

# Greenhouse Gas (GHG) Emissions Verification and Accreditation Guidelines

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PART II: ACCREDITATION REQUIREMENTS FOR VERIFIERS

VERSION 11 JAN 2019



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# 1. Introduction to the Guidelines

## 1.1 Purpose

This document provides details and elaboration which supplement the Carbon Pricing (Measurement, Reporting and Verification) Regulations 2018 under the Carbon Pricing Act (CPA).

These Greenhouse Gas (GHG) Emissions Verification and Accreditation (V&A) guidelines and templates provided by the National Environment Agency (NEA) should be read in conjunction with the Greenhouse Gas (GHG) Emissions Measurement and Reporting (M&R) guidelines.

These guidelines provide guidance on:

- i) requirements relating to planning and conducting independent 3<sup>rd</sup> Party verification of GHG emission reporting (Part I);
- ii) the preparation of the verification report (Part I); and
- iii) requirements and process for accreditation of verification companies for verification of GHG emission reports (Part II)

## 2. Accreditation Criteria and Requirements

### 2.1 Overview of Accreditation

Any Singapore registered company that wishes to provide third-party verification services in relation to the Carbon Pricing Act **shall** be accredited by NEA.

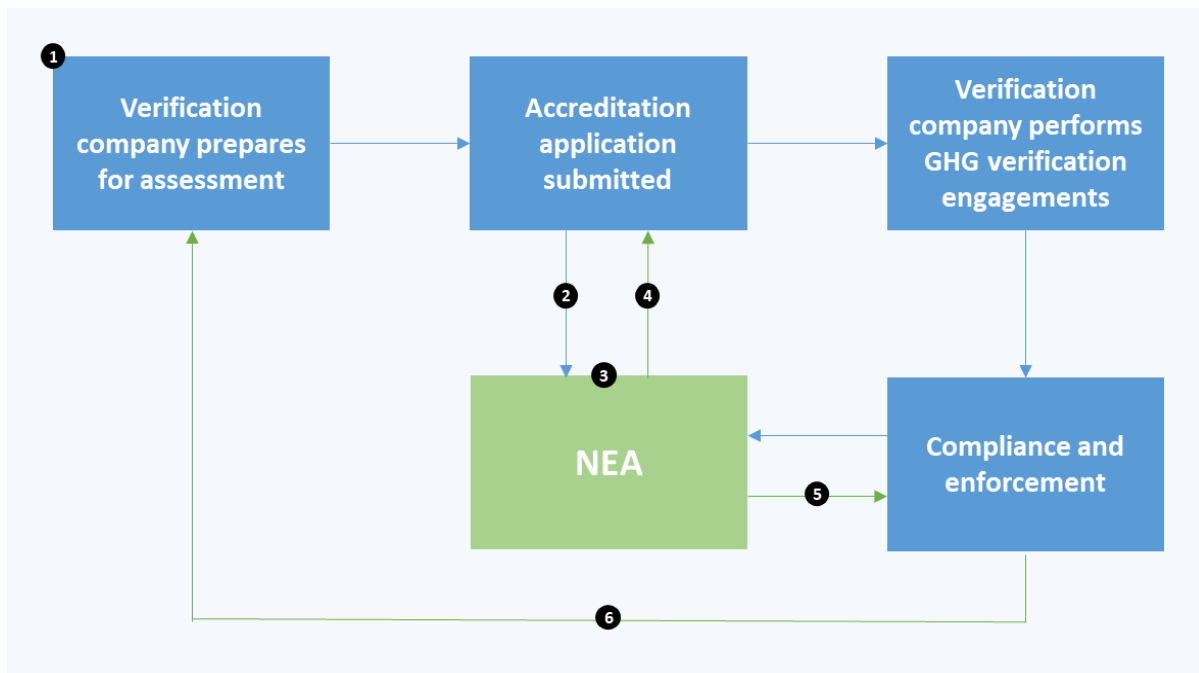
The objective of accreditation is for NEA to assess whether the verification company, and its lead verifier(s) and independent reviewer(s) undertaking the verification activities:

- i) Have the competence to carry out verification; and
- ii) Have sufficient knowledge to perform the verification in line with the Regulations and the V&A guidelines.

#### 2.1.1 Overview of Accreditation process

The process of accreditation involves six key stages as shown in Figure 1 below. Stages 1-4 are related to the initial accreditation of verification companies, lead verifiers and independent reviewers. Stages 5 and 6 are related to maintaining the rigour of third-party verification services after the initial accreditation. In the event of non-compliance in Stage 5, penalties may be imposed that can result in reduced scope, suspension or revocation of accreditation.

Figure 1. Overview of accreditation process



Stage	Details
1) Preparation for Assessment	Internal assessment of capabilities and requirements by verification company before making an application to NEA
2) Application Submission	Submission of application and any necessary documentation to NEA
3) NEA Assessment	Assessment of the accreditation application by NEA through (i) document review (including possible request for additional documentation), (ii) interview and (iii) visit to the verification company's premises (if necessary).
4) Outcome of accreditation application	Outcome of application will be notified by an official letter within 30 days after NEA has received a complete document submission and concluded interviews and premises visit (if necessary).
5) Maintaining compliance	The verification company <b>shall</b> inform NEA of any significant changes to the information previously submitted by the verification company, (see Section 3.6).  NEA will perform surveillance of verifiers by conducting (i) visits to the verification company, and /or (ii) witness audits
6) Re-assessment for renewal	Before the expiry of the accreditation, a reassessment of the verification company shall be carried out. Renewal of accreditation will be based on the verification company's performance during the preceding accreditation period(s).  The verification company <b>shall</b> not engage in verification activities with the same facility for a period of more than six consecutive years.

## 2.2 Requirements for lead verifiers and independent reviewers

### 2.2.1 Role specific requirements for lead verifier and independent reviewer

To ensure the robustness of the verification, those accredited as lead verifier or independent reviewer **shall** hold a managerial role within the verification company which includes responsibility for oversight of project delivery.

A lead verifier **shall** have either:

- i) performed verification of Scope 1 GHG emissions<sup>1</sup> on at least three (3) completed verifications<sup>2</sup> at a reasonable level of assurance over the past four (4) years, **or**
- ii) have completed a minimum of one (1) verification engagement of Scope 1 GHG emission reporting at a reasonable level of assurance as lead verifier under a carbon pricing scheme or

<sup>1</sup> GHG emissions verified can be either as part of an official emissions trading or carbon pricing scheme, or as part of voluntary assurance of non-financial disclosures, including Carbon Disclosure Project, ISO 14064 disclosure compliance, and sustainability reporting, but must include Scope 1 emissions

<sup>2</sup> For the purposes of accreditation, a completed assurance or verification engagement is defined as any engagement where an assurance opinion and statement is issued

regulatory GHG Measuring, Reporting and Verification (MRV) scheme, in a jurisdiction specified by NEA within the past three (3) years.

A lead verifier **shall** be able to demonstrate the following:

- i) Experience in planning and conducting verification activities including assessment of sampling methodology, data and control activities, conducting risk assessment and determining materiality and overall audit confidence level;
- ii) Knowledge of industrial GHG related processes and measurement and the potential GHG emission sources in order to understand the ER, and draw accurate and meaningful conclusions from observations, facility documentation and relevant literature;
- iii) Knowledge of international GHG standards (i.e. IPCC guidelines on treatment of emissions sources, GHG Protocol) and Singapore's M&R regulations and guidance;
- iv) Experience in identifying misstatements and non-conformities in ER;
- v) Effective communication of the verification process, requests and findings to the client;
- vi) The ability to assess the scope of verification activities required in order to reach a reasonable level of assurance and assign sufficient resources to the verification team;
- vii) The ability to assess the skills of verification team members in order to assign appropriate verification activities and functions to team members, and contract appropriate technical experts where necessary;
- viii) The ability to oversee and manage the verification process and reporting, having sufficient knowledge to assess the quality and completeness of verification activities performed;
- ix) The knowledge to assess compliance with verification regulations and guidelines, including activities performed by the verification team members including technical experts (if applicable).

As the roles and therefore required skillset of the lead verifier and the independent reviewer (outlined in Section 3.3.3 of the V&A Guidelines Part I: Verification Requirements for the Emission Report) are different, an independent reviewer **shall** either qualify as a lead verifier (as detailed above), **or**

- i) have performed within the past four (4) years independent review of at least three (3) completed verification engagements<sup>3</sup> at reasonable level of assurance, and at least one (1) verification of scope 1 GHG emissions; and
- ii) **shall** be able to demonstrate the following:
  - i) Experience in reviewing or planning and overseeing verification activities including sampling methodology, data and control activities, risk assessment and materiality, and overall audit confidence level;

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<sup>3</sup> Could be in financial auditing

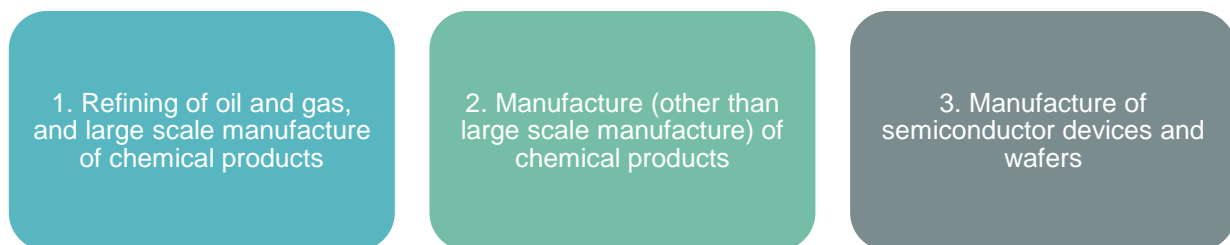
- ii) Sufficient understanding of industrial GHG related processes, GHG measurement, and potential GHG emission sources in order to understand the verified information and data;
- iii) Knowledge of international GHG standards (i.e. IPCC guidelines, GHG Protocol) and Singapore’s M&R regulations and guidelines;
- iv) Experience in identifying misstatements and non-conformities in verification report;
- v) Experience in ensuring compliance of the verification activities performed by the verification team members, including TEs (if any), with the verification regulations and guidelines and the verification company’s internal policies and procedures for providing verification services.

### 2.2.2 Additional requirements for complex-sector accreditation

Facilities in certain sectors involve complex industrial processes with several GHG emission sources, which will require more specific knowledge and experience to understand. Three complex sectors have been identified in Figure 2. NEA will inform if a facility requires complex sector verification and will assign the facility to one of the three complex sectors.

In order to conduct verification activities for facilities in complex sectors, a verification company **shall** have achieved complex-sector accreditation in addition to its general accreditation. This can be done either (i) at the time of initial accreditation or (ii) after the initial accreditation as a separate application for extension of scope of accreditation (refer to Section 3.5).

*Figure 2. Complex sector accreditation*



In order to be accredited to perform verification of emissions for facilities within one of these complex sectors, a verification company **shall** be able to demonstrate that it has at least one verification team member with sufficient knowledge of that sector. This team member **shall** be part of the verification team conducting verification for the complex sectors and **shall** have either:

- i) performed verification activities on at least three (3) completed verifications of GHG emissions for facilities **within the sector** at a reasonable level of assurance over the past four (4) years, **or**
- ii) sufficient demonstrable industry experience within the sector, which **shall** include a detailed understanding of the operational activities typically undertaken in facilities within this sector.

Although the complex sector knowledge does not necessarily need to reside in the lead verifier, the lead verifier **shall** have a broad understanding of the knowledge and experience of industrial GHG related processes and measurement within which the facility operates and the potential GHG emission sources.

The member of the verification team with the complex sector knowledge **shall** demonstrate the following experience/expertise of the relevant complex sector that they are seeking accreditation in, including but not limited to the following:

- i) Industrial GHG related processes and measurement for the industry within the complex sector which the facility operates and the common potential GHG emission sources, and ability to understand relevant facility documentation and literature;
- ii) Relevant chemical reactions and engineering processes within the sector, including reactors, heat exchangers, flue gas and wastewater treatments;
- iii) Potential sources of emissions from fuels (conventional or alternative), feedstock (raw materials or secondary feeds), product and waste streams;
- iv) Monitoring equipment or calculations, including emission control equipment, measurement uncertainties, determination of emission factors, use of stoichiometric ratios and carbon content, common elements of mass balance methodologies, and allocation of emissions in the case of co-generation.

### 2.2.3 Subcontracting Technical Experts (TEs)

If needed, the verification team can subcontract a technical expert (TE). The role of the TE is to supplement the verification team with detailed information on certain specific process of the facility where the verification team lacks technical expertise, knowledge or experience in. The subcontracted TE **shall** not be used for the verification company to gain complex sector accreditation. The TE role can be subcontracted outside of the corporate group.

## 2.3 Requirements for Verification Company

In applying for accreditation by NEA, the verification company **shall** demonstrate that it has the following in place:

*Table 1, Requirements for the verification company*

Requirement	Details
<b>Presence in Singapore</b>	A Singapore-connected person who maintains premises in Singapore where it keeps its records for the verification engagements conducted in Singapore. This can either be: <ul style="list-style-type: none"> <li>i) A citizen or permanent resident of Singapore</li> <li>ii) A body corporate incorporated in Singapore; or</li> <li>iii) An unincorporated body established in Singapore</li> </ul>



<b>Deployment of personnel</b>	A minimum of two (2) employees who are eligible to be accredited for the roles of lead verifier and independent reviewer.
<b>Policies, mechanisms and systems in place</b>	<b>Impartiality</b> – Mechanisms to assess, maintain and document impartiality, independence and objectivity, including identifying and minimising risk from conflicts of interest (Refer to Section 2.3.1)
	<b>Managing competencies</b> - Mechanisms to assess, maintain and develop competence, including recruitment, technical training and ongoing performance evaluation (Refer to Section 2.3.3)
	<b>Project management</b> – Procedures and policies in place to ensure that the verification activities can be completed on schedule, and the Emission Report from the facility can be submitted to NEA before the submission deadline
	<b>Record keeping</b> - Procedures and document management systems that ensure confidentiality and document retention requirements for a minimum of five (5) years.
	<b>Appeals and complaints</b> - Procedures and policies in place for addressing revisions, appeals and complaints from the facility

**2.3.1 Requirements for Ensuring Independence**

The verification company **shall** demonstrate that it has sufficient systems in place at the organisational level to ensure it meets the following requirements in order to safeguard its independence and objectivity when performing GHG verifications:

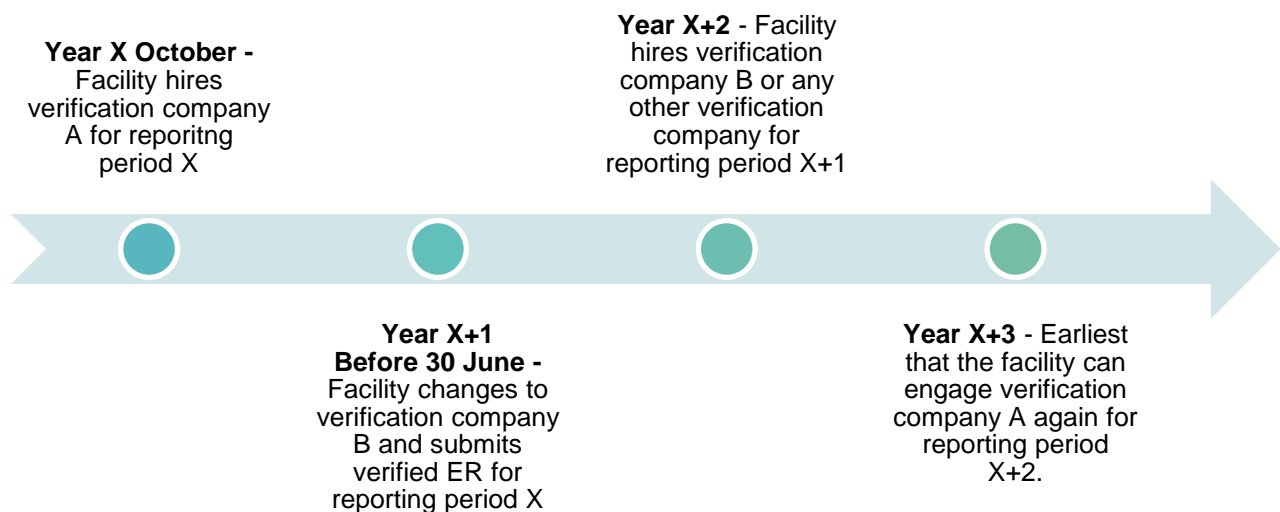
*Table 2. Requirements for ensuring independence*

<b>Verification company</b>	The verification company and the corporation shall be legally and financially independent and shall not have common ownership, governance, management, personnel or resources, including non-executive directors and board membership. The corporation shall not be in a position to influence the outcome of the verification engagement undertaken by the verification company.
<b>Personnel involved in verification</b>	No personnel involved in the verification process <b>shall</b> have a financial or other interest (namely holding shares) of the corporation. All those performing verification activities <b>shall</b> not have been, within the previous two (2) years, (i) employed as staff of the corporation involved in any GHG emissions related work, or (ii) engaged in consultancy or technical assistance related to the preparation of MP and ER with any facility owned by the corporation.

To ensure independence, the verification company **shall** ensure it does not perform verification for a given reporting facility for a period of more than six (6) consecutive reporting periods. The verification company may resume verification services for the previous facility for which it has performed verification for six (6) consecutive reporting periods if there is at least one reporting period for which the verification is performed by another verification company.

If the facility changes verification company before the completion of a verification engagement, but later decides to return to the previous verification company, the facility would have to complete at least one full reporting period (after the reporting period for the uncompleted verification engagement) with a different verification company before the facility is able to return to the original verification company. E.g. If facility hires verification company A to verify its ER for reporting period X, and decides to change to verification company B before the completion of the verification engagement, the facility has to complete verification for at least one full reporting period with verification company B or another verification company before it can go back to verification company A (for reporting period X+2 earliest). Refer to Figure 3 below:

*Figure 3. Timeline for uncompleted verification*



### 2.3.2 Engaging lead verifier or independent reviewer from within the corporate group

Verification companies **shall** only supplement their local verification capabilities with lead verifiers and independent reviewers employed within their corporate group. Such lead verifiers and independent reviewers supplemented from within its corporate group must be accredited by NEA as part of the verification company's accreditation. The Singapore registered verification company remains ultimately responsible for any non-compliance with the MRV Regulations and the V&A guidelines.

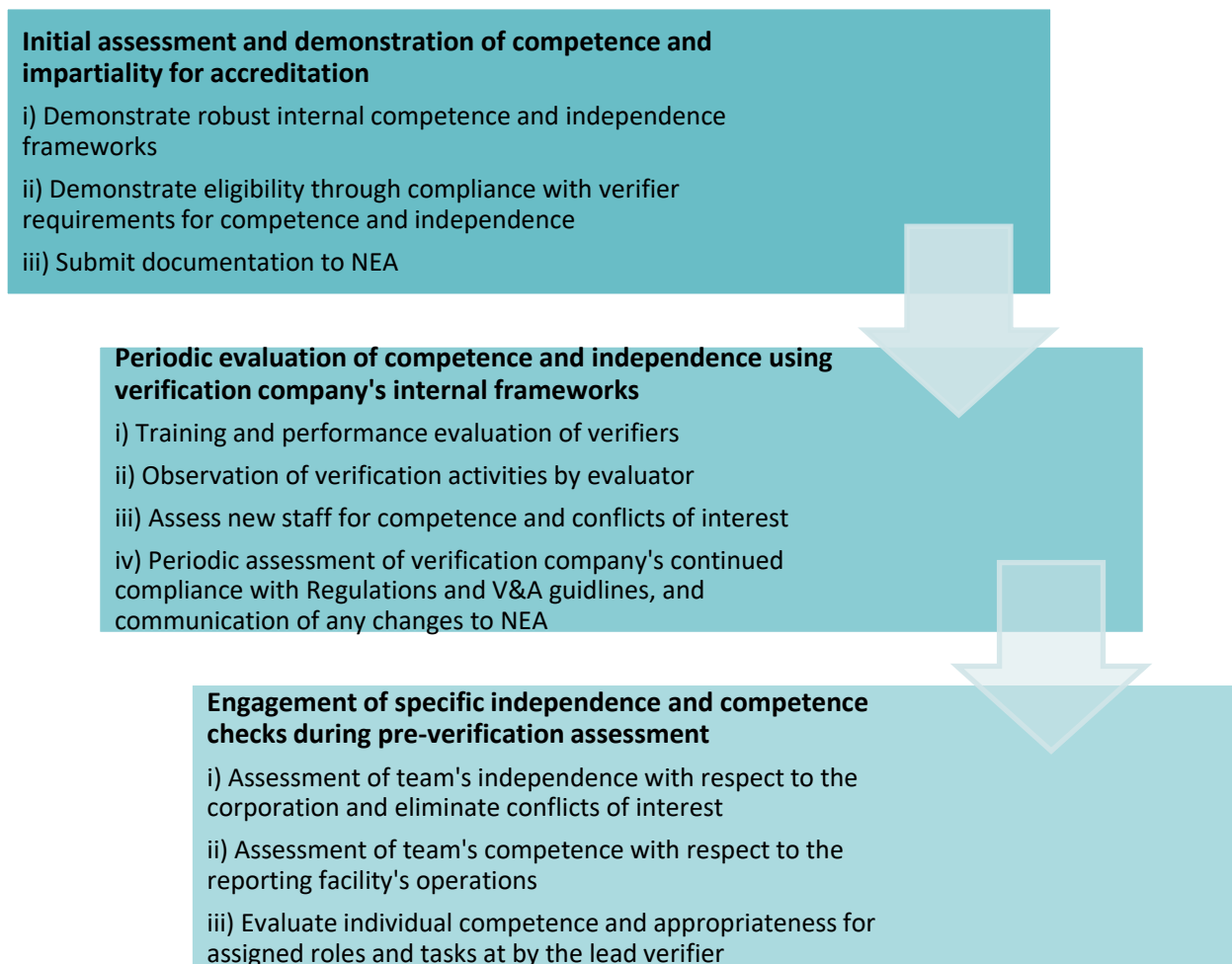
### 2.3.3 Independence and Competence Frameworks

Although accreditation is granted to the verification company as an organisation, it is closely linked to the individual verifiers whose independence and competence form the basis of the application. The verification company **shall** assess the independence and competence of all those involved in verification activities against the general and role specific criteria specified in the Accreditation guidelines on an ongoing basis.

If it is found through continuous evaluation that the verification company no longer meets the minimum independence and competence requirements for its scope of accreditation, the verification company **shall** take steps to rectify non-compliance and notify NEA within seven (7) working days after the discovery of the non-compliance. The verification company shall suspend all verification activities under the verification engagement until such time as the non-compliance is resolved; and notify NEA of the resolution of non-compliance within seven (7) working days after the resolution.

Figure 4 below describes the three stages for the ongoing evaluation and maintenance of competence, performance and impartiality.

*Figure 4. Stages for the ongoing evaluation and maintenance of competence, performance and impartiality*



A comprehensive competence framework **shall** be developed by the verification company which **shall** comprise, but is not limited to, the following:

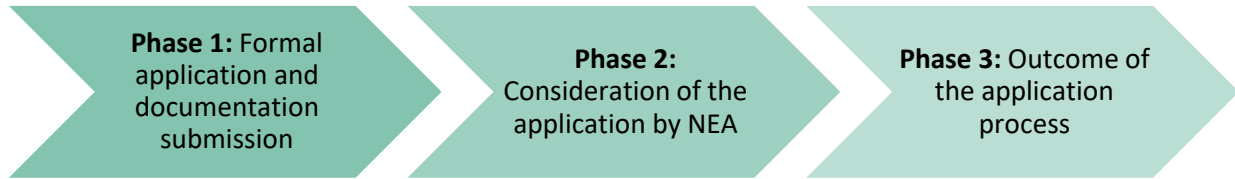
- i) internal auditing or observation procedures of verification activities,
- ii) process for carrying out full evaluation for new personnel;
- iii) documenting the competence of individuals including
  - a) periodic performance evaluation and feedback, and criteria for promotion,
  - b) reassessment against competence criteria,
  - c) training and mentoring received by verifiers,
  - d) the number of completed GHG verifications the verifier has contributed to or observed and in which sectors,
  - e) any additional qualifications of accreditations gained in the time since the last assessment.

A comprehensive independence framework **shall** be developed by the verification company to ensure independence is maintained and conflicts of interest are eliminated.

The verification company **shall** regularly update its independence and competency framework and make the document available for NEA's surveillance checks.

### 3. Accreditation Process

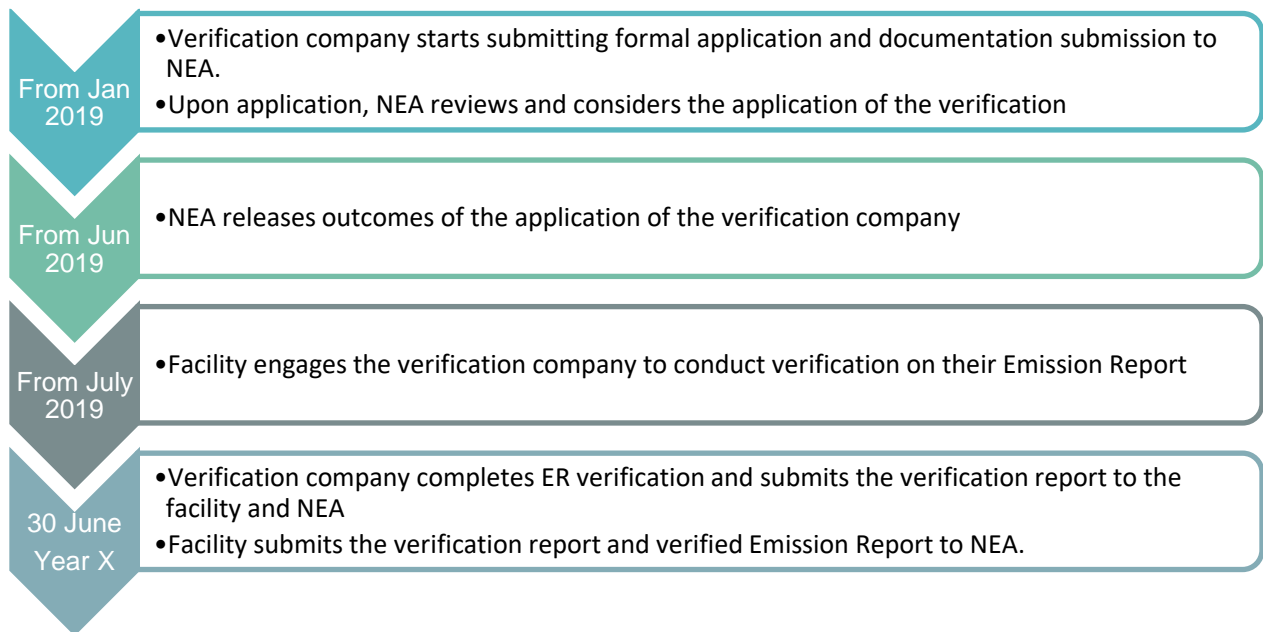
This section outlines the procedure for completing an accreditation application to NEA for providing third-party verification services of the ER under the CP Act. The application for accreditation comprises three phases:



#### 3.1 Recommended timeline for accreditation application

To ensure that the verification company is accredited prior to any verification engagement, verifiers are encouraged to submit their formal application and documentation early. NEA will inform companies of the outcome of the application within 30 days after NEA has received a complete document submission and concluded interviews and premises visit (if necessary). The time taken for accreditation process for new verifiers depends on the degree of the verifier’s preparedness for accreditation (completeness and quality of documents submitted, attendance of key personnel for interviews, ease of access of information during site visits etc.). Please see Figure 5. for the recommended timeline for accreditation application.

Figure 5. Recommended timeline for accreditation application



## 3.2 Phase 1: Formal application and documentation submission

Any verification company seeking accreditation **shall** use the application form and supporting documents checklist on the NEA website.

### 3.2.1 Documentation requirements for verification companies

The verification company **shall** establish and provide evidence of its compliance with the requirements outlined in Section 2.3 order to achieve accreditation. The following documentation **shall** be submitted to NEA:

- i) Proof of ACRA registration certificate or certificate of incorporation, and physical presence in Singapore and description of legal status of the verification company (or appointed agent of service in Singapore), including owners or those with controlling interest
- ii) Description of organisation structure, identifying lines of authority and those with overall responsibility for:
  - a) development and implementation of policies
  - b) finances
  - c) quality of verification activities and verification statements,
  - d) contractual arrangements
  - e) resolution of appeals and complaints
- iii) Proof of internal quality controls and internal audit, including scope, framework and methodology of audits, date of upcoming planned audits and audit reports for the previous three years, or since registration, where applicable
- iv) Proof of administrative procedures for document control including maintaining confidentiality and document retention system
- v) Independence framework for assessing independence and conflicts of interest, including new personnel and contractors
- vi) Competence framework for assessing verification personnel and contractors, including relevant timescales and procedures for performance evaluation, monitoring, training and promotion, as well as description of recruitment process
- vii) Code of conduct document where applicable
- viii) Disclosure of any judicial proceedings, enforcement actions or non-compliance filed against the organisation in the past five years relating to verification, auditing or certification activities

The verification company that is accredited and compliant under an overseas accreditation body for other regulatory GHG MRV scheme wishing to seek accreditation in Singapore **shall** also include the following documents to support their submission:

- i) Current certificate or proof of accreditation (or equivalent) from overseas accreditation body

- ii) Date of initial accreditation and proof of continued compliance since that date or disclosure of any previous non-compliance, suspension or withdrawal of accreditation
- iii) Number and nature of verification engagements completed in the relevant overseas jurisdiction

NEA reserves the right to require additional documentation as required; the verification company **shall** provide the additional information within ten (10) working days of a written request.

### 3.2.2 Documentation for assessment of lead verifier and independent reviewer competence

The verification company **shall** submit documentation to NEA in order to demonstrate the competence of lead verifiers and independent reviewers.

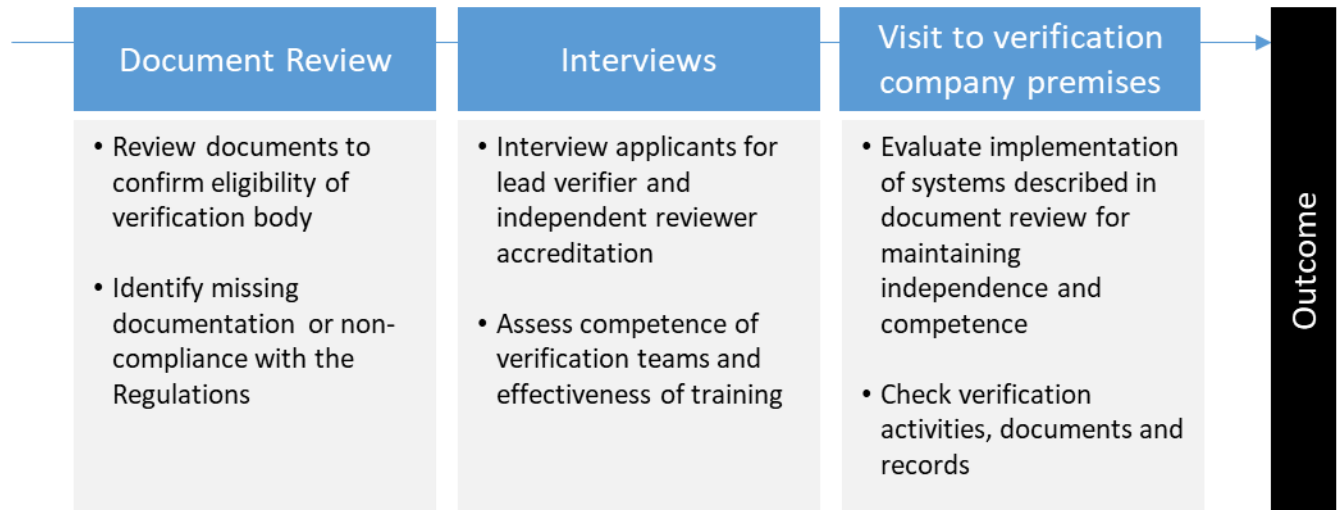
The submission requires a list of all GHG verification personnel seeking accreditation as lead verifier and/or independent reviewer, and therefore responsible for the quality of verification activities, detailing:

- i) Full legal name,
- ii) Role, designation and seniority within the organisation,
- iii) Educational qualifications with original or certified copy of degree certificates (or equivalent),
- iv) Relevant employment history and work experience to demonstrate that they can (i) perform the roles and responsibilities in Sections 2.2.1, (ii) have met the requirements in Section 2.2.2 for complex-sector accreditation, with evidence demonstrating completion of significant and relevant facility-level Scope 1 GHG verification activities (nature, scope, length and complexity of verifications)
- v) If available, reference letter from a facility or corporation for which the lead verifier has conducted verification services,
- vi) If applicable, overseas accreditation or previous accreditation as a lead verifier by NEA with another verification company.

### 3.3 Phase 2: Assessment by NEA

The assessment of the application carried out comprises three stages:

Figure 6. Assessment of application for accreditation



#### 3.3.1 Document review

After the formal application and document submission by the applicant, NEA shall review the documents to ensure that the (i) verification company, and (ii) both lead verifier and independent reviewer have met the requirements laid out in Section 2.2 for lead verifiers and independent reviewers and Section 2.3 for the verification company. NEA may contact the applicant for clarification or request for additional documentation.

#### 3.3.2 Interviews

After the document review, NEA shall interview the lead verifier and independent reviewer applicant(s) to assess that they have (i) the competence to carry out verification and (ii) sufficient knowledge to perform the verification in line with the Regulations and V&A guidelines.

If complex-sector accreditation has been requested, the additional competence and experience requirements will be evaluated along with general accreditation at each of the three stages of assessment. Any team member with the complex-sector knowledge who is not seeking accreditation as the lead verifier will also be interviewed.

#### 3.3.3 Visit to verification company premises

If necessary, NEA shall pay a visit to the verification company's premises to check a representative sample of the verifier's documentation, implementation of the competency framework and independence framework.



During the premise visit, NEA may check the following:

- i) Whether the verifier is maintaining adequate records;
- ii) Whether the competence framework (selecting the verification team, assessment of the lead verifier, adequate training of staffs, competence of trainers, continuous monitoring of verifiers etc.) have been established, implemented and documented, and whether they are working properly;
- iii) verification planning process;
- iv) independent review process;
- v) Whether the independence framework have been established, implemented and documented, and whether they are effective
- vi) Whether the internal verification documentation provides a proper data trail of the verification activities that were carried out by the verification company

### **3.4 Phase 3: Accreditation outcome**

The verification company will be notified of the accreditation outcome by an official letter within 30 days after NEA has (i) received a complete document submission, (ii) concluded interviews and (iii) if necessary, conducted a visit to the verification premises.

The following information of the accredited verification company will be posted on NEA's website:

- i) Registered name of verification company
- ii) Scope of accreditation (e.g. general accreditation or complex-sector accreditation)
- iii) Term of validity of accreditation

The verification company may from the date of accreditation onwards engage in Emission Report verification activities under the Carbon Pricing Act. The validity period of the accreditation **shall** be for a period of three (3) years from the date of accreditation.

An accredited verification company may request to voluntarily withdraw its accreditation by providing a written notice to NEA.

### **3.5 Extension of scope**

An accredited verification company with a general scope of accreditation may apply to have this extended to a complex sector accreditation at any time. As the majority of the information has already been

reviewed and assessed by NEA during the initial accreditation, the verification company need only submit documentation relevant to the requirements for complex sector accreditation (assessing the competence of the verification company's staff applying for complex-sector accreditation)

### **3.6 Reporting of significant changes by verification company**

Where there have been changes to the information submitted during the previous accreditation assessment that may affect compliance with the Regulations or compel a review of the accreditation status of the company, the verification company **shall** be required to inform NEA within seven (7) days.

Significant changes requiring NEA notification include, but are not limited, to the following:

- i) Withdrawal, scope reduction or suspension of accreditation by another accreditation body
- ii) Changes to legal status or ownership
- iii) Instances of regulatory non-compliance or judicial proceedings filed against the organisation
- iv) Significant changes in management structure or procedures which may affect the oversight of the verification quality of verification activities or result in non-compliance
- v) Loss of any accredited lead verifier, independent reviewer or complex-sector expert
- vi) Any circumstance that may render any lead verifier, independent reviewer or complex-sector expert unable to perform the verification based on the Regulations.

Based on the information provided by the verification company, NEA may request for further documents, a visit to the verification company and/or interview(s) with the verifiers.

If the change does result in non-compliance, NEA will determine a reasonable timeline for corrective measures and may suspend accreditation pending their completion. If the verification company does not correct non-conformities in the allotted time, this may result in penalties.

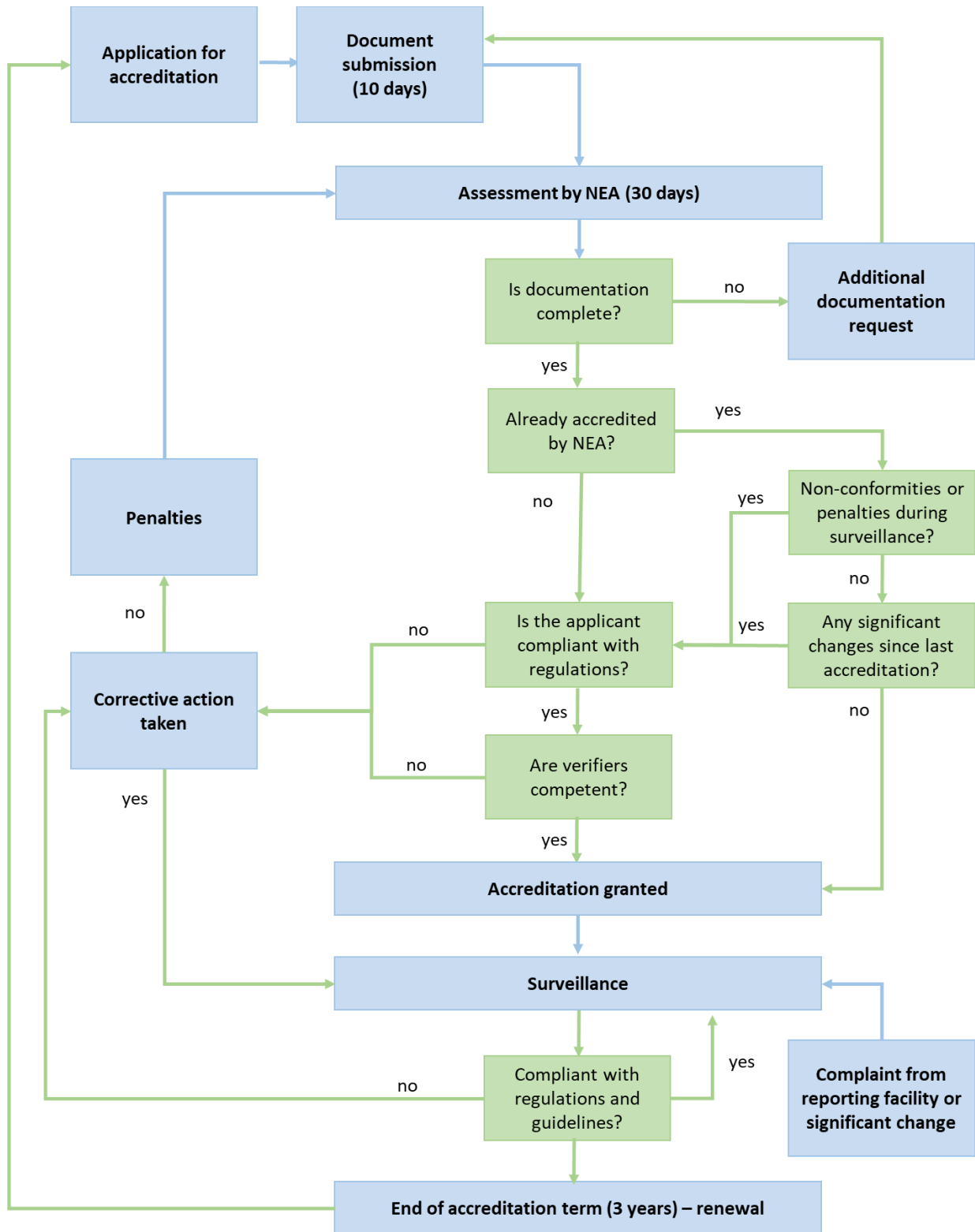
### **3.7 Reassessment for renewal of accreditation**

To continue the accreditation, all verification companies **shall** undergo a full reassessment no longer than three (3) years after the current accreditation was granted. Before the expiry of the current accreditation, the verification company will have to reapply to NEA to extend the accreditation. Verification companies **shall** initiate this reassessment application at least 90 days prior to the expiry of the current accreditation to ensure continuity.

For the reassessment of the verification company and lead verifiers, NEA will follow the same three stages as in the initial accreditation process outlined in Section 3.3, to check whether the accreditation can be renewed. The requirement for document and information submission are the same as listed in 3.2.1. To facilitate the reassessment, the applicant **shall** indicate any changes since the previous assessment.

Figure 7 is a diagrammatic representation of considerations by NEA when assessing applications for accreditation or renewal and the resulting actions and requirements on the part of the verification company.

Figure 7. Assessment for accreditation and renewal



## 4. Compliance and enforcement

### 4.1 Surveillance

After the accreditation has been granted, the verification company **shall** be subject to regular surveillance by NEA to ensure the competence of the verification company and that the verification company has continued to comply with the Regulations. The surveillance activities may include:

- i) visits to the verification company's premises;
- ii) witness audits

#### 4.1.1 Visits to the verification company's premises

NEA may carry out a visit to the premises of the verification company to check a representative sample of the internal verification documentation, implementation of the independence and competence framework and the procedures and processes required to carry out verification objectively and correctly. The verification company shall be able to justify any conclusions made during any verification engagement that it had undertaken.

#### 4.1.2 Witness audit

At its discretion, NEA may carry out witness audit(s) to observe how a verification is conducted to assess the competence and performance of personnel involved in the verification. NEA may observe any stage of the verification activities including planning, meetings, calls, data sampling, and site visits to the facility<sup>4</sup>. NEA may interview any verification team member or verification company's personnel, including contracted TEs.

NEA will indicate to the verification company what NEA would like to witness (e.g. which site visit to witness, which activities and documents to review etc.). The verification company shall make the arrangements for witness audits at their premises or at the facility and offer their full cooperation during the audit. The verification company shall also provide NEA with access to all relevant documents (e.g. contract with the facility, verification plan and any other relevant documents) that NEA deems necessary to assess the competence and performance of the verification team.

The verification company **shall** take corrective actions if any non-conformities are found during the witness audits, and may be subject to penalties if these non-conformities are not corrected.

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<sup>4</sup> The verification team shall submit a notice of site visit to NEA at least one (1) week prior to the scheduled site visit to the facility. Refer to Greenhouse Gas (GHG) Emissions Verification and Accreditation Guidelines Part I: Verification Requirements for the Emission Report Section 6.3.

## 4.2 Penalties

The decision to enforce penalties will be at the discretion of NEA and will depend on the type, frequency and nature of the infringement(s). There are three types of penalties that can be imposed on an accredited verification company if it is found to be non-compliant with the Regulations and the V&A requirements:

- i) Suspension;
- ii) Reduction of scope; or
- iii) Complete revocation of accreditation.

If penalties are imposed which prohibit the verification company from providing verification services to a facility, the verification company **shall** notify, within five (5) working days, all affected reporting facilities to whom it is providing verification services.

*Table 3. Potential penalties on verification company*

<b>Penalty</b>	<b>Restrictions and duties of verification company</b>
<b>Suspension</b>	<p>During suspension, the accreditation is temporarily invalid, in full or for part of the scope of accreditation which has been suspended. The verification company maintains its accreditation but is not allowed to carry out verification services in the suspended area during the time it is suspended, pending a review or investigation by NEA. Once the suspension is terminated, verification activities can be resumed.</p> <p>For example, if a verification company loses its only lead verifier, it must find a suitable replacement before it is able to continue verification services.</p>
<b>Reduction of scope</b>	<p>A scope reduction implies that the accreditation is revoked for only part of the scope. This means that the verifier maintains accreditation for general verification and any other complex sector scope(s) but loses accreditation for the specific scope that was invalidated.</p> <p>For example, a verification company has accreditation for complex sector 1, but loses its expert for that complex sector. During this period before they replace an expert for complex sector 1 and seek NEA's approval, the accreditation for the complex sector 1 would be invalid. The verification company would still be able to do verification for the non-complex sector facilities and any other complex sector that they have been accredited for.</p>
<b>Complete revocation of accreditation</b>	<p>In the case of the accreditation being revoked, the accreditation is cancelled in full, meaning the verification company loses its accreditation and cannot carry out any verification services. Complete revocation of accreditation may occur in cases where the verifier has committed a serious breach of the guidelines or Regulations, or has repeatedly failed to meet the requirements.</p>