

## **BACKGROUND & INTRODUCTION TO THE GUIDANCE ON ACCREDITATION**

Attached please find the Registry's Draft Guidance on Accreditation (GoA) for your review and comment.

### **Comment Template**

Please use the GoA Comment Template, *GoA Comment Template.doc* to submit your comments.

### **Deadline for Submitting Comments**

Comment Templates must be emailed to [info@theclimateregistry.org](mailto:info@theclimateregistry.org) by **5:00 PM Pacific Time on Wednesday, April 9th, 2008**. Comments received after this date will not be considered.

### **Background on the Draft GoA**

The Registry's Draft GoA provides information on the process of accreditation that has been established by ANSI in accordance with ISO14065:2007, along with any additional requirements that the Registry feels is necessary for its program.

### **Specific Issues for Verifier's Comments**

While the Registry welcomes stakeholder feedback, it is necessary to understand that having selected to go into partnership with ANSI for the accreditation process, and to "piggy back" the Registry's additional guidance onto the existing international standard, verification bodies have limited scope for changing –

- the process of accreditation outlined in this document; and
- the types of evidence that accreditation assessors will look for

since both of these are largely set down in mandatory international guidance agreed as best practice by the members of the International Accreditation Forum of which ANSI are an active member.

However the Registry is keenly interested in receiving feedback on whether:

- the guidance is sufficiently clear that aspiring verification bodies with no prior history of ANSI type accreditation are clear about what may be expected of them
- the roles of ANSI and the Registry with respect to the overall accreditation process are clear
- the Registry's additional accreditation requirements are clearly articulated
- users of the GoA are adequately directed to additional sources of information for issues that are not addressed in detail in the GoA
- the section on Frequently Asked Questions covers all the general questions that aspiring verification bodies are likely to have
- 
- the approach to defining the scope(s) of verification (in terms of the sector and work activities matrix) is practical and appropriate for verification bodies

### **Next Steps**

Following the close of the verifier's comment period on April 9th, 2008, the Registry's Board and staff will review and consider the comments received. The Registry anticipates that the Final GoA will be published and released in early May, 2008, alongside the finalized General Verification Protocol

### **Additional Questions:**

Please contact the Registry at 866-523-0764 if you have any questions regarding the Draft GoA or the verifier's comment process.

**Thank you for your interest in The Climate Registry.**

# The Climate Registry

## Guidance on Accreditation For Verification Bodies



The Climate Registry

March 2008

**Key for clarification etc :**

|  |  |
|--|--|
| <b>Text written in red font is awaiting the finalization of the GVP before it is confirmed</b>                         |  |
| <b>Text written in blue font is awaiting the outcome of the ANSI pilot program and finalization their criteria etc</b> |  |
| <b>Text highlighted in yellow is awaiting finalization of document or specific details</b>                             |  |

## Acknowledgements

This guidance was substantially written by Future Perfect Ltd, drawing on their extensive international experience and the contributions of the following individuals and organisations whom the Registry would like to acknowledge and thank for their time and efforts in providing information, their expertise and their knowledge of international approaches and processes to ensure that the Registry’s accreditation process and guidance is robust, consistent with recognised Standards, and with what is happening in the wider world as GHG accounting and assurance mechanisms evolve.

|                     |  |
|---------------------|--|
| Lucy Candlin        | Future Perfect Ltd                       |
| Peter Barden        | Future Perfect Ltd                       |
| Reinaldo Figueiredo | American National Standards Organization |
| Sandro Shelia       | American National Standards Organization |
| Robyn Camp          | California Climate Action Registry       |
| Jill Gravender      | The Climate Registry                     |
| Sam Hitz            | The Climate Registry                     |

The Registry is additionally grateful to those board members sitting on its Programs and Protocols Committee and the states and provinces they represent, who provided valuable direction to the development of this guidance.

The Registry is also grateful to all of the individuals and organizations who provided input to the guidance either at the Registry’s public information session or through written comments. .

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## **ABBREVIATIONS AND ACRONYMS**

|             |   |
|-------------|---|
| <b>ANSI</b> | American National Standards Institute               |
| <b>IAF</b>  | International Accreditation Forum                   |
| <b>ISO</b>  | International Standards Organization                |
| <b>TCR</b>  | The Climate Registry                                |
| <b>VB</b>   | Verification Body                                   |
| <b>VOP</b>  | (The Climate Registry) Verification Oversight Panel |

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## 1.1 Background

In 2007, U.S. states, Canadian provinces, Mexican states and Tribal Nations established a common GHG registry for North America: The Climate 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 (and potentially emissions trading) programs; to reduce associated costs; and to provide meaningful emission reports for the relevant 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 greenhouse gas emissions registry in North America
- To utilize the technical and policy resources of the voluntary reporting program to support state, provincial, tribal, and federal mandatory GHG reporting (and trading) 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.
- To standardize GHG accounting across jurisdictions
- To provide meaningful emissions reports to users of GHG data, including the public

## 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 Kyoto Gases (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 U.S., 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 accredited 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 (GRP):** Guidance to Reporters on how to calculate and report GHG emissions
- **General Verification Protocol (GVP):** Guidance to verifiers 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 tribes 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; although the Registry aims to encourage mutual recognition where practicable. However, the requirements set forth in this document (GOA) that go beyond those needed to meet ISO14065:2007, pertain to participation in the Registry's voluntary program at this point in time.

## 1.4 Verification and Accreditation

To support the process of verification of emissions reported in accordance with the General Reporting Protocol (GRP), the Registry has provided a General Verification Protocol (GVP), which draws on the requirements of ISO14064-3:2007; and also provides the Registry's additional requirements on how certain of the provisions on verification and accreditation in ISO14064-3:2007 and ISO14065:2007 will be met. These documents are part of a set of internationally accepted standards on GHG accounting, verification and accreditation that have been drawn up to be applicable globally, and based upon good practice derived from earlier GHG programs and experiences (see Box 1).

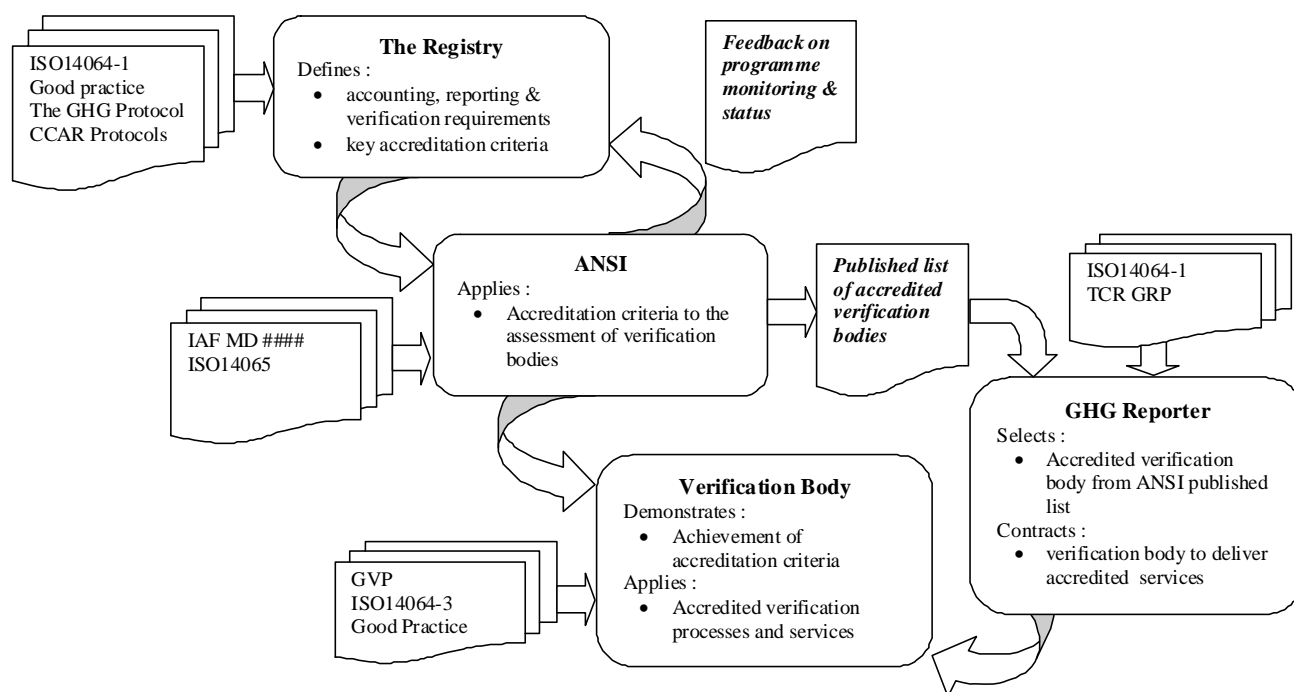
Where the provisions outlined in the GVP have an impact on the accreditation process, they have been referred to in Section 4.2. However, this guidance document aims to not unnecessarily duplicate details given in the GVP.

To maintain the robustness of the Registry and confidence in the emissions data that is reported through the Registry; the Registry requires that all emissions 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 based upon ISO14065:2007.

The process of verification is similar to the process that financial auditor's apply to company financial reports and annual accounts. The process of accreditation is effectively an inspection of the verifiers to ensure that they are maintaining the quality of their work and their independence.

To conform with international practice regarding GHG emissions verification and ensure the objectivity of accreditation, the Registry is partnering with the American National Standards Institute (ANSI) to deliver a robust accreditation program based upon ISO14065:2007 and Registry requirements; this is a common approach to audit and accreditation programs for a wide range of management system and product standard certification as well as increasingly for GHG emissions accounting schemes. The Registry may in the future establish similar partnerships with other national accreditation bodies within North America. The roles and responsibilities of the Registry and ANSI are detailed in section 3.4 and outlined in Figure 1.1.

**Figure 1.1 – the relationship between the various parties to a verification**



### Box 1 - The International Standards Organization (ISO) ([www.iso.org](http://www.iso.org))

ISO is the recognized institution that sets agreed 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 and 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, for example –

- the need to accurately measure country compliance under the Kyoto Protocol
- the participation of companies in various GHG emissions trading 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 programmes and even between different projects within those programmes. Thus they decided 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 programmes.

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; which has in the process of setting the standard 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.

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# Part II: Introduction to the Guide

## 2.1 The purpose of this guidance

The purpose of this guidance document is to give a “plain english” overview of key aspects of the accreditation process, approach and requirements in order that organizations considering becoming accredited 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.

Whilst providing an overview of the process and requirements, this guidance document is not a substitute for reading and understanding the Registry’s General Verification Protocol or the relevant Standards and ANSI literature ([www.ansi.org/ghg](http://www.ansi.org/ghg)) *[still under development]* that provide the necessary detail to implement an accreditable verification process in conformance with the specified Standards. Where practicable, this document provides signposts to where further detailed information or documentation is available.

## 2.2 Who this guidance is for

This document is aimed at the organizations and individuals that are interested in becoming an accredited verification body authorized to confirm emissions reports submitted to The Climate Registry. Because the Registry is focused on entity reporting, this guidance 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 accounts resulting from them.

Although this guidance is primarily directed towards North American based verification bodies for whom ANSI will be the prime accreditation provider, 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, and who wish to be recognized by ANSI and the Registry 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 this guidance clearly identifies where these additional requirements are imposed. The process of mutual recognition is addressed in section 3.7

## 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 guidance document

Part 3 provides an overview of the process of accreditation

Part 4 provides an overview of accreditation requirements with indications of the expectations of activities and evidence that would be sought; it also provides signposts to other more detailed information where relevant. These requirements cover both those mandated in ISO14065:2007 and the additional Registry requirements.

Part 5 provides responses to Frequently Asked Questions (FAQs) in order to facilitate the process of accreditation evaluation and understanding of Verification Bodies.

Details related to the verification process itself are outlined in the GVP and may only be referenced in this document; therefore it will be important for verification bodies to fully review the GVP alongside this guidance.

## Part II: Introduction to the Guide

### 2.4 Underpinning references

The guidance given in this document is based on internationally recognized Standards and interpretive guidance from the International Accreditation Forum. The Forum is made up of national accreditation bodies that mutually agree best practice, publish mandatory guidance on the interpretation of international Standards, and undertake peer review of each other's accreditation activities, in order to maintain quality and consistency across the globe.

The Forum has provided a mandatory interpretation 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:

- ISO14064-3:2007 –Greenhouse Gases – Part 3 : Specification with guidance for the validation and verification of greenhouse gas assertions
- ISO14065:2007 – Greenhouse Gases –Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition
- IAF MD ## : 2008 – IAF Mandatory Document on the Application of ISO14065:2007

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; however we have not duplicated information from them in this document:

- The Climate Registry General Reporting Protocol
- The Climate Registry General Verification Protocol (currently in consultation draft format)
- 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

## Part III: The Accreditation Process

### 3.1 The Purpose of Accreditation

Accounting for, and reporting, greenhouse gas 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.

Furthermore, as legislative policies move into the arena of carbon taxes and emissions trading as cost effective means of driving mitigation of anthropogenic impacts on climate change, and adaption to the effects of climate change, the strands of chemistry (tonnes of Carbon Dioxide equivalent – tCO<sub>2</sub>e) and finance (money - \$) start to become inextricably linked.

If verification is the processes by which there is an independent confirmation that the amount of emissions (and therefore the value of them for commercial trade or other financial purposes) 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 quality control and regulation of the independent auditor – much as the Public Company Accounting Oversight Board supervises financial auditors for publically traded companies.

If the ultimate endpoint of the monitoring and reporting of greenhouse gas emissions is to enable decisions on policies, change programs, investments and/or potentially trading to be made on sound information, then it is the objective of verification bodies to detect and prevent misstatement or fraud in the emissions accounts 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 that they have the appropriate systems, processes, quality controls and independence to successfully detect and prevent fraud, and to manage the risks associated with the verification process and the reliance placed upon the verification opinion by other interested parties.

To ensure that the quality of the accreditation process is maintained, the accreditation body (e.g. ANSI) is itself inspected by another national accreditation body as part of an international peer review process.

Only those verification bodies accredited to ISO14065:2007 and the additional Registry requirements will be authorized to conduct Registry related verifications.

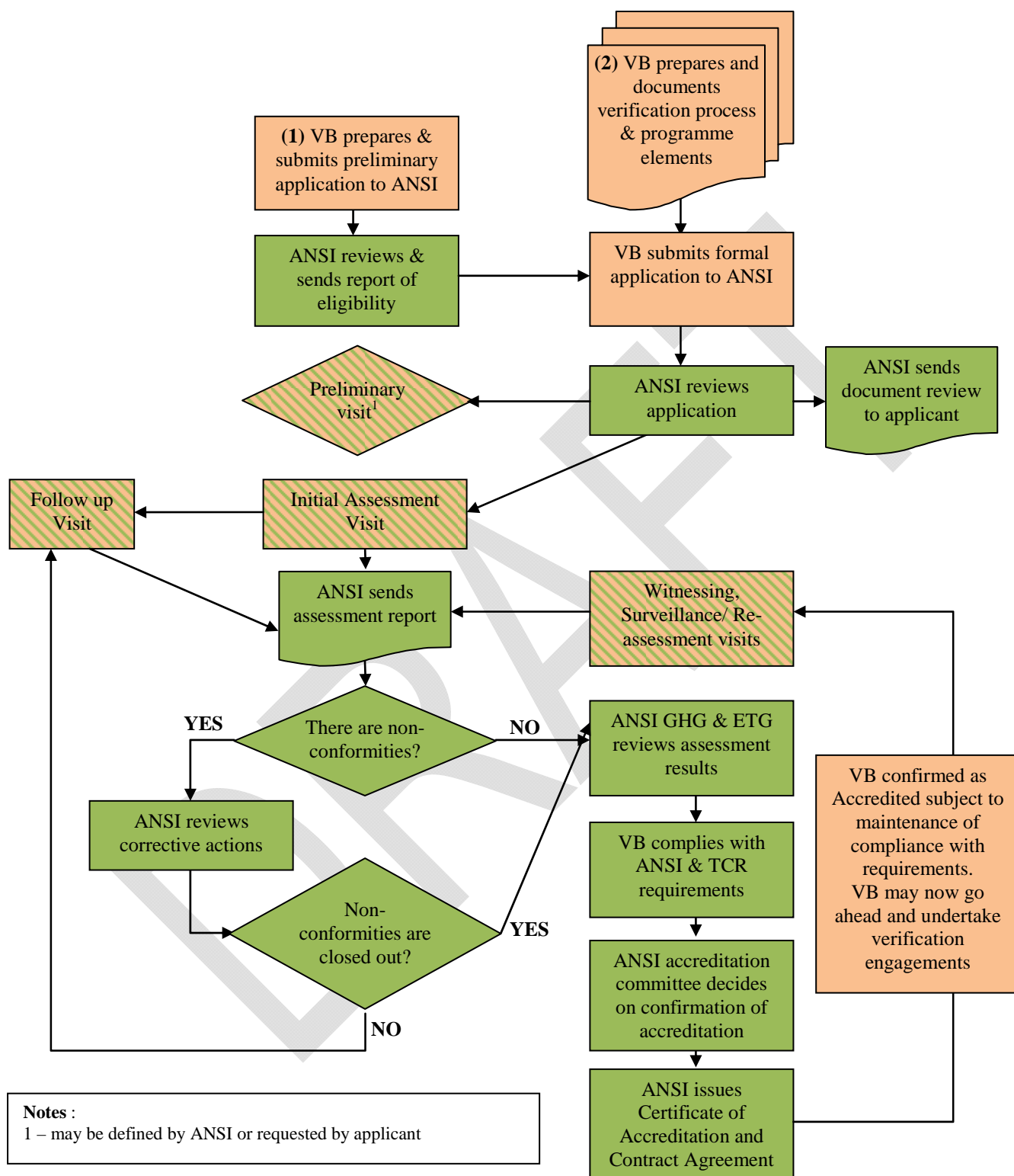
### 3.2 Overview of the Accreditation Process

Accreditation under ANSI's program is a two year cyclical process. Figure 3.1 outlines the overall process that will be conducted by ANSI, in line with their approach to the accreditation of organizations for other purposes such as management systems or product certifications.

This section aims to provide an overview of the process and requirements, but as each verification body is unique the actual details of the process that may be applied to individual organizations will vary; and ANSI will prepare an accreditation plan based upon the information provided in the initial application and as a result of ongoing surveillance.

Initially ANSI is launching a pilot program, beginning in May of 2008, which will aim to accredit a batch 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 assessment. Beginning in 2009, applications for accreditation can be made at any time; there is no restriction upon who may apply and applicants will no longer need to wait for a formal call for applications, as has been the case with some schemes previously.

Figure 3.1 - Overview of the ANSI process of Accreditation



### 3.2.1 – Preliminary Letter of Application

Once ANSI has received a request for information on the accreditation process that expresses an intent to apply for accreditation, the applicant will be provided with further details on the process along with a request 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 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
- 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)) *[still under development]*

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.

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

### 3.2.2 – 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)) *[still under development]*

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

- the requested scope<sup>1</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

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

*An example of the full application form and checklist is given in Appendix B*; this shows the range of information and evidence that ANSI requires in order to commence the evaluation. 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, procedures, verification processes and working papers, information documents/web materials, and template documents such as application forms, contracts etc.

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.

<sup>1</sup> See section 3.3

ANSI will notify the applicant of the assessor 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 teams may also include, either as members or in some cases observers, a representative or representatives of The Climate Registry. The team members are also 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 decide that a preliminary site visit is required 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.

Alternatively, the applicant may request a visit if it feels that it is necessary or would be helpful. This visit is deemed to be an additional item in 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 that the application is not accepted and the reasons why.

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 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 who, and how, comments should be responded to, if appropriate.

### ***3.2.3 Site visits and witness assessments***

Once the initial evaluation is completed and the application is accepted, ANSI will arrange a mutually acceptable schedule of visits to complete the initial accreditation. In addition to a visit to the main office, assessment visits will be made to *all* other 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 purpose of the office visits is to assess the effectiveness of the verification program activities associated with the scope(s) requested for accreditation. Assessors will be looking for demonstrations and documentary evidence of effectiveness.

Prior to the initial 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 select a representative number of verification personnel to observe in action undertaking verification activities on client sites, in order to assess their competence and to test the processes of competency evaluation and team assignment. In particular, ANSI aims to evaluate the skills of Lead Verifiers for GHG verification as well as team selection and management.

**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**—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 ANSI witness activities. 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 ANSI, 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.

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 6 months of the rendering of a verification opinion, the verification opinion will not be accepted by the Registry. In such a case, the verification body will be liable for the full cost for the reporter to procure the services of another accredited verification body to re-verify its emissions report. This liability must be explicitly included as a contractual term between the applicant verification body and the reporter.

Applicant verification bodies interested in being matched with Registry reporters should contact the Registry directly.

**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 opinion 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 visit, on the basis of information provided to ANSI in the application and through subsequent discussion/submission of documents, ANSI will provide an assessment schedule; 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.

### 3.2.4 Reporting and follow up

A draft and final assessment report will be provided after the initial accreditation work has been completed outlining the details of the assessment, areas covered, non-conformities and any areas of concern. 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 audits. 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.

### 3.2.5 Decisions on accreditation

Once the assessment team is happy that the evaluation is complete and that the applicant has completed all the actions that were required of it, the team will finalize the assessment report and make a recommendation on accreditation. An evaluation task group, comprising members of the ANSI Accreditation Committee, will review the final assessment report, any relevant associated documentation and the recommendation, 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 group 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 group 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. 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))  
*[still under development]*

### 3.2.6 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 schedule of office and witness visits 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.

### ***3.2.7 Extensions to scope***

If an accredited verification body wishes to extend the scope of its accreditation to include further "sectors" or to cover other verification processes (e.g. project validation or verification), or to cover additional GHG schemes as they arise, the verification body shall submit a request for 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.

### ***3.2.8 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.

It is also possible for accreditation to be affected by the results of the additional evaluation of conflict of interest assessments that the Registry requires. As part of the verification the Registry requires that COI declaration forms are submitted on a case by case basis (prior to a verification body commencing an engagement with a reporter). On a random basis a sample of these will be reviewed by the Registry and any that give rise to concerns will be investigated further. Where a COI declaration is subsequently found to be incorrect, the Registry reserves the right to refer the accredited verification body to ANSI's Accreditation Committee 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 opinion(s) will be annulled and the verification body will be liable for the cost of the reporter's re-verification.

### 3.3 The Scope of Accreditation

Accreditation will be granted against specific scopes to be specified by ANSI. The Registry expects that these will include several categories, but these may change over time as the GHG accreditation process evolves. Verification bodies must check the most up to date information on scopes which is provided on the ANSI website ([www.ansi.org/ghg](http://www.ansi.org/ghg)) *[still under development]*. Scopes will generally be organized according to the following categories

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

Figure 3.2 – Example of matrix of scopes for accreditation

| Subjects           |                     | "Industrial" Sectors  |                    |                 |                                    |           |          |           |     |
|--------------------|---------------------|---|--------------------|-----------------|------------------------------------|-----------|----------|-----------|-----|
|                    |                     | Simple combustion entities<br>(ie sectors with no process<br>emissions)               | Indirect emissions | Simple fugitive | Power Generation &<br>Distribution | Chemicals | Minerals | Oil & Gas | etc |
| Entity Accounting  | Annual verification |   |                    |                 |                                    |           |          |           |     |
|                    | Process             |   |                    |                 |                                    |           |          |           |     |
|                    | Fugitive            |   |                    |                 |                                    |           |          |           |     |
|                    |                     |   |                    |                 |                                    |           |          |           |     |
| Project Accounting | Validation          |   |                    |                 |                                    |           |          |           |     |
|                    | Baselines           |   |                    |                 |                                    |           |          |           |     |
|                    | Annual verification |   |                    |                 |                                    |           |          |           |     |
|                    |                     | = scope of accreditation & therefore area in which services can be offered to clients |                    |                 |                                    |           |          |           |     |

Verification bodies must have the appropriate scope of accreditation for the relevant client's "industrial" sectors. As many sector scopes can be included within the accreditation process as is required by the verification body, provided that they are able to demonstrate that they have the technical competence necessary for those scopes.

When considering the sectors for which accreditation is sought verification bodies need to consider their technical ability and experience to understand, for example, the emissions sources, industrial plant, industrial processes, product supply chain processes, boundaries; and to ensure that they have (or have access to) the required knowledge and capabilities associated with the context of verification engagements within specific sectors, such as legal compliance requirements, metering and measurement instrumentation etc.

### 3.4 Roles & Responsibilities

Both The Climate Registry, ANSI and verification bodies themselves have specific roles associated with the verification and accreditation processes. These roles are outlined below.

#### The Climate Registry

The general roles of the Registry 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.
- to define any specific reporting requirements that the Registry expects reporting entities to meet, over and above those that are specified in the ISO14064:2007 series of standards.
- to 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.
- to maintain on its website a list (or a web link to the ANSI list) of the verification bodies that are approved to deliver Registry verifications, this list will make clear where accreditations have been suspended or revoked, and for what reason.
- The Registry also intends to exercise oversight of the verification and accreditation processes through a specific body, appointed by the Finance and Audit Committee of its Board of Directors. The Registry's Verification Oversight Panel (VOP) will consist of a selection of Registry staff, board members, employees of Registry member states and provinces 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 VOP are :

- to have an oversight of the processes operated by the Registry and those delegated to ANSI (or other subsequent accreditation body partners); including where it so chooses :
  - to observe verification bodies in action during the course of a verification.
  - to observe its selected accreditation body in action during the course of an accreditation.
- to participate in the confirmation decisions on the awarding of accredited status via representation by the Verification Oversight Panel in the decision making process of its selected accreditation body
- to participate in the appeals/ dispute/conflict investigation and resolution process implemented by its selected accreditation body, where the appeal or dispute relates to either –
  - a verification undertaken for the purposes of registering emissions with the Registry
  - a verification body that is accredited to deliver Registry verifications, and the issue under discussion is of sufficient magnitude that it may affect the reputation of the Registry by association (for example a major failure of the Conflict of Interest evaluations by that verification body)
  - a verification body that is accredited to deliver Registry verifications, and the Registry elects to participate in the investigation process.
- to exercise general oversight of accreditation bodies and consider forming relationships with others 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)

### **American National Standards Institute (ANSI)**

The Registry has entered into a formal agreement with ANSI whereby it delegates to ANSI the responsibilities for the accreditation and monitoring of verification bodies; and the enforcement of the accreditation process. The details of the accreditation process are provided in section 3.2. Under this agreement, the role of ANSI (or any other accreditation body with which the Registry might enter into partnership) is therefore to:

- Assess the mechanisms, systems and processes of the verification body to ensure that they meet the requirements of ISO14065:2007 and any additional requirements of the Registry, for its Scheme.
- 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, 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 sanctions against accredited verification bodies if it is brought to ANSI's attention that there is
  - a failure to meet required Standards,
  - a failure to properly use the accreditation mark
  - 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
- 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 14056 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 revoked, and for what reason.

### 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 ANSI 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
- provides sufficient access to ANSI and the Registry's Verification Oversight Panel to assess its 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 another national accreditation body, it must demonstrate that its accreditation has been recognized and accepted by ANSI under a mutual recognition agreement; and that ANSI have 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 competence for GHG accounting and assurance; AND that it maintains that knowledge and competency up to date for all its personnel
- demonstrate that it undertakes a robust conflict of interest assessment for each and every verification engagement that it undertakes, by delivering in a timely manner to the Registry the completed CoI declaration form recording the robust assessment undertaken by the authorized personnel.
- demonstrate that the time allocated for the completion of verification engagements is reasonable in relation to the risk assessment(s), 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, 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 conflict of interest between the parts providing verification and any part providing consultancy services that may relate in some way to GHG emissions.

### 3.5 Costs of Accreditation

The costs of accreditation are based upon an initial fee to gain accreditation (and any extension to scope requested) plus an annual maintenance fee to maintain the 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)) [still under development].

|  |      |  |
|--|------|--|
|  | US\$ |  |
| • Application fee                                  | 5000 | Non-refundable, excluding preliminary site visit(s)                            |
| • Assessment work by Assessors & Technical Experts | 1250 | Per person per day   |
| • Extension to scope fee                           | 1000 |  |
| • Appeal fee                                       | 1000 |  |
| • Annual Maintenance Fee                           | 0.4% | Of revenue from ANSI accredited activities within the range \$1500 to \$55,000 |

Assessment work normally includes a number of visits and inspections 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% of fee rate). Any expenses incurred by the Assessor in the performance of their work (eg travel and subsistence) will also be recharged to the verification body. For witnessing visits, ANSI requires that the number of assessors is equal to the number of verification team members undertaking the client site visit.

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 (eg the number and size of clients))

so it is not possible to give a fixed indicative cost in this guidance.

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
- 2-4 days "on site" interviewing verification body personnel, reviewing documentation and files and witnessing Lead Verifiers in action on client sites
- 1-2 days of follow up and reporting

A further determinant of the time required for assessment is the prior experience and 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 are likely to require less time for the assessors to establish their acceptability.

Whereas organizations that are not currently certification/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(ies) or will share the accreditation process. 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. This approach is supported by guidance from IAF on “Cross Frontier Accreditation”.

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 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).

**At this point in time, ANSI is developing its GHG verification body accreditation process through the pilot program, and as such is still evolving its criteria and expectations for accreditation. Until such time as it has established its program it will not be in a position to evaluate other accreditation bodies programs against its own for mutual acceptability; thus there is currently no process of mutual recognition in place. However ANSI is investigating the possibility of establishing bilateral recognition agreements as quickly as possible with other national accreditation bodies that have ISO 14065 programs in place.**

## 4.1 Requirements of Accreditation to ISO14065:2007

Outlined below are the key elements of ISO14065 that verification bodies need to address as part of their 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; or
- to further Registry specific requirements in Part 5 of this guidance (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 IAF guidance provided in **IAF-MF-####**

The guidance below also discusses some of the specific 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 this guidance is written only from the perspective of the Registry's reporting and verification criteria and may not include discussion of everything that Accreditation Assessors might look for under other GHG accounting schemes.

### Requirement of ISO14065

### Additional requirements

#### 4.1.1 General requirements :

A verification body needs to be able to demonstrate that :

- **it is a legal entity such that it can be held legally responsible for its activities**  
Assessors will look at the governance structures and governmental status of the entity to determine if it may be deemed a legal entity.
- **it has legally enforceable contracts/agreements with its verification clients**  
Assessors will be looking to ensure that this includes :
  - 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 mis-use it, for example by applying it to products or packaging.
  - 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.
  - Levels of liability cover offered/available
- **it remains responsible for, and holds authority over, its activities, decisions and opinion statements**  
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 opinions.

**Requirement of ISO14065**

- **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 opinion 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**

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

- **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**
- **where it is a defined part of a larger legal entity, it has documented its structure, accountability and relationships with other parts of the same legal entity.**

Assessors will be looking for evidence to show -

- that any potential conflicts of interest within an organization can easily be identified
- 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

**4.1.2 Impartiality requirements :**

A verification body needs to be able to demonstrate that :

- **it is able to act in an impartial manner and avoid unacceptable conflicts of interest; and that this is a commitment from the top management that they embed throughout the verification process and communicate publically**

Assessors will be looking for evidence that formal processes of evaluation and management of conflict of interest (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.

- **it has formal, documented, rules and contractual arrangements to enforce its commitment on impartiality and conflicts of interest**

- **it has formal documented procedures for identifying and managing potential conflicts of interest or impartiality risks**

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

- **it has a formal mechanism, independent of operational activities, that ensures impartiality is achieved.**

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.

ISO5/ 5.4.2  
TCR 1

## Requirement of ISO14065

- **it has evaluated the financial risks associated with its verification activities and has the appropriate arrangements in place to cover liabilities that might arise**

Assessors will be looking for evidence that this includes, for example, appropriate Professional Indemnity insurance, provisions and reserves of capital etc

In addition to the obvious insurance cover etc, 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 – should a requested opinion be used as the basis for commercial trading or taxes then the financial implications of negligence may be significant!

### 4.1.3 Competency requirements :

A verification body needs to be able to demonstrate that :

- **it has formal, robust and documented procedures to determine the competency requirements for**

- **each “industrial” sector in which it wishes to operate and gain accreditation for**
- **each of the categories of personnel associated with the verification process and activities, including management, support staff (e.g. admin and marketing etc), Verifiers, Lead Verifiers, Technical Reviewers and Technical Experts**

ISO5/ 6.3.2  
ISO5/6.3.3  
ISO5/6.3.4  
ISO5/6.3.6  
ISO5/6.3.7

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.

- **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-**

TCR 3

- **selecting, training, authorizing and monitoring verifiers, Lead Verifiers and Technical Reviewers**
- **selecting, authorizing and monitoring technical experts**
- **ensuring continual professional development of verifiers , Lead Verifiers and Technical Experts by making available access to up-to-date information on verification processes, techniques, methodologies, program requirements and applicable legislation etc**

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.

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.

## Requirement of ISO14065

## Additional requirements

- **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 specific matters associated with verification activities, sectors or scopes of work; whether this is provided internally or externally.**  
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 employs or has access to sufficient numbers of verifiers, Lead Verifiers, Technical Reviewers and Technical Experts to cover the scope, extent and volume of activities that it is (or expects to be) contracted to deliver**

TCR 4

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 (eg subcontract verifiers, Lead Verifiers and/or Technical Reviewers).

- **it clearly communicates to relevant personnel the duties, responsibilities and authorities associated with the activities assigned to them**

regardless of whether the activities are administrative, general (eg contract review) or specific to an individual verification engagement.

- **it periodically monitors 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.**

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.

### 4.1.4 Deployment and management of personnel requirements :

A verification body needs to be able to demonstrate that :

- **it has established competent verification teams and that they are provided with appropriate management and support.**

For example, Assessors will be looking for evidence that personnel assigned to verification

See Annex C for more examples

## Requirement of ISO14065

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.

- **the team composition 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**

Assessors will be looking for formal evidence that the verification team(s) have knowledge in at least the following areas :

- the applicable GHG program requirements
- any differences between the GHG program verification processes and those in ISO14065
- ability to communicate effectively in the appropriate geographical/.technical/cultural language
- relevant GHG emissions sources
- appropriate methods of quantification, monitoring and accounting

- **where sub-contracted verifiers are used, the verification body has –**
  - **assessed their competencies against those identified by the verification body**
  - **obtained a signed agreement from the sub-contractor in relation to the use of accredited verification processes and procedures**
  - **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**

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 or associate agreements are in place that ensure that the liabilities associated with verification engagements are managed and apportioned appropriately.

- **it maintains up-to-date records of competencies and performance monitoring of all relevant personnel and sub-contractors – including relevant management and support personnel**

- **where verification activities/services are outsourced (as opposed to use of individual sub-contractors within teams) –**

- **the reporter/client has consented to the out-sourcing**
- **the responsibility for the verification is retained by the verification body**
- **there is a formal documented agreement outlining the scope of the work and responsibilities of the parties**
- **the out-source body has independently demonstrated their conformity with ISO14065:2007 and ISO14064-3:2007**

Assessors will be looking for evidence that the client has agreed that the outsource 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 opinion(s) etc.

### 4.1.5 Communications and records requirements :

A verification body needs to be able to demonstrate that it provides to its clients:

- **a detailed description of the verification process**
- **updates on changes to verification and Registry requirements**

TCR 5

TCR 6

TCR 7

**Requirement of ISO14065**

- **in a timely manner, a schedule of verification activities and information about the assigned verification team (with subsequent updates should there be changes)**
- **information on the fees and charges associated with verification.**  
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
- **information on policies related to the use of its mark and references to the verification**  
Assessors will be looking for evidence that these are aligned to the statements within the enforceable agreements/ contracts that are in place for each verification engagement.
- **information on the procedures for complaints and appeal**
- **information on the client's responsibilities in relation to –**
  - **compliance with verification requirements**
  - **making arrangements for the conduct of the verification including timely access to documentation, personnel, sites and processes etc**
  - **making arrangements to accommodate observers (e.g. ANSI and the Registry)**

A verification body also needs to be able to demonstrate that :

- **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)**

ISO5/ 7.3

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 etc (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

In addition, assessors will evaluate the approach to developing and enforcing confidentiality and information management agreements with employees and sub-contractors etc.

- **it obtains consent of clients before releasing non-public information to a third party**
- **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**
- **it maintains, and provides on request, clear and accurate information about its activities and sectors of operation**
- **it maintains records of its verification activities, and in particular –**
  - **its accredited verification scopes**
  - **justification of the time planned for verifications**  
Assessors will be looking for evidence that analysis is done by the verification body on 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.
  - **completion of verification activities including findings and associated information on discrepancies; the opinions reached and the associated formal statements**  
Assessors will be looking for evidence that records include the complete audit files and

## Requirement of ISO14065

## Additional requirements

- evidence underlying the conclusions and opinions reached for each verification engagement.
  - **any complaints, appeals and subsequent corrective actions etc**
- **it manages its records securely and confidentially; and retains them in accordance with Registry, contractual, legal or other management system requirements** ISO5/ 7.5  
TCR 9

### 4.1.6 Verification Processes :

A verification body needs to be able to demonstrate that:

- **it applies the processes identified above in relation to impartiality, competence and legally enforceable agreements/contract to each and every verification engagement** TCR 10  
 In addition to the core verification processes outlined in ISO14064-3:2007 and the **GVP**, 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 & 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).
- **it conducts its verification activities in accordance with ISO14064-3:2007** ISO5/ 8  
ISO4-3/ 4  
TCR 11  
 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 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.

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:

- the basis of their being representative
- of adequate scale
- of adequate depth and range of testing

The GVP 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 GVP is appropriate in the case of each verification engagement.

- **it conducts an independent technical review of each verification engagement, utilizing competent personnel that have not participated in the original verification activities** TCR 12  
 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).  
 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 opinion statement is clear as to the

## Requirement of ISO14065

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.

### 4.1.7 Appeals and Complaints processes :

A verification body needs to be able to demonstrate that:

- it has a formal, robust and documented process to evaluate, manage and take action and decisions in relation to appeals against its conclusions as expressed in the verification opinion statement, and that –
  - it communicates receipt, formal process, panel, progress and outcome to the appellant
  - it takes responsibility for all decisions at all levels of the process
  - it ensures the process, outcome and consequences are non-discriminatory
  - the people handling the appeal are independent of the relevant verification activity and engagement
  - it has a description of the appeals process is publically available
- it has a similar process for handling complaints in relation to its verification activities, which in addition to the elements above, also –
  - safeguards the confidentiality of the complainant and the subject of the complaint.

### 4.1.8 Management System Requirements :

A verification body needs to be able to demonstrate that:

- **it has established, implemented and maintains a documented management system that is capable of supporting and demonstrating consistent achievement of the requirements of ISO14065**

ISO 12  
TCR 13

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 GRP and GVP; in sufficient detail or quantity that the management system ensures consistent application; this may include standard work papers and tools (eg for risk assessments, materiality analysis etc)

In developing its verification process for the Registry's reporting and verification criteria, to meet all the requirements outlined above, a verification body needs to implement a formal "development process" that ensures development encompasses consideration of all the key stakeholders, their requirements and expectations; as well as consideration of the strategic and business risks for the verification body itself in performing and delivering the proposed verification services to its clients.

## 4.2 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 3.3. This is essentially a matrix of industrial sectors and work activities.<br>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 ANSI to conduct the majority of the accreditation process as outlined in Section 3. However, the TCR Verification Oversight Panel reserves the right to observe the conduct of verification activities by means of witnessing verification in action. This witnessing may be by means of accompanying ANSI assessors or may be independent.<br>The Registry expects verification bodies to inform their clients of this potential activity, to include their |

**Reference The Registry:**

client's deemed consent within contracts that are signed; and to facilitate the process of observation if selected.

TCR 1 requires that in addition to general evaluation of impartiality and conflict of interest risks, verification bodies must also undertake the following :

- **a self evaluation of the potential for a conflict of interest prior to any individual verification engagement**
- **document a case specific Conflict of Interest Declaration Form (see GVP for details) and submit it to the Registry at least 15 days prior to commencing verification activities (e.g. site visits, interviews, etc.). In completing the declaration the verification body formally attests to the fact that it has carefully considered the provisions with respect to avoiding conflicts as detailed in the GVP**
- **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 self-evaluation and CoI declaration should be reviewed and in the event that the change in circumstances affects the declaration the Registry should be notified immediately.**

**In practice it is likely that such an evaluation would be done at the Contract 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 ANSI inspection.**

On a regular basis the Registry will review a random sample of the forms submitted and may seek additional information from verification bodies or ANSI. Any evaluations which raise the Registry's concerns will be referred to ANSI and subject to further investigation and action (from requirement for corrective action up to, and including, revocation of accreditation and annulment of the verification opinion).

TCR 2 requires that verification bodies have Professional Indemnity (PI) insurance to the level of **at least US\$1,000,000**.

Where the emissions accounts, that a verification body is providing an opinion on, may be used for the purposes of taxation or emissions trading, the verification body should evaluate (and periodically re-evaluate) the likely financial value associated with the emissions declared (and/or the reduction/avoided emissions) to ensure that its level of PI selected is still appropriate.

TCR 3 requires that verifiers have attended designated training and can demonstrate knowledge and understanding of:

- The General Reporting Protocol and the General Verification Protocol
- Sector specific technical and GHG issues and sources
- GHG emissions accounting and calculation processes and methods
- Techniques and key elements of non-financial data monitoring, auditing and assurance, including strategic analysis, risk assessment, verification planning, testing and evaluation, missing data and materiality analysis; opinion formulation
- Management systems function and auditing, in relation to GHG accounting
- Instrumentation and measurement systems, in relation to GHG accounting
- Electronic information systems and associated information and IT security
- Financial, contractual and operational implications of relevance to GHG accounting
- Complex project/program management and leadership (for Lead Verifier status)

Designated training includes :

- **Registry Protocol Briefing/Orientation – aimed at ensuring knowledge and understanding of the Registry's program and protocols**
- **(Lead) GHG Verifier training – aimed at embedding knowledge and understanding of the principles**

**Reference The Registry:**

and techniques associated with non-financial data assurance

**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.**

Where personnel are upgraded over time from verifier to Lead Verifier to Technical Reviewer, the Registry expects there to be a clear, formal and documented progression mechanism that takes account of training, an appropriate amount of real time practice and supervised leading (for upgrade to Lead Verifier) before confirmation of upgrades

- 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 Technical Reviewer.
- TCR 5 allows that Sub-contractors may be used as Lead Verifiers or Technical Reviewers provided that they are subject to formal contractual agreements as outlined in ISO14065:2007 clause 6.4; and subject to –
- their meeting the competencies outlined in clause 6.3.7
  - their being provided with oversight by the verification body's GHG Program Manager who is expected to be a qualified Lead Verifier
  - the verification body retaining the final decision on the validity of the opinion arrived at, and the decision to issue the opinion statement;
- TCR 6 accepts that there may be business models used by verification bodies that means that a number of verification team roles might be filled by sub-contractors, including verifier, Lead Verifier or Technical 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 final decision making process in relation to the confirmation and issuing of the opinion statement to clients.
- TCR 7 assumes that all verification will be undertaken following the process outlined in its General Verification Protocol and that as this is publically available it is not necessary to duplicate this information.
- However, where there is additional reporting beyond that which is outlined in the General Reporting Protocol, additional verification steps or activities may be required to meet ISO14065 requirements and these will need to be communicated to the client.
- For example, if the client decides that it wishes (or 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 or trading/carbon tax etc scheme which has some requirements additional to the GRP, etc
- TCR 8 requires that it is provided with a copy of the verification schedule at least 15 days before the commencement of work, in order 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.
- This notification could form part of the COI declaration if the timing of the engagement contract allows, but the Registry recognizes that COI declarations as part of contract negotiations for the engagement might occur sometime before the actual verification work commenced.
- requires that the verification body provides ANSI with an annual summary of verification activities **(on a standard template to be provided)** outlining the range of clients (& number of their sites) and sectors for whom the verification body is commissioned to do work, and the Lead Verifier and Technical Reviewer assigned to each verification engagement. This will enable ANSI 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.

**Reference The Registry:**

- TCR 9 requires that **emissions reporters records** are retained for **at least 5 years** from the date of the verified emissions report (and records retained include all relevant evidence to support that report); **and that verifiers retain their records for a matching period.**  
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.
- And verifiers are required to undertake sample tests of their client's record retention process as part of ongoing annual verification. ANSI assessors will review this as part of their verification file reviews.
- TCR 10 **The Registry's General Verification Protocol outlines specific requirements in terms of thresholds and criteria by which conflicts of interest may be judged; and also specific requirements for business level and case-by-case conflict of interest assessments and declarations.**
- TCR 11 The Registry's General Verification Protocol is based upon the requirements of ISO14064-3:2007 with variations in relation to :
- **Note: This section to be included in the final GoA, consistent with the Registry's final GVP**
  -
- TCR 12 requires that the internal independent Technical Reviewer is an active Lead Verifier able to demonstrate continued competence and appropriate continuing professional development.
- TCR 13 expects that verification bodies would align their management systems with the specifications and guidance given in ISO 9001:2000. However, it would not expect them to have to demonstrate conformity to that Standard nor achieve registration/certification to the Standard  
In addition to managing the verification program elements 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.

# Part V: Frequently Asked Questions

## Frequently Asked Questions

| Question and response  | Section Reference                    |
|--|--------------------------------------|
| <p><b>Q1 How is ANSI involved in assessing the conformity of verification bodies to the relevant standards?</b></p> <p><b>A</b> ANSI 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 (eg The Climate Registry). ANSI administers more than 30 distinct product accreditation program scopes; of which 2 are specifically related to GHG verification – its pilot program for ISO14065 general GHG accreditation and the specific program for The Climate Registry which is built on the back of the general accreditation.</p>  |                                      |
| <p><b>Q2 Who recognizes ANSI's accreditation program?</b></p> <p><b>A</b> <i>Domestically</i> : ANSI is recognized by the Climate Registry and its constituent members as an accreditor of GHG Verification Bodies, in relation to the Registry's voluntary reporting scheme.</p> <p><i>Internationally</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 accreditations in relation to GHG verification.</p> | See section 3.6 (mutual recognition) |
| <p><b>Q3 Does recognition of ANSI's accreditation programs extend beyond the United States?</b></p> <p><b>A</b> Yes. The Institute'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. They attest to a supplier's credibility and commitment to quality.</p>  |                                      |
| <p><b>Q4 Is accreditation mandatory?</b></p> <p><b>A</b> Accreditation by ANSI 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>Q5 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 over view of the time and fee requirements is given in Section 3.6 and a comprehensive description can be found on the ANSI website – see - <a href="http://www.ansi.org/conformity_assessment/accreditation_programs/fee_structure.aspx?menuid=4">http://www.ansi.org/conformity_assessment/accreditation_programs/fee_structure.aspx?menuid=4</a></p>  | See section 3.5 (fees)               |
| <p><b>Q6 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 ANSI who undertakes the work required to assess verification bodies and confirm their conformance to the specified Standard and requirements. How much fee ANSI charges will depend upon the level of work that is required to reach accreditation.</p>  | See section 3.5 (fees)               |

| Question and response   | Section Reference      |
|---|------------------------|
| <p><b>Q7 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 (in the order of 6 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 re-evaluation of updated documents and processes.</p> | See section 3.5 (fees) |
| <p><b>Q8 How will the training that verifiers must give their staff be evaluated?</b></p> <p><b>A</b> ANSI 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 ANSI 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>  |                        |
| <p><b>Q9 When can I apply to become accredited?</b></p> <p><b>A</b> ANSI is accepting applications for verification bodies interested in seeking accreditation in its pilot program up until May 15, 2008. 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 inspectors being able to witness verification bodies in action delivering verification engagements for clients across the range of scopes requested; therefore the verification body will need GHG assurance clients to complete the accreditation process.</p> <p>The Registry is working to develop a process whereby it can facilitate matching applicant verifiers (who do not have a current portfolio of clients that can be used for ANSI witnessed visits) to reporters seeking a discounted price verification. The details of this are still to be confirmed.</p>   |                        |

<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>Q10 How do I initiate the application process?</b></p> <p><b>A</b> The application process is initiated by sending to ANSI a letter of application covering 5-6 key areas of the accreditation requirements. The purpose of this is to enable ANSI to judge the eligibility of the applicant verification body for accreditation. An overview of the application process is given in Section 4 and a comprehensive description of the application process can be found 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>  | See Section 3 for an overview of the process |
| <p><b>Q11 I am a sole trader/ self-employed auditor, can I become an accredited 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 necessarily be able to meet the strict requirements for separation of powers and responsibilities that are outlined in the Standard. 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 certain of its reporting sectors and categories.</p> <p>The Registry is however, considering how an accreditation 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> | See Section 4 for an overview of requirement |
| <p><b>Q12 I am ISO 14065 accredited through another (non ANSI) Accreditation Body. What do I need to do to become a Registry accredited verification body?</b></p> <p><b>A</b> At the present time, there are no mutual recognition agreements in place between ANSI and other national accreditation bodies, nor is there a Multilateral Agreement in place with IAF in relation to GHG verification. ANSI is prepared to open discussions with national accreditation bodies on developing and implementing mutual recognition agreements, once it has completed its pilot program and determined all the criteria that it expects to use as part of its accreditation process.</p>   | See section 3.6 (mutual recognition)         |
| <p><b>Q13 What resources exist to help me prepare for accreditation?</b></p> <p><b>A</b> The Registry provides training in the requirements of its GRP and GVP. 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">http://www.fpsustainability.com/our_training.htm</a></li> <li>• GHG Management Institute – see <a href="http://www.ghginstitute.org/">http://www.ghginstitute.org/</a></li> </ul>  |  |

| Question and response   | Section Reference |
|---|-------------------|
| <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>Q14 Who do I contact for more information on applying for accreditation?</b></p>  |                   |
| <p><b>A</b> To submit a letter of application or to obtain more information, please contact :<br/>           Mr Reinaldo B. Figueiredo<br/>           Program Director, Product Certification Accreditation<br/>           American National Standards Institute<br/>           1819 L Street, NW, 6<sup>th</sup> Floor<br/>           Washington, DC 20036<br/>           T: 202.331.3611<br/>           F: 202.293.9287<br/>           E: <a href="mailto:rfigureir@ansi.org">rfigureir@ansi.org</a>.</p> |                   |

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## Appendix A: Glossary of Terms

| TERM                                     | DEFINITION  |
|--|---|
| <b>Accreditation</b>                     | Third-party attestation related to a validation or verification body conveying formal demonstration of its competence to carry out specific validation or verification tasks  |
| <b>Accreditation Body</b>                | Authoritative body that performs accreditation<br><i>Note – the authority of an accreditation body is generally derived from government</i>   |
| <b>ANSI Accreditation Committee</b>      | The ANSI Accreditation Committee (ACC) 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.   |
| <b>ANSI GHG Advisory Committee</b>       | This Advisory Committee was created by the ANSI Accreditation Committee (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.   |
| <b>Appeal</b>                            | 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   |
| <b>Assessment</b>                        | Process undertaken by an accreditation body to assess the competence of a conformity assessment body, based on particular standard(s) and/or other normative documents and for a defined scope of accreditation<br><i>Note: Assessing the competence of a verification body (VB) involves assessing the competence of the entire operations of the VB, including the competence of the personnel, the validity of the conformity assessment methodology and the validity of the conformity assessment results.</i>  |
| <b>Assessor</b>                          | Person assigned by an accreditation body to perform, alone or as part of an assessment team, an assessment of a validation or verification body.  |
| <b>Complaint</b>                         | 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  |
| <b>Conflict of interest</b>              | Situation in which, because of other activities or relationships, impartiality in performing validation or verification activities is or could be compromised   |
| <b>International Accreditation Forum</b> | 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.<br><i>Note – there are currently no MLAs related to GHG Verification</i> |
| <b>ISO 14065:2007</b>                    | International Standard on : Greenhouse Gases –Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition   |
| <b>ISO14064-1:2007</b>                   | 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   |

| <b>TERM</b>                 | <b>DEFINITION</b>   |
|-----------------------------|---|
| <b>ISO14064-2:2007</b>      | 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  |
| <b>ISO14064-3:2007</b>      | International Standard on : Greenhouse Gases – Part 3 : Specification with guidance for the validation and verification of greenhouse gas assertions  |
| <b>ISO9001:2000</b>         | International Standard on : Quality Management Systems – Requirements   |
| <b>Lead Verifier</b>        | 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.   |
| <b>Level of Assurance</b>   | <p>The degree of assurance the intended user requires in verification.</p> <p><i>Note – 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. There are two levels of assurance, reasonable or limited, which result in differently worded verification opinion statements; although the terminology should not be confused with opinion statements that are “qualified” or “adverse”.</i></p>   |
| <b>Limited Assurance</b>    | <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 opinion is clear to the intended user such that there is no confusion as to the level of work undertaken and the type of opinion being expressed.</p> <p>The opinion 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>   |
| <b>Mutual Recognition</b>   | <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><i>Note – there are currently no MRAs related to GHG Verification in North America</i></p> |
| <b>Reasonable Assurance</b> | <p>The verifier provides a reasonable, but not absolute, level of assurance that the responsible party’s GHG assertion is materially correct. The opinion 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>   |
| <b>Surveillance</b>         | <p>Set of activities, except reassessment, to monitor the continued fulfilment by accredited CABs of requirements of accreditation</p> <p><i>Note: Surveillance includes both surveillance on-site assessments and other surveillance activities, such as the following:</i></p>  |

| <b>TERM</b>                            | <b>DEFINITION</b>   |
|--|---|
|  | <p><i>a) enquires from the accreditation body to the CAB on aspects concerning the accreditation;</i></p> <p><i>b) reviewing the declarations of the CAB with respect to what is covered by the accreditation;</i></p> <p><i>c) 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></p> <p><i>d) monitoring the performance of the CAB (such as results of participating in proficiency testing).</i></p> |
| <b>Technical Reviewer</b>              | Competent person, 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 Lead Verifier  |
| <b>Validation or Verification Body</b> | Body that performs validation or verification of GHG assertions in accordance with ISO14065   |
| <b>Verification</b>                    | Systematic, independent and documented process for the evaluation of GHG assertions against agreed verification criteria  |
| <b>Verifier</b>                        | Competent and independent person, or persons, with responsibility for performing and reporting the verification process, under the management and supervision of a Lead Verifier  |
| <b>Witness assessment</b>              | Assessment conducted by an accreditation body to verify and observe the competence of an evaluation/inspection/audit conducted by an applicant or accredited conformity assessment body   |

## Appendix B: Example Accreditation Application Form

Still under development by ANSL. Will be included in the final version of the GoA.

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## Appendix C: Annex A of IAF Guidance – Competence Requirements

Still under development by IAF. May be included in the final version of the GoA.

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