed to have through the internal competency assessment and assignment processes. Assessors will also expect to see evidence that a similar performance monitoring process is in place as part of the Verification Body's management system.

- **It has access to all the expertise that it may require for advice or support in relation to anything associated with its verification activities, industrial sectors or scopes of work; regardless of whether this expertise is sourced from within or without the Verification Body**

Assessors will be looking for evidence that the Verification Body has in place mechanisms by which it may draw on any additional expertise or resources that it requires. For example, has it identified individuals and organizations that may provide additional support should it not have the internal capacity or expertise required for specific circumstances; and has it put into place framework agreements (formal or informal) by which that expertise can be accessed at short notice if required?

- **It has access to sufficient numbers of key personnel (such as Lead Verifiers, Technical Reviewers and Technical Experts) that it needs to cover the scope, extent and volume of activities that it is (or expects to be) contracted to deliver, regardless of whether these personnel are its employees or sub-contractors**

Assessors will be looking for evidence that the Verification Body has (or has identified) sufficient resources (people) to deliver its planned (or expected) workload in such a manner that individual Verifiers and Lead Verifiers are not overstretched by being given too many engagements to do at any one time. In addition, if the Verification Body expects that there will be significant variation within workloads, assessors will be looking for evidence that it has identified additional resource from other parts of the Verification Body's organization (subject to impartiality rules) or externally that it can call on when workloads are high (e.g. subcontract Verifiers, Lead Verifiers and/or Technical Reviewers).

- **It clearly communicates to all relevant personnel the duties, responsibilities and/or authorities associated with any verification related activities that are assigned to them regardless of whether the activities are administrative, general (e.g. contract review) or specific to an individual verification engagement**

TCR 4

Requirement of ISO14065	Additional Requirements
<ul style="list-style-type: none"> <li>• <b>It monitors on a regular and planned basis the performance of all relevant personnel, and in particular Verifiers, Lead Verifiers and Technical Reviewers, to ensure that quality of service and accreditation requirements are maintained and verification risks managed; and where necessary identifying training (or refresher) needs in relation to verification processes, methodologies and other relevant requirements</b> Assessors will be looking for evidence of the formal processes associated with selecting, training, authorizing and upgrading of verifiers, which means that they will need to see how the process of ongoing performance monitoring is conducted; and how individual Verifiers are controlled to ensure continuing quality of service delivery and to upgrade their status (e.g. to Lead Verifier or Technical Reviewer) as their experience evolves; or sanctioned if the quality of an individual verifier falls below expectations.</li> </ul>	
<p><b>4.1.4 Deployment and Management of Personnel Requirements</b> (detailed mostly in clauses 6.3 – 6.6 of the Standard) A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>• <b>It has competent verification teams and that they are provided with appropriate levels and focus of management and support to deliver the quality of activities required for the selected level of assurance</b> For example, Assessors will be looking for evidence that personnel assigned to verification engagements are the right ones for the engagement (e.g. on the basis of the contract review and subsequent strategic analysis of the client and its GHG accounting systems); not over stretched or over stressed; and that operational risk and commercial management are separated to avoid commercial pressure on verification risk assessment processes etc.</li> <li>• <b>The composition of the verification team(s) provides the range of knowledge, skills and languages required for the delivery of specific verification engagements across scopes and geographies for which the Verification Body wishes (or is contracted) to operate</b> Assessors will be looking for formal evidence that the verification team(s) have knowledge in at least the following areas : <ul style="list-style-type: none"> <li>○ The relevant GHG program requirements</li> <li>○ Any differences between the relevant GHG program verification protocol(s) and the processes described in ISO14064-3:2006</li> <li>○ Ability to communicate effectively in the geographical/.technical/cultural language of relevant to the verification engagement</li> <li>○ Relevant GHG emissions sources</li> <li>○ Appropriate methods of quantification, monitoring and accounting</li> </ul> </li> <li>• <b>Where sub-contracted verifiers are used, the Verification Body has:</b> <ul style="list-style-type: none"> <li>○ <b>Assessed their competencies against those identified by the Verification Body in its competency needs evaluation</b></li> <li>○ <b>Obtained a signed agreement from the sub-contractor in relation to the use of accredited verification processes and procedures</b></li> </ul> </li> </ul>	<p>IAF Annex A GOA Appendix C</p> <p>TCR 5</p>

Requirement of ISO14065	Additional Requirements
<ul style="list-style-type: none"> <li>○ <b>Obtained a signed agreement from the sub-contractor in relation to the maintenance of confidentiality and a declaration of conformance to Conflict of Interest and Impartiality requirements</b> Assessors will be looking for evidence that the competency assessment of sub-contractors is as robust as that used for employees, and that proper contracts are in place that ensure that the liabilities associated with verification engagements are managed and apportioned appropriately.</li> <li>● <b>It keeps up-to-date records of the competencies and performance monitoring of all relevant personnel and sub-contractors</b> – including relevant management and support personnel</li> <li>● <b>Where verification activities/services are outsourced (as opposed to use of individual sub-contractors within teams):</b> <ul style="list-style-type: none"> <li>○ <b>The Reporter/client has consented to the out-sourcing</b></li> <li>○ <b>The responsibility for the verification is retained by the Verification Body</b></li> <li>○ <b>There is a formal documented agreement outlining the scope of the work and responsibilities of the parties</b></li> <li>○ <b>The out-source body has independently demonstrated their conformity with ISO14065:2007 and ISO14064-3:2007</b></li> </ul> <p>Assessors will be looking for evidence that the client has agreed that the outsourced activity is acceptable (for example it may agree to a consortium approach to the work which requires a master contract and sub-contracted elements of work); and that there is a clear designation of who will be undertaking what work, the relationships between the parties and how responsibilities, authorities and obligations are assigned, in particular in taking the final decisions on the statement, etc.</p> </li> </ul>	TCR 6
<p><b>4.1.5 Communications and Records Requirements</b> (detailed mostly in clauses 7.1 – 7.5 of the Standard) A Verification Body needs to be able to demonstrate that it provides to its clients detailed information on:</p> <ul style="list-style-type: none"> <li>● <b>Its verification process</b></li> <li>● <b>Updates on changes to verification and Registry requirements</b></li> <li>● <b>A plan and program of scheduled verification activities, including information about the assigned verification team (with subsequent updates should there be changes)</b></li> <li>● <b>Its schedule of fees and charges in relation to its verification services</b> Assessors will be looking for clarity about where fix fee agreements are appropriate (or not appropriate) and when/how additional time would be charged after the initial estimate of fees is provided</li> <li>● <b>Its policies related to the use of its mark and references to the verification</b> Assessors will be looking for evidence that these are aligned to the statements</li> </ul>	TCR 7  TCR 8

Requirement of ISO14065	Additional Requirements
<p>within the enforceable agreements/contracts that are in place for each verification engagement, and that it is clear to Reporters that they may not misuse the mark.</p> <ul style="list-style-type: none"> <li>• <b>How a client can make a complaint and/or appeal, and the process(es) by which these are dealt with</b></li> <li>• <b>The client’s responsibilities in relation to:</b> <ul style="list-style-type: none"> <li>○ <b>Compliance with the requirements of verification</b> (whether imposed by ISO14065, ISO14064-3 or the Registry’s program)</li> <li>○ <b>Making arrangements for the delivery of the verification including timely access to documentation, personnel, sites, processes and anything else of relevance</b></li> <li>○ <b>Making arrangements with clients to facilitate the need for observers to witness site work</b> (e.g. the Accreditation Body and/or the Registry)</li> </ul> </li> </ul> <p>A Verification Body also needs to be able to demonstrate that :</p> <ul style="list-style-type: none"> <li>• <b>It has policies, mechanisms and relevant equipment/facilities to maintain information security and to safeguard the confidentiality of information collected from clients during the course of verifications; and that this policy is legally enforceable and includes all personnel associated with verification activities (whether employee, sub-contractor or outsourced body)</b> Assessors will be looking for evidence of control of electronic information as well as hard copy data (information security) , and control of IT Systems (IT security) as well as Audit Files (physical security); and that arrangements for storage and archiving of records for the required retention period is robust and meets appropriate quality standards. For example, where third party archive contractors are used, do they have appropriate quality management processes and applicable standards for electronic storage/ information management such as ISO20000 and ISO27000, if appropriate. <p>In addition, assessors will evaluate the approach to developing and enforcing confidentiality and information management agreements with employees and sub-contractors.</p> <li>• <b>It obtains consent of clients before releasing non-public information to a third party</b></li> <li>• <b>It notifies clients in advance before releasing into the public domain any information required to be released by the Registry’s protocols or other requirements</b></li> <li>• <b>It keeps up to date, and provides on request, clear and accurate information about its activities and sectors of operation</b></li> <li>• <b>It keeps historic and up to date records of its verification activities, and in particular:</b> <ul style="list-style-type: none"> <li>○ <b>Its accredited verification scopes</b></li> </ul> </li> </li></ul>	<p>ISO5/ 7.3</p>

Requirement of ISO14065	Additional Requirements
<ul style="list-style-type: none"> <li>○ <b>Justification of the time planned for verifications</b> Assessors will be looking for evidence that analysis is done by the Verification Body in the amount of time planned for engagements versus that which was actually needed to complete the engagement satisfactorily; and that the results of this analysis are fed back into the process of contract review and fee bidding.</li> <li>○ <b>The full completion of verification activities including findings, information on discrepancies, misstatements and errors; the conclusions and opinions reached and the associated formal statements</b> Assessors will be looking for evidence that records include the complete audit files and evidence underlying the conclusions and opinions reached for each verification engagement.</li> <li>○ <b>Any complaints, appeals and corrective actions required to rectify them</b></li> <li>● <b>It stores and manages its records securely and confidentially; and retains them in accordance with the requirements of the Registry’s program, its own internal quality management system and/or the conditions in any client contract or other legal obligations that it has</b></li> </ul>	<p>ISO5/ 7.5 TCR 9</p>
<p><b>4.1.6 Verification Processes</b> (detailed mostly in clause 8 of the Standard) A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>● <b>It applies the processes identified above in relation to impartiality, competence and legally enforceable agreements/contracts to each and every verification engagement</b> In addition to the core verification processes outlined in ISO14064-3:2007 and the <i>General Verification Protocol</i>, Assessors will be looking for procedures and records associated with a process of “contract review” and evaluation for each request for verification from a client, that includes all the relevant elements and information about the engagement needed to determine if the request can be met by the Verification Body within its currently accredited scope and available resources. Assessors will be looking for evidence that the personnel undertaking such a process of “contract review” (often sales &amp; marketing staff) have appropriate competence and a real understanding of the purpose and intent of the verification, the professional risks associated with delivery of the verification against the criteria; and the real time required for delivery of the scope of work (as opposed to the time based on the commercial fee they think they can charge).</li> <li>● <b>It conducts its verification activities in accordance with ISO14064-3:2006</b> Assessors will be looking for documentary evidence of the planning, performance and revision of plan (where required) for each individual verification engagement; including the collection of objective evidence and the application of iterative cycles of investigation and evaluation where necessary. Review of working files is a</li> </ul>	<p>TCR 10</p> <p>ISO5/ 8 ISO4-3/ 4</p>

Requirement of ISO14065	Additional Requirements
<p>normal part of accreditation, to ensure that the verification process is consistent across engagements, and that engagements are being appropriately documented; and that appropriate evidence is being collected and retained.</p> <p>GHG verification is a risk based activity with effort focused on those areas where mis-statement is most likely. Assessors will be looking for documentation of the risk assessment process(es) as well as justification for the selection of specific samples for testing, including:</p> <ul style="list-style-type: none"> <li>○ The basis of their being representative</li> <li>○ Of adequate scale</li> <li>○ Of adequate depth and range of testing</li> <li>○ How samples are extended if testing identified non-compliance, errors or other anomalies</li> </ul> <p>The <i>General Verification Protocol</i> prescribes a minimum set of facility level site visits expected for different sizes of entity. Assessors will be looking for evidence of the risk assessment upon which the verification plan (including site visits) is based; as well as evidence to justify why the minimum number outlined in the <i>General Verification Protocol</i> is appropriate in the case of each verification engagement.</p> <ul style="list-style-type: none"> <li>• <b>It conducts an independent technical review of each verification engagement, utilizing competent personnel that have not participated in the original verification activities</b></li> </ul> <p>Assessors will be looking for evidence that the Technical Reviewer is independent of the conduct of the verification. This does not preclude the use of “interim Technical Review” which may be conducted in stages through the course of the verification to confirm that the stages of work are adequately planned and/or conducted – for example at the end of the Strategic Analysis to confirm that the verification plan is reasonable (and thus heading off problems that might emerge if the Review is not done until right at the very end).</p> <p>Assessors will also be looking for evidence that the Technical Reviewer, as a minimum, has formally considered whether the assessment of risks and the plan resulting from it are reasonable, that the evidence supports the conclusions arrived at and the Verification Statement is clear as to the basis of the opinion and the applicable level of assurance, that the work conformed to the requirements of the contract and verification criteria; and that the Verification Body’s own processes and procedures have been followed.</p>	<p>TCR 11</p>

Requirement of ISO14065	Additional Requirements
<p><b>4.1.7 Appeals and Complaints Processes</b>            (detailed mostly in clauses 9 - 10 of the Standard)            A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>• <b>It has formal, robust and documented process(es) to receive analyze, manage and take independent decisions in relation to appeals against its conclusions as expressed in the Verification Statement, and that:</b> <ul style="list-style-type: none"> <li>○ It communicates receipt of appeal, and the details of the formal process, appeals panel, status and progress of the appeal, and its outcome to the relevant client</li> <li>○ It takes responsibility for all decisions at all levels of the appeals process</li> <li>○ It ensures the process, outcome and consequences are non-discriminatory</li> <li>○ The people handling the appeal are independent of the relevant verification activity and engagement</li> <li>○ It has a description of the appeals process that is publically available</li> </ul> </li> <li>• <b>It implements preventive and corrective actions and decisions</b></li> <li>• <b>It has a similar process for handling complaints in relation to its verification activities, which in addition to the elements above also includes safeguarding the confidentiality of the complainant and what the complaint is about</b></li> </ul>	
<p><b>4.1.8 Management System Requirements</b>            (detailed in clause 12 of the Standard)            A Verification Body needs to be able to demonstrate that:</p> <ul style="list-style-type: none"> <li>• <b>It has designed, implemented and keeps up to date a quality management system that is able to demonstrably support the consistent delivery of the requirements of ISO14065; and that this management system is adequately documented</b>            As well as the requirements specified in ISO14065:2007, Assessors will be looking for documentary evidence that this system includes the core elements of the verification process itself (as defined in ISO14064-3:2007), including any specific elements or criteria prescribed by the Registry's <i>General Reporting Protocol</i> and <i>General Verification Protocol</i>; and that relevant elements are included in sufficient detail or quantity that the management system ensures consistent application of the verification program and processes; documentation of this may include standard work papers and tools (e.g. for risk assessments, materiality analysis, etc.).</li> </ul>	<p>ISO 12            TCR 12</p>

# PART 5: ADDITIONAL REGISTRY ACCREDITATION REQUIREMENTS

## 5.1 Additional Registry Requirements

The “reference” in the table below relates to the additional requirements column in Section 4.1

Reference	The Registry:
General 1	Requires that accreditation is achieved against specific scopes as outlined in Section 3.4. This is essentially a matrix of industrial sectors, emissions sources and work activities. At this stage the registry is not accepting projects for reporting so will exclude the project validation and baseline/annual verification work activities from its required scopes.
General 2	Expects Accreditation Bodies to conduct the majority of the accreditation process as outlined in Section 3 and the relevant Appendices. However, the Registry’s Oversight Panel reserves the right to observe the conduct of verification activities by means of witnessing verification in action. This witnessing may normally be done by means of accompanying Accreditation Body Assessors, but the Registry reserves the right to also request independent observation visits. The Registry expects Verification Bodies to inform their clients of this potential activity, to include their client’s deemed consent within contracts that are signed; and to facilitate the process of observation if selected.
TCR 1	<p>Requires that in addition to general evaluation of impartiality and COI risks, Verification Bodies must also:</p> <ul style="list-style-type: none"> <li>• Complete a self evaluation of the potential for a COI prior to any individual verification engagement</li> <li>• Document a case specific COI Assessment Form (see <i>General Verification Protocol</i> for details) and submit it to the Registry for review at least 15 days prior to commencing verification activities (e.g. site visits, interviews, etc.).</li> </ul> <p>In completing the self evaluation, the Verification Body is formally attesting to the fact that it has carefully considered the provisions with respect to avoiding conflicts as detailed in the <i>General Verification Protocol</i>. Failure to properly check and declare COI may result in further investigation of the Verification Body, referral to the Accreditation Body’s accreditation committee or other relevant decision body. In the case a contravention of the Registry’ COI policy is discovered after an engagement has been completed, the relevant verification statement is subject to annulment.</p> <ul style="list-style-type: none"> <li>• If, once the engagement has commenced, there is a change of membership of the verification team or a relevant change of circumstances in relation to the Reporter, the COI self-evaluation should be revisited and in the event that the change in circumstances affects the assessment the Registry should be notified immediately.</li> </ul> <p>In practice the Registry expects that COI self evaluation would be done at the contract</p>

Reference	The Registry:
	<p>review stage, when the Verification Body is considering whether to tender for the verification engagement. Where the Verification Body does not tender for the work, or does not win the work, the declaration form is not required to be submitted, but should be retained on the tender file for Accreditation Body inspection.</p> <p>On a regular basis the Registry will undertake a more detailed evaluation of a random sample of the COI Assessment Forms submitted and may seek additional information from Verification Bodies or the appropriate Accreditation Body. Any evaluations which raise the Registry's concerns will be referred to the Accreditation Body and subject to further investigation and action (from requirement for corrective action up to, and including, revocation of accreditation and annulment of the verification statement).</p> <p>If as a result of COI investigation the Registry decides to annul a verification statement, the Verification Body will be liable for the costs of the verification service it provided to the relevant Reporter. This may include repayment of the fees it received from the Reporter or another arrangement that it reaches with the affected client.</p>
TCR 2	<p>Requires that Verification Bodies have professional indemnity insurance to the level of <b>at least \$US 1,000,000</b>.</p> <p>It should be noted by Verification Bodies that that the emissions assertions a Verification Body is providing a statement on may be used for purposes other than just Registry reporting; it is therefore important that Verification Bodies understand the potential for reliance to be placed upon their statements by third parties, and any associated financial or legal liabilities that might accrue. Under such circumstances, Verification Bodies should ensure that the level of insurance carried is still appropriate.</p>
TCR 3	<p>Requires that Verifiers have attended designated training and can demonstrate knowledge and understanding of:</p> <ul style="list-style-type: none"> <li>• The <i>General Reporting Protocol</i> and the <i>General Verification Protocol</i></li> <li>• General and sector specific technical and GHG issues and sources</li> <li>• GHG emissions accounting and calculation processes and methods</li> <li>• Techniques and key elements of non-financial data monitoring, auditing and assurance, including accounting &amp; assurance principles, strategic analysis, risk assessment, verification planning, testing and evaluation, missing data and materiality analysis; evaluation of issues, corrective actions and statement formulation</li> <li>• Management systems function and auditing, in relation to GHG accounting</li> <li>• Instrumentation and measurement systems, in relation to GHG accounting; including principles of uncertainty analysis</li> <li>• Electronic information systems and associated information and IT security</li> <li>• Financial, contractual and operational implications of relevance to GHG accounting</li> <li>• Complex project/program management and leadership (for Lead Verifier status)</li> </ul> <p>Designated training includes:</p> <ul style="list-style-type: none"> <li>• Registry Protocol Briefing/Orientation – aimed at ensuring knowledge and</li> </ul>

Reference	The Registry:
	<p>understanding of the Registry's program and protocols</p> <ul style="list-style-type: none"> <li>(Lead) GHG Verifier training – aimed at embedding knowledge and understanding of the principles and techniques associated with non-financial data assurance</li> </ul> <p><b>Note: The Registry is currently reviewing its training requirements and may specify or amend details of this requirement once the draft IAF Guidance is finalized and the Registry has further evaluated other possible competency assurance requirements.</b></p> <p>Where personnel are upgraded over time from Verifier to Lead Verifier, the Registry expects there to be a clear, formal and documented progression mechanism that takes account of training, demonstration of applied competence, an appropriate amount of real time practice and supervised leading before confirmation of upgrades.</p>
TCR 4	Requires that, as a minimum, the Verification Body will have two Lead Verifiers on staff. This will enable the appropriate management of the verification program and the separation of powers and responsibilities between the role of Lead Verifier and the role of Independent Peer Reviewer.
TCR 5	<p>Allows that sub-contractors may be used as Lead Verifiers or Independent Peer Reviewers or both, provided that they are subject to formal contractual agreements as outlined in ISO14065:2007 clause 6.4; and subject to:</p> <ul style="list-style-type: none"> <li>Meeting the competencies outlined in clause 6.3.7</li> <li>Oversight by the Verification Body's GHG program manager who is expected to be a qualified Lead Verifier</li> <li>The Verification Body retaining the responsibility for the final decision on the validity of the opinion arrived at, and the decision to issue the Verification Statement</li> </ul>
TCR 6	Accepts that there may be business models used by Verification Bodies that mean that a number of verification team roles might be filled by sub-contractors, including Verifier, Lead Verifier or Internal Peer Reviewer. Where such models are used, the Registry expects the Verification Body to demonstrate how it manages and controls the sub-contractors in those roles and how it retains the responsibility for the final decision making process in relation to the confirmation and issuing of the Verification Statement to clients.
TCR 7	<p>Assumes that all verification will be undertaken following the process outlined in its <i>General Verification Protocol</i>.</p> <p>However, where a Reporter undertakes additional reporting beyond that which is required by the <i>General Reporting Protocol</i>, additional verification steps or activities may be required to meet ISO14065 requirements and these will need to be communicated to the client. (e.g. if the client decides that it wishes/is required to additionally report and verify in accordance with its own performance reporting guidelines and/or requires GHG reporting to be integrated with its wider sustainability reporting, or a facility becomes subject to a state level mandatory reporting which has some requirements additional to the <i>General Reporting Protocol</i> and that recognizes the Registry's Verification Bodies, etc.)</p>

Reference	The Registry:
TCR 8	<p>Requires that the Registry be provided with a copy of the verification schedule at least 15 days before the commencement of work, so that it has an opportunity to decide whether it wishes to observe any part of the verification activities. The Registry recognizes that Verifiers need to be flexible and responsive to changes in the circumstances of the verification or client and that the schedule may change.</p> <p>This notification could be submitted along with the COI Assessment Form if the timing of the engagement contract allows, but the Registry recognizes that COI Assessment Forms may be submitted at the stage of contract negotiation or tender.</p> <p>Further requires that the Verification Body provides Accreditation Bodies with an annual summary of verification activities outlining the range of client (and number of their sites) as well as sectors for whom the Verification Body is commissioned to do work, and the Lead Verifier and Internal Peer Reviewer assigned to each verification engagement (along with a list of its core verification team. This will enable the Accreditation Body and the Registry to have an overview of capacity, resources and constraints; and ensure that its planned program of witnessing is representative of a Verification Body's activities and personnel.</p>
TCR 9	<p>Requires that Reporters' records are retained for <b>at least five years</b> from the date of the verified emission report (and records retained include all relevant evidence to support that report); and that Verifiers retain their records for a matching period.</p> <p>It should be noted that some records may be subject to fiscal or other legal requirements that are longer than the Registry's mandated period.</p> <p>Verification Bodies are required to undertake sample tests of their existing clients' record retention process as part of ongoing annual verification, including confirming the retention of relevant prior year records. Accreditation Body Assessors will review this as part of their verification file reviews.</p>
TCR 10	<p>The Registry's <i>General Verification Protocol</i> outlines specific requirements in terms of thresholds and criteria by which conflicts of interest may be judged. Verification Bodies should refer to and comply with the <i>General Verification Protocol's</i> provisions with respect to avoiding COIs.</p>
TCR 11	<p>Requires that the Internal Peer Reviewer is an active Lead Verifier able to demonstrate continued competence and appropriate continuing professional development.</p>
TCR 12	<p>Expects that Verification Bodies would align their management systems with the principles, specifications and guidance given in ISO 9001:2000 the standard for quality management systems. However, it would not expect them to have to demonstrate conformity to that Standard nor achieve registration/certification to the Standard.</p> <p>In addition to managing the verification program elements required in ISO14065:2007 and described in Section 4.1, this system should include the processes, procedures and work paper templates etc. to ensure that the approach and recording of each verification engagement is consistent with the requirements of ISO14064-3:2007 and comparable between engagements and verification teams. (See also Appendix A: FAQ No. 16)</p>

## APPENDIX A: GLOSSARY OF TERMS

Term	Definition
Accreditation	Third-party attestation related to a validation or Verification Body conveying formal demonstration of its competence to carry out specific validation or verification tasks
Accreditation Body	Authoritative body that performs accreditation <b>Note</b> – <i>the authority of an Accreditation Body is generally derived from government</i>
Accreditation Symbol	The symbol issued by an Accreditation Body, to be used by the accredited Verification Body to indicate its accredited status. For example, an ANSI accredited Verification Body may use an ANSI logo with the name of the appropriate standard and a unique accreditation number to demonstrate that they have been accredited.
ANSI Accreditation Committee (ACC)	The ANSI Accreditation Committee for product certification programs was established by the ANSI Board of Directors to be responsible for the operational aspects of ANSI's accreditation programs and related activities, except as otherwise provided in the ANSI Bylaws or in procedures approved by the ANSI Conformity Assessment Policy Committee and the ANSI Board of Directors.
ANSI GHG Advisory Committee	This Advisory Committee was created by the ACC to support this policy committee on accreditation matters related to GHG Validation/Verification Bodies and to provide input and guidance in the implementation of ANSI GHG accreditation programs.
Appeal	Request by the client or responsible party to the validation or Verification Body for reconsideration of a decision it has made in relation to the validation or verification
Assessment	Process undertaken by an Accreditation Body to assess the competence of a conformity assessment body (Verification Body), based on particular standard(s) and/or other normative documents and for a defined scope of accreditation <b>Note:</b> <i>Assessing the competence of a Verification Body involves assessing the competence of the entire operations of the Verification Body, including the competence of the personnel, the validity of the conformity assessment methodology and the validity of the conformity assessment results.</i>
Assessor	Person assigned by an Accreditation Body to perform, alone or as part of an assessment team, an assessment of a validation or Verification Body.

Complaint	Expression of dissatisfaction, other than an appeal, by any person or organization to a validation or Verification Body or Accreditation Body, relating to the activities of that body, where a response is expected
Conflict of Interest (COI)	Situation in which, because of other activities or relationships, impartiality in performing validation or verification activities is or could be compromised
Conformity Assessment Body (CAB)	A Conformity Assessment Body is a body that is accredited to provide conformity assessments under ISO Standards. <b>Note</b> – CABs include certification bodies (including management systems, personnel, product, validation and verification bodies) inspection bodies and laboratories
International Accreditation Forum (IAF)	IAF's primary role is to ensure that its Accreditation Body members only accredit bodies that are competent to do the work they undertake and are not subject to conflicts of interest.  Its second purpose is to establish mutual recognition arrangements, known as Multilateral Recognition Arrangements (MLA), between its members which reduces risk to business and its customers by ensuring that an accredited certificate may be relied upon anywhere in the world. The objective of a MLA is that it will cover all Accreditation Bodies in all countries in the world, thus eliminating the need for suppliers of products or services to be certified in each country where they sell their products or services. Certified once - accepted everywhere. <b>Note</b> – <i>there are currently no MLAs related to GHG Verification</i>
ISO 14065:2007	International Standard on : Greenhouse Gases – Requirements for greenhouse gas validation and Verification Bodies for use in accreditation or other forms of recognition
ISO14064-1:2007	International Standard on : Greenhouse Gases – Part 1 : Specification with guidance at the organizational level for the quantification and reporting of greenhouse gas emissions and removals
ISO14064-2:2007	International Standard on : Greenhouse Gases – Part 2 : Specification with guidance at the project level for the quantification, monitoring and reporting of greenhouse gas emissions reductions or removal enhancements
ISO14064-3:2007	International Standard on : Greenhouse Gases – Part 3 : Specification with guidance for the validation and verification of greenhouse gas assertions
ISO17011:2004	International Standard on : Conformity assessment – General requirements for Accreditation Bodies accrediting conformity assessment bodies
ISO9001:2000	International Standard on : Quality Management Systems – Requirements
Lead Verifier	Competent and independent person with responsibility for planning the verification process and leading and managing the verification team in performing and reporting the verification process.

Level of Assurance	<p>The degree of assurance the intended user requires in verification.</p> <p><b>Note</b> – <i>the level of assurance is used to determine the depth of detail that a verifier designs into their verification plan to determine if there are any material errors, omissions or misrepresentations.</i></p> <p><i>There are two levels of assurance, reasonable or limited, which result in differently worded Verification Statements; although the terminology should not be confused with Verification Statements that are “qualified” or “adverse”.</i></p>
Limited Assurance	<p>The Verifier providing a limited level of assurance will place less emphasis on detailed testing of GHG data and information supplied to support the GHG assertion. In addition, there may be some other “limitation” placed upon the work of the Verifier (for example the freedom of selection of facilities to inspect). It is important that the basis of the Verification Statement is clear to the intended user such that there is no confusion as to the level of work undertaken and the type of Verification Statement being expressed.</p> <p>The Verification Statement resulting from work undertaken to a limited level of assurance is written in a “negative” format, for example – <i>“Based on the processes and procedures conducted, there is no evidence to suggest that the GHG assertion is not materially correct and is not a fair representation of the GHG data and information”</i></p>
Mark	<p>From the french “marque”, meaning brand. More commonly a “trade name”, “brand name” or logo that identifies a specific company or product. Commonly used by verification and certification bodies to identify or designate a system, process or product etc that is conformant to a specific set of requirements.</p> <p>ISO17030 defines a Third Party mark of conformity as <i>“a protected mark issued by a body performing third party conformity assessment.....”</i> A legally protected mark is one that is protected against unauthorized use.</p> <p>Proof of legal ownership of a mark for the purposes of accreditation would include, for example, evidence of the registration of the mark at a recognized trademark or patent office such as the U.S. Patent Office which issues a certificate of registration.</p> <p>See also Accreditation Symbol</p>

Mutual Recognition	<p>A process whereby formal arrangements are put into place between two (or more) Accreditation Bodies to agree that they will recognize accreditation issued by another Accreditation Body. The objective being to eliminate the need for suppliers of products or services to be accredited or certified in each country where they sell their products or services.</p> <p>In relation to GHG verification, this would normally mean that the Verification Body was accredited to ISO14065 by an IAF member recognized by ANSI as part of a mutual recognition agreement (MRA). Where ANSI is providing additional accreditation to a specific GHG Scheme (such as The Climate Registry), the applicant Verification Body would then need to be subject to supplementary accreditation by ANSI for the additional Scheme requirements (if any).</p> <p>An example of this is the Irish National Accreditation Board’s recognition of EU ETS Verification Bodies accredited by the UK Accreditation Services.</p> <p><b>Note</b> – <i>there are currently no MRAs related to GHG Verification in North America</i></p>
Reasonable Assurance	<p>The Verifier provides a reasonable, but not absolute, level of assurance that the responsible party’s GHG assertion is materially correct. The Verification Statement resulting from work undertaken to a reasonable level of assurance is written in a “positive” format, for example – <i>“Based on the processes and procedures conducted, the GHG assertion is materially correct and is a fair representation of the GHG data and information”</i></p>
Surveillance	<p>Set of activities, except reassessment, to monitor the continued fulfilment by accredited CABs of requirements of accreditation</p> <p><b>Note:</b> <i>Surveillance includes both surveillance on-site assessments and other surveillance activities, such as the following:</i></p> <ul style="list-style-type: none"> <li>a) <i>Enquires from the Accreditation Body to the CAB on aspects concerning the accreditation;</i></li> <li>b) <i>Reviewing the declarations of the CAB with respect to what is covered by the accreditation;</i></li> <li>c) <i>Requests to the CAB to provide documents and records (e.g. audit reports, results of internal quality control for verifying the validity of CAB services, complaints records, management review records); and</i></li> <li>d) <i>Monitoring the performance of the CAB (such as results of participating in proficiency testing).</i></li> </ul>
Internal Peer Reviewer	<p>Competent Lead Verifier, independent of the planning and performance of the verification, with responsibility for reviewing the verification evidence and work papers and concurring with the conclusions and opinion arrived at by the client’s Lead Verifier</p>
Verification	<p>Systematic, independent and documented process for the evaluation of GHG assertions against agreed verification criteria</p>
Verification Body	<p>Body that performs verification of GHG assertions in accordance with ISO14065</p>

Verifier	Competent and independent person, or persons, with responsibility for performing and reporting the verification process ( <i>under the management and supervision of a Lead Verifier</i> )
Witness Assessment	Assessment conducted by an Accreditation Body to verify and observe the competence of an evaluation/inspection/audit conducted by an applicant or accredited CAB

## APPENDIX B: FREQUENTLY ASKED QUESTIONS

Question and response	Section Reference
<p><b>Q1 Is accreditation mandatory?</b></p> <p><b>A</b> Accreditation by Accreditation Bodies is voluntary; Verification Bodies are not required to participate. However, without accreditation Verification Bodies will not be able to verify on behalf of the Registry’s voluntary program, even if they are currently verifying GHG emissions reports elsewhere.</p>	
<p><b>Q2 How much will it cost to become accredited?</b></p> <p><b>A</b> All assessment fees are effort related and are dependent upon the complexity of the scope(s) of accreditation being sought. An overview of the time and fee requirements is given in Section 3.5 and a comprehensive description can be found on the relevant Accreditation Body’s website.</p>	See Section 3.5 (fees)
<p><b>Q3 Does the Registry charge any fees for accreditation?</b></p> <p><b>A</b> No. The Registry does not itself charge accreditation fees, these are charged by the Accreditation Bodies who undertake the work required to assess Verification Bodies and confirm their conformance to the specified Standard and requirements. How much fee the Accreditation Body charges will depend upon the level of work that is required to reach accreditation.</p>	See Section 3.5 (fees)
<p><b>Q4 How long does it take to become accredited?</b></p> <p><b>A</b> The amount of time required to achieve accreditation will depend upon the state of readiness of the Verification Body. In particular, if the Verification Body already has a substantial part of the systems and processes required by ISO14065 then the accreditation process may be largely a process of adapting those systems to any additional ISO14065 and Registry requirements plus a document review, interview processes and witnessing of verifiers by the Assessors, taking an estimated total of 5-10<sup>2</sup> days over a period of a couple of months (dependent upon when the Verification Body is able to schedule witnessed site visits).</p> <p>If a Verification Body is starting from scratch and having to develop and implement all the systems and processes and prepare all the documentation and procedures then it could take significantly longer to reach the stage where accreditation is possible (on the order of six months to a year depending upon the level of effort applied). The assessment process is then likely to also take longer as any anomalies in the system are corrected following evaluation and inspection by assessors and then subsequent reevaluation of updated documents and processes.</p>	See Section 3.5

<sup>2</sup> The precise number of days will depend upon the complexity of the applicant organisation and the range of scopes that it is seeking accreditation for. It is possible that the time required will be more than 10 days.

Question and response	Section Reference
<p><b>Q5 How are Accreditation Bodies involved in assessing the conformity of Verification Bodies to the relevant standards?</b></p> <p><b>A</b> Accreditation Body accreditation recognizes the competence of bodies to carry out GHG verification in accordance with requirements defined in International Standard 14065:2007 and any additional requirements for a specific Scheme (such as The Registry).</p> <p>For example, in the case of ANSI, it administers more than 90 distinct product accreditation program scopes; of which two are specifically related to GHG verification – its pilot program for ISO14065 general GHG accreditation and the specific program for The Registry which is built on top of this general accreditation.</p>	
<p><b>Q6 Who recognizes accreditation programs such as ANSI's?</b></p> <p><b>A</b> <i><b>Domestically:</b></i> ANSI is recognized by the Registry as an accreditor of GHG Verification Bodies, in relation to the Registry's voluntary reporting scheme.</p> <p><i><b>Internationally:</b></i> As a member of the International Organization for Standardization (ISO) and groups such as the International Accreditation Forum (IAF), the Inter-American Accreditation Cooperation (IAAC) and the Pacific Accreditation Cooperation (PAC), ANSI pursues and actively promotes multilateral arrangements for mutual recognition. However, at this time there is no bi-lateral or multi-lateral agreement in place by which other national Accreditation Bodies recognize ANSI's (or other Accreditation Bodies) accreditations in relation to GHG verification.</p>	See Section 3.6 (mutual recognition)
<p><b>Q7 Does recognition of ANSI's accreditation programs extend beyond the United States?</b></p> <p><b>A</b> In general, yes. ANSI's accreditation policy activities are widely recognized and promote the global acceptance of U.S. products, services and personnel by helping to reduce duplicative marking requirements and certification costs and by helping to ensure a level playing field. These accredited certification programs help to open international markets and reduce trade barriers for certified products and services through the use of mutual and multi-lateral recognition of accreditation. Currently these types of international recognition arrangements are not in place for ANSI's GHG program, but are expected to be so in the near future. Similar recognition is likely to be achieved by the Registry's other partner Accreditation Bodies.</p>	
<p><b>Q8 When can I apply to become accredited?</b></p> <p><b>A</b> Beginning in 2009, Verification Bodies can apply to ANSI to be accredited at any time. After this date, there will be no specific time periods when calls for application are made. However, final confirmation of accreditation will be dependent upon ANSI assessors being able to witness Verification Bodies in action delivering verification engagements for clients across the range of scopes</p>	

Question and response	Section Reference
<p>requested; therefore the Verification Body will need GHG assurance clients to complete the accreditation process.</p> <p>Other potential partner Accreditation Bodies are also in the process of developing and launching their accreditation programs and are expected to be accepting applications during 2008.</p> <p>The Registry is working to develop a process whereby it can facilitate matching applicant Verification Bodies (who do not have a current portfolio of clients that can be used for Accreditation Body witnessed visits) to Reporters seeking discounted price verification. The details of this are still to be confirmed.</p>	
<p><b>Q9 How do I initiate the application process?</b></p> <p><b>A</b> In the case of ANSI, the application process is initiated by sending a letter of application covering the six key areas of the accreditation requirements, outlined in Appendix E. The purpose of this is to enable ANSI to judge the eligibility of the applicant Verification Body for accreditation. A general overview of the application process is given in Section 3 and a more comprehensive description of the application process can be found in Appendix E and on the ANSI website – see:  <a href="http://www.ansi.org/conformity_assessment/ansi_accred_cert_bodies/apply.aspx?menuid=4">http://www.ansi.org/conformity_assessment/ansi_accred_cert_bodies/apply.aspx?menuid=4</a></p> <p>For other potential partner Accreditation Bodies, information will be published on the Registry’s website when they become formal partners; at that time relevant appendices will be added to the GOA to provide accreditation process details.</p>	<p>See Section 3 for an overview of the process and the relevant GOA Appendices for details of specific Accreditation Body processes</p>
<p><b>Q10 How will the training that Verification Bodies must give their staff be evaluated?</b></p> <p><b>A</b> Accreditation Bodies will review the type and content of training that Verification Bodies offer their staff to ensure that it meets best practice expectations. The mandatory guidance from IAF outlines the skills and competencies that must be demonstrated and Accreditation Bodies will match this to what is offered to key personnel (whether training is undertaken in house or provided externally).</p> <p>The Registry is considering developing a syllabus for training activities for Verifiers/Lead Verifiers to outline their expectations of the nature, type and length of training, and training objectives; in order that Verification Bodies may have a baseline to evaluate training being offered in the marketplace and/or to base the development of internal training courses.</p> <p>At this stage the Registry is not looking to formally recognize individual courses by reference to the proposed syllabus; but they are reviewing this along with proposals for a guide syllabus.</p>	

Question and response	Section Reference
<p><b>Q11 I am a self-employed auditor, can I become an approved Verifier for The Climate Registry?</b></p> <p><b>A</b> Provided that you are able to meet all the requirements outlined in ISO14065:2007 for a Verification Body; it is theoretically possible for an individual to become an accredited Verification Body. However, in practice the Registry does not expect that individuals will be able to meet the strict requirements for separation of powers and responsibilities that are outlined in ISO14065:2007. For example the need for:</p> <ul style="list-style-type: none"> <li>• formal mechanisms, independent of operational control, to ensure impartiality is achieved</li> <li>• formal mechanisms for competency assessment of all personnel involved in the verification processes, in particular Verifiers, Lead Verifiers and Technical Reviewers</li> <li>• having access to adequate resources and personnel to ensure the successful delivery of every verification engagement</li> <li>• independent Technical Review of individual verification engagements</li> <li>• quality and performance monitoring of personnel delivering verification engagements to ensure that they are maintaining the expected levels of service delivery and risk management</li> </ul> <p>At this point in time the Registry is not recognizing accreditation of individuals as Verification Bodies for the purposes of its voluntary program, although it will review this position once it is clear how much effort is likely to be required for its reporting sectors and categories and whether alternate mechanisms can be established to address some of the concerns indicated above.</p> <p>The Registry is however, considering how a certification process for individual verifiers might be put in place that would provide confirmation of their individual competencies. This will facilitate their ability to work as sub-contractors to accredited Verification Bodies that require access to additional resource at times when their workloads are heavy. Further details of this process will be published on the Registry’s website once it has been finalized.</p>	<p>See Section 4 for an overview of requirements</p>
<p><b>Q12 I am ISO 14065 accredited through another (non Registry partnered) Accreditation Body. What do I need to do to become a Registry approved Verification Body?</b></p> <p><b>A</b> At the present time, there are no mutual recognition agreements in place between the Registry’s partner Accreditation Bodies and other national Accreditation Bodies, nor is there a Multilateral Recognition Agreement in place with IAF in relation to GHG verification. The Registry’s partner Accreditation Bodies are prepared to open discussions with other national Accreditation Bodies on developing and implementing mutual recognition agreements, once pilot programs (where relevant) or main programs have been implemented and they are able to determine all the criteria that they expects to use as part of accreditation processes.</p>	<p>See Section 3.6 (mutual recognition)</p>

Question and response	Section Reference
<p><b>Q13 Will GHG inventory or verification training work constitute a conflict of interest that would prevent a Verification Body from receiving ISO14065 accreditation or providing verification services for Registry Reporters?</b></p> <p><b>A</b> A key factor in relation to the delivery of verification services is the ability of the Verification Body to be independent and impartial.</p> <p>Where a Verification Body is an independent entity but parts of its larger parent organization provides advisory services, the preparation of GHG inventories may result in a conflict of interest in relation to an individual verification engagement. The <i>General Verification Protocol</i> outlines criteria by which this potential conflict may be judged at both engagement and entity level.</p> <p>Provision of advisory services by the Verification Body’s organization would not necessarily prevent accreditation being obtained, but the Verification Body would need to demonstrate how its organizational structures, systems and processes eliminates or reduces the potential conflict.</p> <p>In relation to training, it is common practice for many Verification Bodies to offer standardized training on a variety of topics related to systems, processes and products that they certify or verify (for example, management systems internal auditor training). So provision of GHG related training would not automatically prevent accreditation, but the Verification Body would need to demonstrate that it is providing standard training to all training clients and that there is no bespoke adjustment of training materials and courses to tailor it to the needs of a specific client.</p>	<p>See <i>General Verification Protocol</i></p>
<p><b>Q14 How is accreditation affected by the hiring or termination of individuals who perform verification?</b></p> <p><b>A</b> A Verification Body’s accreditation status is not affected by changes in its employee base (and sub-contractors), provided that the Verification Body:</p> <ul style="list-style-type: none"> <li>• Updates the Accreditation Body as part of the required annual reporting (and during assessments) on who its key GHG personnel are (and which sub-contractors it is currently using);</li> <li>• Ensures that its processes of competency assessment and evaluation are properly applied to all new personnel that are involved in its GHG verification program; and that it can demonstrate that new personnel are assigned to roles that are appropriate for their level of competence;</li> <li>• Review’s its overall entity level COI assessment to ensure that it has not changes as a result of changes in its resources; and</li> <li>• Where new personnel join an engagement verification team part way through an engagement, re-evaluated the case specific COI assessment to ensure that it has not changes as a result of changes in its resources.</li> </ul> <p>In the latter two cases, if changes have resulted in a COI appearing, the Verification Body must contact the Registry and its Accreditation Body as soon as possible to discuss how the situation is to be managed and mitigated.</p>	

Question and response	Section Reference
<p><b>Q15 I want to become an accredited Verification Body but do not have any Registry Reporter clients, how can I achieve the necessary witnessed visits?</b></p> <p><b>A</b> The Registry recognizes that as part of the accreditation process, applicant Verification Bodies must conduct verification activities for a GHG Reporter, at their site(s) in order to have a basis for Accreditation Body’s witness activities.</p> <p>In an effort to facilitate the accreditation process, the Registry, for an initial period, will seek to support applicants undertaking this accreditation task by allowing applicant Verification Bodies that have not yet received final accreditation from their selected Accreditation Body, and which are having problems gaining a Reporter as a client before accreditation, to conduct verification services in advance of accreditation for a maximum of one Registry Reporter for each scope for which they have applied for accreditation.</p> <p>In order to do this the Registry will facilitate a contact between such Verification Bodies and suitable Reporters looking for verification. However, if the applicant Verification Body does not subsequently receive accreditation within nine months of the rendering of a Verification Statement, the Verification Statement will not be accepted by the Registry. In such a case, the Verification Body will be liable for the costs of the verification services it provided to the Reporter. This may include repayment of the fees it received from the Reporter or another arrangement that it reaches with the affected client. This liability must be explicitly included as a contractual term between the applicant Verification Body and the Reporter.</p> <p>Applicant Verification Bodies interested in being matched with Registry Reporters should contact the Registry directly.</p>	
<p><b>Q16 I am already accredited by an Accreditation Body against ISO17021:2006<sup>3</sup> for management systems certification. Will my organization’s accredited management system be acceptable in relation to the Registry’s specific requirement outlined under TCR 12 in the GOA?</b></p> <p><b>A</b> TCR 12 outlines the Registry’s expectation that Verification Bodies will align their management systems for ISO14065 with the principles, specifications and guidance given in ISO 9001:2000. ISO9001 aims to provide a framework for the quality management of the supply of services, goods and products etc., it therefore forms a reasonable framework for the delivery of quality verification services.</p> <p>The principles and approach in ISO9001 are also aligned with those specified in ISO14001:2004, essentially following a similar Plan – Do – Check – Review cycle, although for ISO14001:20004 the focus is on the management of</p>	

<sup>3</sup> ISO17021:2006 – Conformity Assessment – requirements for bodies providing audit and certification of management systems

Question and response	Section Reference
<p>environmental performance rather than the delivery of customer services etc.</p> <p>ISO17021:2006 provides two options for meeting its management systems requirements:</p> <ol style="list-style-type: none"> <li>1. Establish and maintain a system in accordance with the requirements of ISO9001</li> <li>2. Establish and maintain a system in accordance with general management system requirements specified in clause 10.3 of ISO17021.</li> </ol> <p>The Registry expects that Accreditation Body assessors accrediting organizations to ISO17021 would bear in mind best practice quality management expectations when assessing organizations under option 2 for that standard, and would therefore accept ISO17021 accredited systems as equivalent to its expectations expressed in TCR12. Similarly, the Registry expects that accredited conformity assessment bodies that provide certification/registration for an Environmental Management System (EMS) against ISO14001 would also bear in mind best practice quality management expectations when assessing organization's EMSs, and would therefore accept ISO14001 certified systems as equivalent to its expectations expressed in TCR12. In both cases however, this is subject to the Verification Body demonstrating to the Registry's partner Accreditation Body how the relevant management systems have been adapted to take account of all the requirements defined in ISO14065:2007 in relation to the management of verification services.</p>	
<p><b>Q17 What resources exist to help me prepare for accreditation?</b></p> <p><b>A</b> The Registry provides training in the requirements of its <i>General Reporting Protocol</i> and <i>General Verification Protocol</i>, details of events are available on its website - see <a href="http://www.theclimateregistry.org">www.theclimateregistry.org</a></p> <p>There are also a number of providers of training on GHG emissions verifier and accounting skills, including :</p> <ul style="list-style-type: none"> <li>• Future Perfect Ltd – see <a href="http://www.fpsustainability.com/our_training.htm">www.fpsustainability.com/our_training.htm</a></li> <li>• GHG Management Institute – see <a href="http://www.ghginstitute.org">www.ghginstitute.org</a></li> <li>• Canadian Standards Association – see <a href="https://learningcentre.csa.ca/lc_site/bet.asp?gid=50009565">https://learningcentre.csa.ca/lc_site/bet.asp?gid=50009565</a></li> </ul> <p>Future Perfect Ltd also provides advisory services and support to organizations in relation to the development of GHG verification processes and procedures. Please contact : <a href="mailto:enquiries@fpsustainability.com">enquiries@fpsustainability.com</a></p>	
<p><b>Q18 Who do I contact for more information on applying for accreditation?</b></p> <p><b>A</b> For more information on the Registry's partnerships with Accreditation Bodies, please contact:</p> <p><b>The Climate Registry</b> P.O. Box 712545</p>	

Question and response	Section Reference
<p>Los Angeles, CA 90071  T: (+1) 866 523 0764  F: (+1) 213 623 6716  E: <a href="mailto:info@theclimateregistry.org">info@theclimateregistry.org</a>  <a href="http://www.theclimateregistry.org">www.theclimateregistry.org</a></p> <p>To submit a letter of application or to obtain more information, please contact:</p> <p><b>ANSI</b>  Mr. Reinaldo B. Figueiredo  Program Director, Product Certification Accreditation  American National Standards Institute  1819 L Street, NW, 6th Floor  Washington, DC 20036  T: (+1) 202.331.3611  F: (+1) 202.293.9287  E: <a href="mailto:rfigueir@ansi.org">rfigueir@ansi.org</a>.  <a href="http://www.ansi.org">www.ansi.org</a></p> <p>For more information on SCC's accreditation program for ISO14065:2007, please contact:</p> <p><b>Standards Council of Canada (SCC)</b>  Stefan Janhager  Standards Council of Canada  270 Albert Street, Suite 200  Ottawa, Ontario K1P 6N7  Canada  T: (+1) 613-238-3222 ext. 433  F: (+1) 613-569-7808  E: <a href="mailto:sjanhager@scc.ca">sjanhager@scc.ca</a>  <a href="http://www.scc.ca">www.scc.ca</a></p>	

## APPENDIX C: ANNEX A OF IAF GUIDANCE – COMPETENCE REQUIREMENTS

Outlined below is information on training and competence requirements extracted from the IAF Mandatory Document for the Application of ISO14065:2007.<sup>4</sup> This document provides guidance for Accreditation Bodies on what they should be looking for when they are assessing Verification Bodies against the requirements of clauses in ISO14065:2007. The aim of the IAF

guidance is to ensure consistency in the assessments undertaken by different Accreditation Bodies.

Where the text below uses the term “*applicable GHG programme*,” in the context of the GOA this should be read as the Registry’s program.

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<sup>4</sup> **Note** – this information is extracted from IAF MD X:2008, which is the Committee Draft issued for final comments and approval by IAF’s technical committee. Since publication of the GOA precedes the final publication of the IAF document it is possible that there will be minor amendments in the IAF document. In the event that this occurs, information in the IAF document will always take precedent over the GOA.

ISO14065 clause heading related to unit of competence	Criteria of competence : Entity verification
<p><b>Related to clause 6.3.2</b> <b>Validation or verification team knowledge</b></p>	<p>Detailed knowledge of the applicable GHG programme should typically include:</p> <ul style="list-style-type: none"> <li>• GHG programme requirements, as applicable, related but not limited to: <ul style="list-style-type: none"> <li>○ General eligibility requirements</li> <li>○ Allowable processes, industry sectors and technology areas</li> <li>○ Allowable GHG sources, sinks and reductions</li> <li>○ Geographic boundaries</li> <li>○ The scope of the GHG emissions subject to reporting</li> </ul> </li> <li>• Consequences of changes to the GHG programme requirements when being applied in different economies</li> <li>• Understanding the differences between the applicable GHG programme verification processes and requirements including guidelines as compared to the requirements in ISO14065</li> <li>• Understanding and the capability to apply the verification process related to the applicable GHG programme. This includes but is not limited to issues such as monitoring and reporting</li> </ul> <p>Ability to communicate effectively in the language appropriate to the verification should typically include:</p> <ul style="list-style-type: none"> <li>• Ability to explain verification process</li> <li>• Ability to ask questions of interviewees in a manner so they understand the required output</li> <li>• Ability to explain findings from the verification process and their consequences</li> <li>• Ability to explain what findings mean</li> <li>• Ability to write a verification statement based on an analysis of findings from verification activities including understanding the use of terms and language appropriate to verification statements</li> </ul>
<p><b>Clause 6.3.3</b> <b>Validation or verification team technical expertise</b></p>	<ul style="list-style-type: none"> <li>• Generic knowledge of GHGs, global warming potentials, etc.</li> <li>• Generic knowledge of the technologies and sector applicable to the verification contract</li> <li>• Knowledge and application at a organization level of the following: <ul style="list-style-type: none"> <li>○ Relevant GHG sources, sinks and reservoirs (SSRs)</li> <li>○ Quantification methodologies (including but not limited to direct measurement via probes, calculations using baseline or input data, use of conversion factors, stoichiometric calculations, estimation methodologies and the conservativeness of these approaches)</li> <li>○ Monitoring techniques (including but not limited to correct installation and usage of equipment, calibration procedures and consequences for data quality, inspection of monitoring equipment, accuracy, uncertainty, interpretation of software GHG assertions)</li> <li>○ Materiality</li> </ul> </li> <li>• Abilities related to GHG SSRs to:</li> </ul>

ISO14065 clause heading related to unit of competence	Criteria of competence : Entity verification
	<ul style="list-style-type: none"> <li>○ Identify GHG SSRs from process diagrams, land plans or other data sources</li> <li>○ Identify GHG SSRs from organisational data</li> <li>● Abilities related to GHG assertions to: <ul style="list-style-type: none"> <li>○ Assess the completeness of a GHG assertion</li> <li>○ Assess the conservativeness of a GHG assertion</li> <li>○ Assess whether the GHG assertion meets GHG programme requirements</li> <li>○ Determine what is significant in a GHG assertion and what to check in a GHG assertion (e.g. biased sampling)</li> </ul> </li> <li>● Abilities related to verification agreements to: <ul style="list-style-type: none"> <li>○ Understand contracts or other agreements (including financial) between parties to manage potential conflicts on project boundaries or other issues that could result in double counting/claims related to ownership</li> </ul> </li> </ul>
<b>Clause 6.3.4 - Validation or verification team data and information auditing expertise</b>	<p><i>Note: for verification, data tends to be the focus; however the data and information need to be assessed for relevance, completeness, consistency, accuracy, transparency and conservativeness.</i></p> <ul style="list-style-type: none"> <li>● Ability to: <ul style="list-style-type: none"> <li>○ Identify the initial effectiveness of the control system as an input to determine what should be tested (the strategic analysis) and assessment of risks</li> <li>○ Determine what is significant (data and information) and should be tested (strategic analysis)</li> <li>○ Determine how to test the significant issues (assessment of risks)</li> <li>○ Develop a data and information sampling plan based on the strategic analysis and assessment of risks</li> <li>○ Revise the data and information sampling plan based on findings from verification activities</li> <li>○ Carry out the data and information sampling plan, including: <ul style="list-style-type: none"> <li>▪ Managing complex data collection/recording interfaces,</li> <li>▪ Data manipulation processes and their challenges</li> <li>▪ Identifying actual data system problems and failures and taking appropriate action (i.e., increasing the data and information sampling plan and reporting potential 'non conformities' and material discrepancies)</li> <li>▪ Using audit processes to identify information, statements and facts that contradict the GHG assertion</li> <li>▪ Challenging assumptions and statements in the GHG assertion</li> </ul> </li> <li>○ Ability to determine corrective action and its impact on the data and information assessment</li> <li>○ Ability to carry out and modify as appropriate the strategic analysis and assessment of risks and develop appropriate data and information sampling plans based on the level of assurance, materiality and verification criteria, objective and scope taking</li> </ul> </li> </ul>

ISO14065 clause heading related to unit of competence	Criteria of competence : Entity verification
	<p>account of the GHG programme requirements</p> <ul style="list-style-type: none"> <li>○ Ability to make decisions on the data and information reported based on findings from the data and information assessment</li> <li>○ Ability to collate appropriate evidence and information to support decisions</li> </ul>
<p><b>Clause 6.3.7</b></p> <ul style="list-style-type: none"> <li>• <b>Specific validation or verification team leader competencies</b></li> </ul>	<ul style="list-style-type: none"> <li>• Clause (a) (<i>of ISO14065</i>) includes but is not limited to competencies in: <ul style="list-style-type: none"> <li>○ Understanding appropriate GHG terminology and language</li> <li>○ Ability to assign team members based on their competence and scope of work</li> <li>○ Ability to evaluate missing information</li> <li>○ Ability to apply critical thinking</li> <li>○ Understanding the verification objectives and their impact on the assignment of team members and rigour needed for the verification</li> <li>○ Ability to challenge findings from team members</li> </ul> </li> <li>• Clause (b) (<i>of ISO14065</i>) includes but is not limited to: <ul style="list-style-type: none"> <li>○ Ability as a team leader to ensure a verification is performed based on the requirements in ISO14064 part 3</li> <li>○ Ability to identify and manage GHG verification processes that are different from ISO14064 part 3</li> </ul> </li> <li>• Clause (c) (<i>of ISO14065</i>) Refer to ISO 19011-2002, 7.3.2 and 7.4.2,<sup>5</sup> including the ability to manage the development of the verification statement.</li> </ul>

<sup>5</sup> ISO19011 – Guidelines for quality and/or environmental management systems auditing. The clauses referred to in this Appendix relate to :  
\* 7.3.2 – the generic knowledge and skills of audit team leaders in relation to, for example, planning and organising audits and team members, directing and guiding auditors-in-training, resolving conflicts, completing audit reports etc;  
\* 7.4.2 – the acquisition of additional audit experience whilst in the role of acting audit team leader under the supervision of a qualified Lead Auditor

# APPENDIX D: THE ANSI ACCREDITATION PROCESS

## D.1 Overview of the Accreditation Process

Currently accreditation under ANSI's ISO14065 program is a two year cyclical process, the shortness of the cycle is in part due to the newness of formalized accreditation for GHG verification in the United States and the potentially high risk nature of GHG accounting, reporting and assurance. Once the pilot program has been completed, and experience is gained by both Verification Bodies and ANSI, a review will be undertaken of the cycle time with a view to recommending to ANSI's Accreditation Committee whether or not the cycle time should be increased.

Initially ANSI is launching a pilot program for ISO14065 accreditation, beginning in May of 2008, which aims to accredit a group of Verification Bodies before the end of the year. ANSI has issued a call for applications for Verification Bodies interested in participating in this initial pilot accreditation program. Beginning in 2009, applications for accreditation can be made at any time; there is no restriction upon who may apply and applicants will not need to wait for a formal call for applications, as has been the case with some schemes previously.

Figure 3.1 in the GOA outlines an overview of the ANSI process of Accreditation.

### D.1. 1 Preliminary Letter of Application

The first step in the accreditation process is for applicants to submit a preliminary letter of application; at this stage no fee will be requested. The letter of application needs to include information on the following topics, in order that ANSI personnel and technical experts can initially assess the organization's eligibility for accreditation:

- Description of the organization's status as a legal entity, and if relevant how it relates to a larger legal entity if it is part of a group of

companies or larger organization

- Description of how the organization demonstrates third party status, for example by showing that it is completely independent of the parties that may be involved in any verification activities that it plans to deliver
- Proof of ownership of a "mark" which would be used on Verification Statements
- Description of the organizations management system for verification activities
- Identification of which emissions trading or reporting programs the organization intends to participate in
- Copies of any publically available documents that describe the organization's emissions verification program

Additional information on submitting a preliminary letter of application may be found on the ANSI website ([www.ansi.org/ghg](http://www.ansi.org/ghg)).

Within 30 days of receipt of this information ANSI will notify the applicant as to whether they are eligible. A written report of the evaluation will also be provided which will outline where issues arise should the organization be deemed not eligible on the basis of the information provided, in order that they can implement corrective actions if possible. It should be noted that if an applicant is not able to demonstrate that it meets a fundamental requirement such as, for example, independence or a legal entity status, applicants cannot be accepted under any circumstances.

Eligible applicants will then be sent, and asked to complete and submit, the full application, along with the non-refundable application fee.

### D.1.2 Full Application for Accreditation

The full application form (ANSI-ACP-FR-004 GHG), GHG checklist (ANSI-ACP-FR-005 GHG) and the contractual agreement (ANSI-ACP-PR-024 GHG) can also be found on the ANSI website, see ([www.ansi.org/ghg](http://www.ansi.org/ghg)).

In particular, ANSI will be looking for information on:

- Legal status e.g. charters, constitutions etc.
- Organizational structure and charts
- Management of conflicts of interest
- Management system documents e.g. policies, quality manual, procedures, verification processes and working papers, information documents/web materials, and template documents such as application forms, contracts etc.

Along with the application form and associated fee, applicants are also required to send information on the following:

- The requested scope<sup>6</sup> of accreditation, outlining the sectors and work areas etc to be covered.
- The number of sites that the Verification Body has (i.e. its offices etc) and for each site:
  - The number of people associated with GHG verification activities who work at each site
  - The types of activities each site undertakes in relation to the verification program
- A signed copy of the contract agreement between the applicant and ANSI

ANSI does not specifically require information on judicial or legal proceedings in which the

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<sup>6</sup> See Section 3.3

applicant is involved; but ANSI would evaluate the financial viability of the applicant in the longer term as part of its evaluation of the ability of the applicant to deliver accredited verification services. Therefore it would be sensible to disclose during the initial application/assessment process any proceedings that might affect the applicant's ability to run its verification program, but full details of the proceedings are not required.

All documentation needs to be signed by a properly authorized representative of the applicant.

Given the nature of the information that ANSI requires to review as part of the formal application, it is clear that an aspiring Verification Body needs to have done a considerable amount of up front work in preparing its verification program, structures, processes and management system, in advance of any application.

ANSI will notify the applicant of the assessment team selected to conduct the accreditation evaluation. If there are any objections to personnel included within the team, the applicant is required to make them known to ANSI within 10 days. ANSI makes use of a range of competent personnel from within and without ANSI; however, ANSI endeavors to ensure that the team selected have no ties to the applicant. ANSI assessment teams may also include in some cases observers, for example a representative or representatives of the Registry. All team members are required to sign confidentiality agreements.

If upon initial document review of the submitted application, ANSI considers that it is incomplete; applicants will be asked to provide the missing or supplementary information.

As part of the initial evaluation, ANSI may recommend that a preliminary site visit is undertaken to clarify issues arising from the application and/or document review, and to ensure that ANSI has a good and appropriate understanding of the organization of the applicant, its facilities, relationships, interfaces,

status and structures for the verification program etc. This is also a good opportunity for the applicant to ask further questions about the accreditation process and confirm ANSI's views on the approach and direction they are proposing. However, the applicant is not required to take up the recommendation. The applicant is also able to request a visit, even if ANSI does not recommend one, if the applicant feels that it is necessary or would be helpful. However, such a preliminary visit is deemed to be an additional item to the application and therefore a fee in addition to the application fee would be required.

Upon completion of the initial evaluation (including any site visit) a report is provided, outlining any areas of non-conformity that the applicant needs to close before the application can be formally accepted. In this case the applicant has 90 days to close out non-conformities and re-submit the application, updated and revised as appropriate. As this will require a further process of review and evaluation an additional fee *may* be required. If re-submission is not made within 90 days, the application will be considered to have been withdrawn; although a new application may be made at any time thereafter upon payment of the associated fees.

At any time during the initial evaluation, ANSI may determine that the applicant does not have the potential to meet all the accreditation requirements; it may stop the evaluation and notify the applicant in writing that the application is not accepted and the reasons why – including the non-conformities that have been identified.

Where, upon completion of the initial evaluation (or evaluation of re-submitted application), the application is deemed complete, and has potential to meet all accreditation criteria, it will be formally accepted in writing by ANSI and information about the application (Verification Body name, requested scopes and contact information) will be published, and comments requested, via:

- ANSI's website, in the Directory of Product Certification Accreditation Program Applicants
- ANSI's newsletter – Standards Action

Where comments are received, ANSI will provide these to the applicant and agree with them as to which comments should be responded to and how, as appropriate.

### D.1.3 Site Visits and Witness Assessments

Once the evaluation of the full application (and any preliminary site visits) is completed and the application is accepted, ANSI will arrange a mutually acceptable schedule of visits to complete the initial assessment. In addition to a visit to the main office, assessment visits will be made to *all* other key locations where one or more of the following GHG verification related activities is conducted or controlled:

- Policy formulation
- Process and/or procedure development
- Contract/application review
- Process(es) of initial qualification, training and ongoing monitoring of verification personnel competencies and associated records
- Assignment of verification personnel and /or review of the final report (and associated evidence etc)
- Approval and decisions on the results of the verification activities

The selection of locations is done on the basis of the implementation of critical activities as outlined above; a risk based selection process is applied, and the target list will be discussed and agreed with the applicant Verification Body.

The purpose of the office visits is to assess the effectiveness of the verification program

activities associated with the scope(s) requested for accreditation. Depending upon the circumstances, ANSI may use remote processes such as teleconferences to conduct the evaluation of locations other than the main offices. Assessors will be looking for demonstrations and documentary evidence of implementation and effectiveness of the Verification Bodies processes. Prior to the initial assessment visit to any of the Verification Body's offices, it is expected that the Verification Body will have completed a full internal audit of their program and management system covering all elements; and that at least one complete management review will have been undertaken.

In addition to the office visits, ANSI will undertake witnessing whereby it will select a representative number of verification personnel to observe in action undertaking a representative sample of verification activities on client sites, in order to assess their competence and to test the processes of competency evaluation and team assignment. In particular, during such witness visits, ANSI aims to evaluate the skills of Lead Verifiers for GHG verification as well as team selection and management. ANSI does not expect to witness every member of the Verification Bodies team of key verification personnel as part of the initial accreditation, although over the course of an accreditation cycle it would aim to ensure that its witnessing activities are spread out across the team.

**Note** – if the Verification Body has not scheduled any site visits as part of client verification activities (i.e. it only conducts document reviews at its own offices), the scope of accreditation will be limited to those areas (e.g. activities/sector scopes/scheme requirements etc) where a site visit would not be necessary to effectively perform verification activities, until such time as ANSI has been able to observe verifiers in action at client sites. In practice, for most GHG verification schemes (including the Registry's) this would limit the verifier's ability to deliver the required verification services.

**Note** – In addition, because verification activities involve a wide range of skills and technical expertise, ANSI expects to be able to witness multi-person teams across a range of activities (i.e. over the course of one client's verification engagement, the team members need to be witnessed conducting verification activities at both facility level and central/business stream consolidation level; and across the range of activities such as entity strategic analysis, risk assessment and detailed verification planning, facility strategic analysis (as appropriate), consolidation/facility level process analysis; materiality analysis and findings evaluation etc). If multi person teams cannot be provided for witnessing, the scope of accreditation will similarly be limited to allow only verification activities in those areas where a single person team can be used, until such time as ANSI has been able to observe and evaluate a multi person team.

**Note** – If the applicant operates more than one verification process (i.e. for different schemes, using more than one set of documented procedures), the assessments will cover as many sites as is required to verify that all relevant documented procedures have been implemented.

If a client refuses to allow ANSI to observe verification activities on their site, the Verification Body will not be allowed to issue a verification statement under the scope of accreditation (which may void the verification if the relevant scheme requires accredited verification); and ANSI may be required to notify the relevant scheme administrator (e.g. the Registry).

For each assessment visit, on the basis of information provided to ANSI in the application and through subsequent discussion/submission of documents, ANSI will provide an assessment plan; formal opening and closing meetings will be held, during which the scope of the assessment and subsequently any findings/non-conformances will be discussed. For witness visits, ANSI may also request to see copies of the relevant verification documents in advance of the visit, for example,

the schedule and plan for the verification visit; and subsequently any non-conformance report or key work papers that arise from the verification activity, for example risk assessments, sampling or detailed testing plans.

#### D.1.4 Reporting and Follow Up

An assessment report covering the on-site and witness assessments will be provided to the applicant after the initial assessment work has been completed, the report will outline the details of the assessment, areas covered, non-conformities and any areas of concern. Verification Bodies are given the opportunity to comment on the assessment report. Where, during the course of office or witness audits, non-conformances have been identified, these will be formally notified to the applicant as soon as possible in order that corrective action can be initiated. The applicant then has 30 days to respond to the non-conformities raised, and to submit corrective action plans to ANSI, who will review them and determine if the non-conformities identified can be closed out; additional evidence of effective implementation may also be requested, or a follow up office assessment and/or witness visit may be required.

The accreditation process will not continue until all non-conformities have been closed. The applicant has one year from the date of acceptance of the application to successfully complete the initial accreditation process, including any initial accreditation assessments. If this deadline is not met ANSI **may** place the applicant on “inactive” status. To return to an active status, the applicant must re-apply and provide any additional documentation required. Re-application **may** incur additional fees.

#### D.1.5 Decisions on Accreditation

Once the assessment team confirms that the evaluation is complete (document review, initial and witness assessments, and review of corrective actions) and that the applicant has completed all corrective actions that were required of it, the team will finalize the

assessment report and analysis of corrective actions for review by an evaluation task group (ETG).

The ETG, comprising members of the ANSI Accreditation Committee, will review the final assessment report and any relevant associated documentation, to determine if:

- The assessment has been completed fully and in accordance with ANSI procedures
- The Verification Body’s process conforms to the accreditation criteria
- All non-conformities have been adequately closed out

The ETG may accept the report as submitted or may request revisions for clarification or for additional assessment tasks from the assessment team (in the case of revisions the applicant will be sent a copy of the revised report for review and comment). However, once accepted the ETG will make a recommendation to the Accreditation Committee that it votes for accreditation to be granted.

Provided that all contractual arrangements have been completed and all outstanding fees paid, ANSI will issue a certificate of accreditation stating the scope and locations covered; this certificate is valid for two years. In addition, ANSI will publish notice of the accreditation, via:

- ANSI’s website, in the Directory of Product Certification Accreditation Program
- ANSI’s newsletter – Standards Action

Any interested party may appeal the granting of accreditation within 30 days of publication.

If the group considers that accreditation should be denied, the applicant will be offered the opportunity to terminate the accreditation process, or the group will recommend to the Accreditation Committee that accreditation is denied.

As the decisions of the Accreditation Committee are published by ANSI, the offer to terminate the application enables an applicant to privately withdraw its application before a denial decision needs to be published. In either case, the applicant will be provided with information on the basis of the denial and any further steps that may need to be taken. The applicant may appeal the decision. Details of the process of appeal can be found on the ANSI website – ([www.ansi.org/ghg](http://www.ansi.org/ghg)).

### **D.1.6 Surveillance and Continuing Accreditation**

In order to maintain the accreditation the Verification Body is required to submit to on-going periodic surveillance and re-assessment activities. ANSI will prepare an annual program of office and witness visits for each Verification Body on the same basis as was used in the initial accreditation (see Section 3.2.3). The purpose of surveillance activities is to ensure that the Verification Body continues to operate its verification process in accordance with the accreditation criteria and as defined within its own management system.

If there are significant changes in the Verification Body's organization or scale of verification activity; or there are multiple non-conformities and/or complaints; or relationships arise that cause real or perceived conflicts of interest; or the evaluation task group deem that they are required, ANSI may schedule supplementary or extraordinary assessment visits.

A report will be prepared outlining the results of the surveillance activities and any findings or non-conformances that result; this report will be provided to the Verification Body and the ANSI Accreditation Committee. Where non-conformances are identified the Verification Body will have 30 days to submit in writing its planned corrective actions; these will be reviewed for adequacy and a status report submitted to the ANSI Accreditation Committee with information to support decisions on maintaining accreditation. The effective implementation of corrective actions will be

verified as part of subsequent surveillance activities.

If the results of surveillance activities do not support continued accreditation and the ANSI Accreditation Committee votes to suspend or withdraw accreditation, the Verification Body will be notified in writing.

Formal re-accreditation will be undertaken every two years following the process used for the initial accreditation, including document review, office audits and witness assessments. Successful completion of re-accreditation will result in the issue of a certificate valid for a further two years.

### **D.1.7 Extensions to Scope**

If an accredited Verification Body wishes to extend the scope of its accreditation to include further "sectors," the Verification Body shall submit a request for scope extension to ANSI who will undertake an evaluation to determine whether extension to scope can be approved. Evaluation may include just document review or may cover the full set of accreditation activities required for an initial accreditation. The schedule of required work will be discussed with the Verification Body when they submit their request for extension.

### **D.1.8 Suspension or Withdrawal of Accreditation**

Accreditation may be suspended or withdrawn by ANSI if the Verification Body is not able to demonstrate that they are maintaining their verification program in accordance with the accreditation criteria. This is likely to be identified as part of normal surveillance activities or as a result of complaints about the Verification Body. There are also other grounds for suspension or withdrawal, for example, bankruptcy, financial difficulties, improper use of the certificate or ANSI's marquee, or discontinuance of the relevant verification program, etc.

Where suspension or withdrawal of accreditation occurs, this will be publicized in

ANSI's newsletter "Standards Action" and in any other way that the ANSI Accreditation Committee deems appropriate. For Verification Bodies that are accredited to the Registry, this may also include publication of the suspension on the Registry's website and/or via its newsletter.

Accreditation may be re-instated when the Verification Body demonstrates effective conformance with accreditation criteria.

## D.2 Costs of ANSI Accreditation

Outlined below are indicative fees for the first year of the accreditation process (2008-2009). Fees are reviewed and revised by ANSI on an annual basis and the up to date fee levels are publically available on the ANSI website ([www.ansi.org/ghg](http://www.ansi.org/ghg)).

	US\$	
<ul style="list-style-type: none"> <li>Application fee</li> </ul>	5,000	Non-refundable, excludes any agreed preliminary site visit(s) which would be charges using the rates for assessment work. Preliminary desk review of eligibility (where offered) is not normally charged for.
<ul style="list-style-type: none"> <li>Assessment work by Assessors &amp; Technical Experts</li> </ul>	1,250	On a per person per day basis; the overall level of these charges would depend upon the program of assessment agreed with the Verification Body
<ul style="list-style-type: none"> <li>Extension to scope fee</li> </ul>	1,000	
<ul style="list-style-type: none"> <li>Appeal fee</li> </ul>	1,000	
<ul style="list-style-type: none"> <li>Annual license fee</li> </ul>	0.4%	Of revenue from ANSI accredited activities within the range \$1500 to \$55,000; relating to a license to use the ANSI Accreditation Symbol

Assessment work normally includes a number of visits/assessments at Head Office level, local Verification Body offices (where these are delivering GHG verification activities), and, on a sample basis, witnessing of activities at the client's site(s) during the performance of a verification.

The fees for this work will include preparation, onsite assessments, witness assessments, follow up and preparation of reports, review of corrective actions and travel time (normally charged at 50 percent of fee rate). Any expenses incurred by the Assessor in the performance of their work (e.g. travel and subsistence) will also be charged to the Verification Body.

Since each Verification Body is different, the final amount of fee likely to be charged by ANSI is related to:

- What they need to do to adequately assess each individual Verification Body;
- How many assessment/ technical expert personnel are required; and
- How many witnessed visits will be required (which is normally determined by the number of scopes being accredited and the scale of verification activities being undertaken (e.g. the number and size of clients).

Consequently it is not possible to give a fixed indicative cost in the GOA.

However, once the formal application is made, the applicant Verification Body will have signed a contract with ANSI in relation to the work to be done and payment of fees etc. Regardless of the outcome of the assessment, the applicant will be legally bound to pay all outstanding fees.

The amount of time required to assess a Verification Body will depend upon the size of the Verification Body, its structure (in terms of numbers and location of offices, etc.), and its prior experience of this type of verification work, as well as the range of scopes that it wishes to be accredited to. However, on an indicative basis, for annual maintenance of the accreditation, this may include, for example:

- 1-2 days of preparation for the assessment team
- 2-6 days “on site” interviewing Verification Body personnel, reviewing documentation and files and witnessing Lead Verifiers in action on client sites. This will vary depending upon the breadth of the accreditation, e.g. more scopes may require more time in order to sample representatively across the required scopes.
- 1-2 days of follow up and reporting

# APPENDIX E: GUIDANCE ON THE MAINTENANCE OF IMPARTIALITY FOR VERIFICATION BODIES THAT PROVIDE ADVISORY SERVICES

## E.1 Introduction

The following appendix provides guidance for Verification Bodies that are part of larger entities, that in addition to offering assurance/verification services also engage in providing advisory services/consulting to clients. The Registry's COI policy explicitly prohibits a Verification Body, or divisions/sister companies within the larger entity (related bodies) of which it is a part, from providing advisory or consulting services of a GHG nature to a client for which it also intends to provide verification (see the *General Verification Protocol*). It does not however explicitly prohibit a Verification Body or related bodies from offering such services to other clients. And while, the provision of non-GHG advisory or consulting services (by either the Verification Body or a related body) to a client for which it provides verification will generally be seen as a conflict by the Registry, there may be cases in which the Registry will view this conflict as manageable, though the onus will be on the Verification Body to demonstrate this conclusively.

In general, Verification Bodies that are also in the business of providing advisory/consulting services or are part of a larger organization that does, should give careful consideration as to how to maintain a proper separation between these service lines/groups to ensure that impartiality is protected. The Registry expects that this is an issue that its partner Accreditation Bodies will take seriously and that they will be looking for concrete and robust mechanisms for this protection during accreditation. Similarly, in its evaluation of COI Assessment Forms and particularly of proposed mitigation plans, which takes place before a Verification Body can commence an engagement, the Registry will consider the whether some of the mechanisms or processes described in this appendix have been implemented.

Outlined below is a summary of the good practice and principles that might inform Verification Bodies in establishing and maintaining impartiality. It should be noted that this is a summary of general information; it does not constitute a definitive recommendation as to any particular form of action for an individual Verification Body should take.

## E.2 Principles for Determining if Independence is Impaired and Potential Threats

General high level principles for protecting independence include:

- Function in the role of management for the client
- Audit his/her own (or firm's) work
- Serve in an advocacy role for the client
- Have a mutual or conflicting role with the client

Threats to independence include:<sup>7</sup>

- Self-review, advocacy, adverse interest, familiarity, undue influence, financial self interest, intimidation, competition and management participation

## E.3 Good Practice for Demonstrating Impartiality and Independence

Independence implies an ability to act with integrity and to exercise objectivity and

<sup>7</sup> For further definitions see – ET Section 100.01 – Conceptual Framework for AICPA Independence Standards and APB Ethical Standard 1 (2008) – Integrity, Objectivity & Independence

professional skepticism. Whilst this may be something that individuals feel that they are able to do, very often the structures and pressures of their organizations (or individual managers) may push them away from the appropriate path. Therefore, organizations themselves need to implement proactive structures and mechanisms to promote ethical behavior and that allow individuals to be independent and impartial both in terms of thought and of appearance/perception. Such structures need to be established and operated at the following levels within the Verification Body – strategy & policy decision making, decisions on award of a Verification Statement (whether verified or declined), and at the level of individual engagements. Such structures and mechanisms might include –

### 1) Top level governance, including:

- A clear top management commitment to impartiality that is actively demonstrated by effective implementation of transparent and appropriate mechanisms, safeguards<sup>8</sup>, controls and oversight (i.e. a control environment); demonstrated in practice throughout the management hierarchy; and a senior manager with specific designated responsibility for oversight of the adequate functioning of these; and who (for this area of responsibility) reports to-
- An Independent Oversight Group (IOG) – such a group should :
  - Have a clear mandate (from the main board) to monitor independence of the Verification Body and impartiality of individual engagements, it should have adequate authority to ask appropriate questions and get informative answers; it should not be a rubber stamp committee;
  - Have responsibility for decisions in relation to internal policies and structures for independence and impartiality safeguard;
  - Be balanced and include people from outside the company who are competent to monitor GHG assurance services, much as a company audit

<sup>8</sup> See below for more examples of safeguards

committee would involve its independent non-executive directors and others to oversee internal and external financial audits etc;

- Meet periodically over each assurance year; conduct periodic formal assessments of independence mechanisms within the Verification Body, and sign off an annual statement of independence;
- Establish (or require to be established) a mechanism whereby, in confidence, an employee of the Verification Body (or its associated advisory service provider) might report concerns relating to negation/failure of rules or mechanisms for promoting independence; in order that the IOG might (cause to be) investigated and effect preventive or corrective action; and
- May be supported by a specific competent internal department with authority and responsibility for internal audit and advice on compliance with independence requirements (for example a risk management or internal control function).

### 2) Financial independence – mechanisms include:

- Clear separation of legal and financial authority and control, between those parts of the business that offer advisory services, and those that offer assurance services, i.e. each part should be a separate legal entity;
- Policies and procedures for identifying and monitoring significant client relationships; in particular, whereby the financial dimension of that relationship might significantly influence the approach to assurance services; and where potential conflicts are identified, mechanisms for eliminating or mitigating them;
- Management structures to separate management with commercial responsibilities (e.g. fee income generating targets) from the direct management of verification teams; whereby time actually required on audits could compromise achievement of fee targets based upon commercially agreed client fees, and thus

affect the relevant manager's ability to manage impartially and result in pressure on the verification team to reduce the amount of audit work undertaken; and

- Policies to prevent assurance personnel from being directly rewarded/remunerated for selling advisory services to assurance clients.

In addition -

- The Verification Body shall not be owned or controlled, wholly or in part by a client for whom it provides assurance services – elements may include common ownership and/or control of governance, management or personnel, shared resources, finances, contracts or marketing etc.
- The level of fees for advisory work should not be excessive in relation to a single assurance client (i.e. that the client contributes a disproportionate amount of the Verification Bodies or overall company revenue)
- Client fees for assurance services should not be quoted upon a commission or contingent basis (i.e. the fee depends upon the delivery of a specified result etc)

### **3) Operational / Technical Independence – mechanisms include:**

- Clear separation of management responsibilities and authorities, between those parts of the business that offer advisory services, and those that offer assurance services; and that this separation extends up to the main board level (e.g. of the holding parent);
- Policies and procedures for liaison and communications between the advisory and assurance entities within an overall group, to ensure that the Client Directors of the assurance business are consulted before advisory services are provided to clients (in particular new clients), where those advisory services are related to GHG accounting and/or reductions;
- Policies and procedures for identifying and monitoring significant threats to independence, including - self-review, advocacy, adverse interest, familiarity,

undue influence, financial self interest, intimidation, competition and management participation; and where potential conflicts are identified, mechanisms for eliminating or mitigating them;

- Clear policies and processes to ensure that personnel involved in GHG advisory services do not become involved in GHG assurance services for the same client within a clearly defined restricted period of time (and vice versa);<sup>9</sup> and that such processes equally apply where sub-contractors are being used for assurance and/or advisory services; and
- Formal policies and processes for client acceptance and continuance designed to prevent involvement with clients that pose unacceptable risks to independence.

In addition – for individual engagements

- Formally assessing all qualified and competent personnel (including sub-contractors) from whom the verification team will be selected to determine their prior relationship with a client and excluding any who have undertaken advisory work within a clearly defined restricted period of time;
- Disclose to assurance clients where members of the verification team have had a prior relationship with the client and/or performed advisory services in the past (outside the restricted period of time) and obtain their consent to use the relevant personnel;
- Assigning a competent independent concurring reviewer to confirm opinions arrived at; within GHG verification this is a mandatory step (Independent Technical Review);
- Periodically rotating Lead Verifiers between different engagement clients; and
- Periodically conducting a further internal review of a sample of significant engagements, e.g. by a separate part of the Verification Body where this is a larger and or decentralized entity, or as part of reviews

<sup>9</sup> Boundaries and criteria for this have been outlined in the *General Verification Protocol* section on conflict of interest assessments and declarations

of independence by the independent oversight group (referred to above), etc.

#### 4) Individual independence – mechanisms include:

- Each key person in the GHG verification program [e.g. management decision makers as well as the verification team (Lead Verifier, Verifier, Technical Expert)] should document any (potential or actual) situations that might impair their individual independence (including significant relationships with clients, and any relationships of close family members etc.) and how these are eliminated or mitigated; and sign a confirmation each year that they have no conflicts of interest in relation to the delivery of services to current and former verification clients. Any breaches of impartiality and independence policies (in particular inadvertent ones) should be immediately reported to the responsible senior manager.

#### Examples of other safeguards include:<sup>10</sup>

Safeguards implemented may depend on the circumstances, nature and severity of threats that may need to be mitigated, but could include:

- Top level leadership, expectations, frequent communications and demonstration of ethics and independence in practice
- Independence governance structures and associated quality control reviews and monitoring
- Communications, (continuing) education and training in independence and ethics requirements (for both employees and clients); in particular in relation to being able to act professionally under adverse pressure from their employer and clients being audited
- Professional standards, monitoring and disciplinary processes. A Verification Body, for example might implement its own or might require its verification personnel to be members of an appropriate recognized professional body

- Policies on the types of advisory services its verification personnel may be involved in that are acceptable (if controlled) and those that are unacceptable
- Policies and processes to empower staff (especially at junior levels) to communicate to senior management concerns about any engagement issue related to ethics and/or independence'
- Policies, procedures and practices on hiring, training, promoting, retaining and rewarding personnel that emphasize the importance of impartiality, potential threats (to individuals and the Verification Body), and the need for personal responsibility over evaluation of their own impartiality and that of the engagements on which they work
- Feedback on engagement issues with an interested third party such as the Verification Body's Accreditation Body or a relevant professional institute

## E.4 Summary

With some exceptions, there is no inherent reason why companies should not provide both assurance and advisory services to (different) clients, and in some respects the ability of a company to gain skills and knowledge on both sides of the audit fence enhances the understanding and insight of professionals delivering both types of services, which may result in better solutions and assurance outcomes. However, the delivery of both types of service by companies (and individual professionals) does give rise to the potential for failure of independence within the assurance services and consequently it is important to have **proactive** mechanisms to safeguard the independence, reputation and trust placed in auditors by third parties; and that these mechanisms are actively demonstrated by the company and its individual professionals and managers.

## E.5 References and Sources of Further Information

- 1) American Institute of Certified Public Accountants: <http://www.aicpa.org/>

<sup>10</sup> Adapted from ET Section 100.01 – Conceptual Framework for AICPA Independence Standards

- Independence and related topics : Conflict of Interest, Related Parties, Inurement and other Issues
  - ET Section 100.01 – Conceptual Framework for AICPA Independence Standards
  - Code of Ethics and Independence Standards
  - AICPA Plain English Guide to Independence
  - Comparison of AICPA and SEC Independence Rules
- 2) European Co-operation for Accreditation: <http://www.european-accreditation.org/>
    - EA-6/03 - EA Guidance for recognition of Verifiers under EU ETS Directive (DRAFT update March 2008)
  - 3) International Accreditation Forum: <http://www.iaf.nu/>
    - Draft Mandatory Guidance for the application of ISO14065 (as at March 2008)
    - Web pages & associated documents relating to - Accreditation Auditing Practices Group (AAPG), including :
      - Guidance on the auditing of CAB impartiality committees
      - Guidance on auditor codes of conduct and ethics
    - Web pages & associated documents relating to – ISO9001 Auditing Practices Group (APG), including:
      - Guidance on third party auditor impartiality and conflicts of interest
  - 4) UK Financial Reporting Council, Auditing Practices Board: <http://www.frc.org.uk/apb/>
    - APB Ethical Standard 1 (2008) – Integrity, Objectivity & Independence
    - APB Ethical Standard 2 (2008) – Financial, Business, Employment and Personal Relationships
    - APB Ethical Standard 2 (2008) – Non-audit services provided to audited entities
  - 5) Institute of Chartered Accountants of England & Wales - <http://www.icaew.co.uk/>
    - Audit Quality (abridged) (2002)
    - The conceptual approach to protecting auditor independence - Fédération des Experts Comptables Européens (FEE).
    - Review of guidance on auditor independence
  - 6) US Government Accountability Office – Government Auditing Standards (GAGAS) – July 2007
  - 7) The Burgh House Principles on the independence of the international judiciary, International Law Association Study Group (2004) : <http://www.ila-hq.org/pdf/Study%20Group%20Int%20Courts%20&%20Tribunals/Int%20Courts%20&%20Tribunals%20PreFinal%20Note.pdf>
  - 8) Ethics in Business – a summary of research sponsored by the Ethics in Business Research Fund (2002).



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Law Offices of Jeremy D. Weinstein, P.C.  
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Longview Fibre Paper and Packaging, Inc.  
Los Alamos National Laboratory  
M.E. Group, Inc.  
Madison Environmental Group, Inc.  
Malcolm Pirnie, Inc.  
Marin Sanitary Services  
Maryland Department of the Environment  
Massachusetts Department of Environmental Protection  
Mazzetti & Associates  
McWane, Inc.  
Mesquite Power  
Metropolitan Council of Minnesota  
MGM International Group, LLC  
MidAmerican Energy Company  
Minnesota Department of Natural Resources

Minnesota Pollution Control Agency  
Minnesota Power  
Mirant Corporation  
Missouri Botanical Garden  
Missouri History Museum  
Mitel Networks Corporation  
MotivEarth, LLC  
National Grid  
NativeEnergy, Inc  
Natural Capital, LLC  
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New York Power Authority  
New York State Department of Environmental Conservation  
New York State Energy Research and Development Authority  
New York State Environmental Facilities Corporation  
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New York State Office of General Services  
New York State Office of Parks, Recreation and Historic Preservation  
Newmont Mining Corporation  
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Noblis  
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Pacific Waste Consulting Group  
PacifiCorp  
Parametrix, Inc.  
Pennsylvania Recycling Markets Center  
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Science Applications International Corporation (SAIC)  
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Shaw Industries Inc.  
Shell Oil Company

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Smart Papers Holdings LLC  
Sokol Blosser Winery  
South Carolina Department of Health & Environmental Control  
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St. Louis Zoo  
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Subaru of Indiana Automotive, Inc.  
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Termoelectrica de Mexicali, S. de R.L. de C.V.  
Terra Industries Inc.  
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The Cadmus Group, Inc  
The Climate Trust  
The North Carolina Department of Environment and Natural Resources  
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TRC Solutions, Inc.  
Trihydro Corporation  
Tri-State Generation and Transmission Association, Inc.  
Tropical Salvage, Inc.  
Truckee Tahoe Airport District  
Tucson Electric Power Company  
U.S. Postal Service  
United States Tile Company  
University of Hawai'i at Mānoa  
USANA Health Sciences  
Utah Transit Authority  
Valmar & Associates, Inc  
Vermont Agency of Natural Resources  
Vermont Technical College  
Washington State Department of Ecology  
Washington State Department of Transportation  
Wenck Associates, Inc.  
West Basin Municipal Water District  
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