

National Carbon Offset Standard Carbon Neutral Program Independent Audit Report

Oak Flats Bowling & Recreation Club Ltd FY 2015/16



Australian Government
Department of the Environment

SECTION 1: Audit Statement and Audit Findings

Organisation Being Audited

Organisation Name	Oak Flats Bowling & Recreation Club Ltd
Contact person	Matt OHara
Position title	Chief Executive Officer
Telephone number	02 4256 1444
Email address	MOHara@ofbrc.com.au
Street address	1 Kingston Street Oak Flats

Carbon Neutral Certification Type

Type of certification (tick all applicable)	Organisation <input type="checkbox"/> Product/service ✓ Part of organisation <input type="checkbox"/> Event
Description of organisation	Medium-sized not-for-profit club
Initial or periodic audit (every two years)	Periodic Audit

Auditor Information

Name of audit organisation	Pangolin Associates
Name of lead auditor	Christopher Wilson
Telephone number	02 8005 6308
Email address	Chris.wilson@pangolinassociates.com

NCOS Requirement	Confirmation and provide evidence
Lead auditor's NGER registration number	RGEA 0104/2010
Is the auditor accredited to the international standard ISO 14065:2007?	No

Pangolin Associates confirms that we are not aware of any actual or perceived conflict of interest in having completed this engagement.

Christopher Wilson confirms that he has not carried out more than four (4) previous consecutive audits for Oak Flats Bowling & Recreation Club.

Scope of Audit

Pangolin Associates has been engaged to undertake an independent audit of Oak Flats Bowling & Recreation Club's compliance with the National Carbon Offset Standard and the National Carbon Offset Standard Carbon Neutral Program Guidelines, in order to maintain certification under the Carbon Neutral Program (CNP).

Christopher Wilson of Pangolin Associates conducted the audit in accordance with ISO 14064(3), which we confirm is as robust as the auditing standards specified in the NCOS. The audit has been planned and performed in accordance with the proposal approved by the participant to enable me to provide reasonable assurance regarding Oak Flats Bowling & Recreation Club's:

- Greenhouse Gas Inventory, Emissions Management Plan, Annual Report and Public Disclosure Summary are, in all material aspects, in accordance with the requirements defined in the NCOS.
- Scope 1 and 2 emissions have been verified to a reasonable level of assurance, with scope 3 emissions verified to a limited level of assurance, fulfilling the requirements recommended in the NCOS guidance on acceptable levels of verification.

NCOS Carbon Neutral Program Participant Responsibilities

The participant is responsible for preparing the NCOS Carbon Neutral Program documentation and for maintaining an effective internal control environment and data management system, including control procedures supporting the inputs into this documentation, in accordance with the requirements of the NCOS and the Guidelines.

Auditor's Responsibilities and Procedures Performed

Pangolin Associates has undertaken the following procedures that are considered appropriate to be able to provide a reasonable level of assurance (with the exception of scope 3 emissions for organisations that are only required to be audited to a limited level of assurance):

A broad summary of procedures undertaken is listed below:

- Sample testing of source data;

- Confirmation that calculations are correct;
- Discussions with relevant personnel in relation to systems, procedures, and controls; and
- Observation and review of relevant documentation.

Pangolin Associates did not conduct any audit procedures with respect to the internal control environment and data management system of the applicant as a whole. As such, no assurance is provided on any internal control environment and data management system not associated with preparing the NCOS Carbon Neutral Program documentation.

The results of the audit procedures undertaken are set out in the following sections of the Report.

Inherent Limitations

Due to the inherent limitations in any internal control environment and data management system it is possible that fraud, error, or non-compliance with requirements of the NCOS or NCOS Carbon Neutral Program Guidelines may occur and may not be detected. Further, the audit process was not designed to detect all weakness or errors in the internal control environment and data management system so far as they relate to the scope set out above, as the audit has not been performed continuously throughout the period and the procedures performed on the relevant internal information and data management system were on a test basis. Any extrapolation from this audit to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this Report has been formed on the above basis.

Assurance Statement And Opinion

Reasonable: In our opinion, the participant's Carbon Neutral Program annual reporting documents are, in all material aspects (with the exception of Scope 3 emissions), in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Limited: Based on the procedures performed (as described above), nothing has come to our attention that would lead us to believe that the participant's Carbon Neutral Program annual reporting documents as they relate to Scope 3 emissions, in all material aspects, have not been prepared in accordance with the National Carbon Offset Standard and National Carbon Offset Standard Carbon Neutral Program Guidelines.

Recommendations

- Allow for greater access to the calculation tool used to compile the inventory so that the numbers can be further interrogated
- Include the source of fuel consumption factors used in calculating emissions attributable to employee commuting
- Improve consistency between the emission reduction measures identified in the annual inventory and PDS

- Include source data, calculations and conversion units for waste and refrigerants.

Limitations on Use

This Audit Statement has been prepared for the management of the NCOS Carbon Neutral Program participant and for review by the Department of the Environment, solely for use in relation to the NCOS Carbon Neutral Program. We disclaim any liability for reliance upon this Report by any other party or for any other purpose other than that for which it was prepared.

Confirmation of Audit Findings

Name of lead auditor	Christopher Wilson
Position of lead auditor	Director
Signature of lead auditor	
Date	23/01/2017

SECTION 2: Greenhouse Gas Inventory

Requirement	Finding	Explanation of Finding
Has the GHG Inventory been prepared in accordance with current domestic and international standards?	Yes	The inventory is prepared in accordance with: <ul style="list-style-type: none"> • The GHG Protocol • NGER Act • ISO 14064.1:2006 <i>NCOS 2016 OFBRC GHG Inventory Report v3</i>
Has the time period for the GHG Inventory been clearly stated?	Yes	<i>NCOS 2016 OFBRC GHG Inventory Report v3 - p.1</i>

2.1 Organisation Description and Boundary

Has the GHG Inventory base year been correctly identified	Yes	Base year correctly identified as FY 2012. <i>NCOS 2016 OFBRC GHG Inventory Report v3 - p.12 section 3D</i> <i>NCOS 2016 OFBRC Public Disclosure Summary v2 - p.1</i>
Has the organisational boundary been transparently documented?	Yes	Diagrammatic representation of the organisational boundary provided. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 1C, Figure 1-6, p.p.4-7</i>
Does the organisational boundary accurately reflect the operations undertaken by the organisation/part of organisation?	Yes	The organisational boundary accurately reflects the operations of the organisation. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 1C, Figure 1-6, p.p.4-7</i>
Have all exclusions to the organisational boundary been described and justified?	Yes	Exclusions are justified. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 1C, Figure 2 & 4, p.p.5-6</i>
Have the methodologies used to determine the organisational boundary been clearly identified?	Yes	Operational control identified as method for boundary determination. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 1A, p.2</i>

Requirement	Finding	Explanation of Finding
2.2 Emission Sources		
<p>Have all Scope 1 and Scope 2 sources of emissions from within the organisational boundary been included in the GHG Inventory?</p> <p>This should include emissions from the six GHG's included under the Kyoto Protocol.</p>	Yes	<p><i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, p.p.3-5</i></p>
<p>Have scope 3 emission sources within the established organisational boundary been identified?</p>	Yes	<p>Scope 3 emission sources are identified.</p> <p><i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 1C, Figure 6, p.7</i></p>
<p>Have any scope 3 emission sources been excluded? If so, are the exclusions clearly stated and justified and the impact of the exclusions been considered?</p>	Yes	<p>Excluded scope 3 emission sources are identified.</p> <p><i>NCOS 2016 OFBRC Public Disclosure Summary v2</i></p> <p><i>Diagrammatic representation: Section 1C, Figure 6, p.7</i></p> <p><i>Justification: "Non-quantified sources" p.3</i></p>
2.3 Calculation Methodology and Emission Factors		
<p>Have the sources of all information and activity data been clearly documented?</p>	Yes	<p>Activity data sources have been identified.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, p.p.3-10</i></p>
<p>Have scope 1 and scope 2 emission factors been sourced from the National Greenhouse Accounts Factors?</p>	Yes	<p>Scope 1 & 2 emission factors have been derived from the NGA factors, which are based on those in the NGER (Measurement) Determination.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, p.p.3-5</i></p>
<p>Have scope 3 emission factors been sourced from the most current and appropriate source?</p>	Minor CAR	<p>In employee commute calculation the source of the fuel consumption factor was not provided.</p> <p>Otherwise all Scope 3 emission factors are sourced from current and appropriate sources, including NGA, DEFRA, EPA Victoria, NWC.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, p.9</i></p>

Requirement	Finding	Explanation of Finding
Has the purchase of GreenPower™ and/or the voluntary surrender of GreenPower™ eligible LGCs been correctly taken into account?	N/A	No GreenPower or GreenPower eligible LGCs purchases reported. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – Table 4, p.10</i>
Have any purchases of NCOS certified carbon neutral products been correctly accounted for?	N/A	No purchases of NCOS certified carbon neutral products reported.
Have all assumptions relating to the calculation of greenhouse gas emissions been clearly described and justified?	Yes	Assumptions clearly stated and justified. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3B, Table 5 pp.10-11</i>

2.4 Emissions Calculations

Have the emission calculations been quantified correctly for each emission source?	Yes	Emission calculations quantified correctly for each emission source. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, pp.3-9</i>
Does the sum of all individual emission sources accurately represent the total attributable emissions for the organisation/part of the organisation included within the GHG Inventory?	Observation	We were unable to replicate calculations exactly due to decimal rounding. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3A, Table 3, pp.3-9</i>

2.5 Assessment of Uncertainty

Has uncertainty of scope 1 emission estimates been assessed in accordance with the National Greenhouse and Energy Reporting (measurement) Determination?	Yes	Uncertainty has been estimated following the GHG Protocol methodology, which is referenced in the NGER (Measurement) Determination. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – Section 3C, p.p.11-12</i>
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2.6 Base Year Recalculation Policy

Has the GHG Inventory base year been correctly identified (i.e., the first year for which the GHG Inventory has been completed)?	Yes	Base year correctly identified as FY 2012. <i>NCOS 2016 OFBRC GHG Inventory Report v3 – p.12 section 3D</i> <i>NCOS 2016 OFBRC Public Disclosure Summary v2 – p.1</i>
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Requirement	Finding	Explanation of Finding
<p>Has a base year recalculation policy been included that is consistent with the GHG Protocol and NCOS?</p> <p>Consideration to be given to mergers, divestments, acquisitions, organic growth and decay, insourcing, outsourcing and significance thresholds.</p> <p>NCOS Section 4.2.2 and the GHG Protocol Corporate & Accounting Standard Ch. 5 provide specific guidance.</p>	<p>Yes</p>	<p>The base year recalculation policy is consistent with the GHG Protocol and the NCOS.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 3D, p. 12-13</i></p>

SECTION 3: Additional Information

Requirement	Finding	Explanation of Finding
Is the information contained in the PDS consistent with the Inventory/LCA?	Minor CAR	<p>There is inconsistency in the section on the emissions reduction strategy. Paper reduction is mentioned in the Inventory but not the PDS whereas food waste reduction is noted in the PDS but not the Inventory.</p> <p>Total emissions, emission sources, and description of boundary and excluded emissions, reporting year and offsetting activities are all consistent.</p> <p><i>NCOS 2014 OFBRC GHG Inventory Report v6 (Section 2 p.2)</i></p> <p><i>NCOS 2014 OFBRC PDS v2 (Section 2b p.11)</i></p>
3.1 Emissions Reductions		
Has the emissions reduction strategy been adequately described?	Yes	<p>Emissions reduction strategy focussed on reducing electricity consumption at the Illawara Yacht Club and paper consumption and food waste reduction.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 2, Table 2, p.2</i></p> <p><i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 2A, p.8-11</i></p>
Have reduction measures been considered and documented?	Yes	<p>Reduction measures documented.</p> <p><i>NCOS 2016 OFBRC Public Disclosure Summary v2 - Section 2A, p.8-11</i></p>
Has the estimated quantity of emissions reductions from each emission reduction measure, been stated?	Yes	<p>Emission reduction measures have been quantified.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 2, Table 2, p.2</i></p>
Has the total estimated quantity of emissions reductions been calculated?	Yes	<p>Total emission reduction quantity has been quantified.</p> <p><i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 2, Table 2, p.2</i></p>

3.2 Carbon Offsets

Are offset quantities and the total offsets cancelled consistent with the total emissions?	Yes	Sufficient offsets have been cancelled to cover greenhouse gas emissions. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 (with credits) – Section 4A, p.13</i>
Are the details, including serial numbers and registry, of the offsets provided?	Yes	Offset type and registry provided, serial numbers and quantity also provided <i>NCOS 2016 OFBRC Public Disclosure Summary v2 (with credits)– Section 4A, p.13</i>
Has the quantity of offsets banked for future years been clearly stated?	N/A	No offsets banked for future years. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 (with credits) – Section 4A, p.13</i>
Have details of banked offsets been provided? This should include the offset type and evidence to support the transaction.	N/A	No offsets banked for future years. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 (with credits) – Section 4A, p.13</i>
Are the offset types cancelled deemed eligible under the NCOS?	Yes	Eligible offsets have been purchased and retired. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 (with credits) – Section 4A, p.13</i>
Has the approach for retiring carbon offsets for the reporting period been stated? Including the offset type, name of registry, and whether the participant plans to forward purchase the abatement?	Yes	Offsets are purchased and the end of the reporting period and cancelled after purchase. Additional offsets are retired to allow for a margin of error. <i>NCOS 2016 OFBRC Public Disclosure Summary v2 – Section 4B, p.13</i>
If offsets are used from earlier periods, have these been adequately described?	N/A	No banked offsets are reported from previous years

3.3 Record Keeping

Are record keeping practices adequate?	Yes	Adequate record keeping procedures are in place, and are identical to those in the previous Audit (2014). <i>NCOS 2014 OFBRC EMP v2, Section 4, pp.10-14</i>
Have the records that are required to be maintained been specified? Participants must also include details of NCOS documents in their records management.	Yes	Maintained records are specified. <i>NCOS 2014 OFBRC EMP v2, Section 4, pp.10-14</i>
Has the person that is responsible for establishing and maintaining the records, and their role, been identified?	Yes	The person responsible for establishing and maintaining records and their role have been identified. <i>NCOS 2014 OFBRC EMP v2, Section 4, pp.10-14</i>

3.4 Quality Control Practices

Has a description of the quality control practices that are in place, to ensure that data quality is maintained, been provided?	Yes	Adequate quality control procedures are in place, and are identical to those in the previous Audit (2014). <i>NCOS 2014 OFBRC EMP v2, Section 4, pp.10-14</i>
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3.5 Trade mark use and Marketing

Has a detailed register of the use of the NCOS Trade Mark been provided?	Yes	<i>NCOS 2016 OFBRC Public Disclosure Summary v2 – Section 5, p.14</i>
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3.6 Participant Declaration

Has the declaration been completed and signed?	Yes	<i>PDS 1516 – Signed Document.pdf, p.1</i>
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SECTION 4: Summary of Corrective Action Requests and Observations

Finding	Summary of CAR/ Observation	Reference to Sections Reviewed in Certification Package	Summary of Action Taken to Address the CAR/ Observation
Observation	We were unable to replicate calculations exactly due to decimal rounding (restriction of access to hidden rows and cells prevented this).	<i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 3A, Table 3, pp.3-9</i>	Participant Response: Noted. Auditor Response: No further action required
Minor CAR	Employee Commute uses calculation: Total km commuted x fuel consumption factor = total kL consumed Total kL consumed x Gasoline EC x Gasoline EF <ul style="list-style-type: none"> Source of fuel consumption factor not provided 	<i>NCOS 2016 OFBRC GHG Inventory Report v3 - Section 3A, Table 3,p.9</i>	Participant Response: Noted. We will make sure to address this issue in next year's report. Auditor Response: No further action required. Any variation unlikely to have material impact on emissions statement.
Minor CAR	There is inconsistency in the section on the emissions reduction strategy. Paper reduction is mentioned in the Inventory but not the PDS whereas food waste reduction is noted in the PDS but not the Inventory.	<i>NCOS 2014 OFBRC GHG Inventory Report v6 (Section 2 p.2)</i> <i>NCOS 2014 OFBRC PDS v2 (Section 2b p.11)</i>	Participant Response: Noted. We will make sure to address this issue in next year's report. Auditor Response: No further action required, consistency required to aid transparency.
Observation	Waste and refrigerants – no source data or calculations provided. All assumptions should be clearly stated to improve transparency.	<i>Carbon Data 2016.xls</i>	Participant Response: Noted. We will make sure to address this issue in next year's report. Auditor Response: No further action required. Clearer statements regarding data for these activities should be included to aid transparency
Observation	Working / source not shown for conversion of units of waste	<i>Carbon Data 2016.xls</i>	Participant Response: Noted. We will make sure to address this issue in next year's report. Auditor Response: No further action required.

Clearer workings regarding these calculations should be included to aid transparency

SECTION 5: Documents Reviewed

Name or Description of Document	Document Title / Filename	Author and Date Prepared, and Version if Applicable
GHG Inventory	<i>NCOS 2016 OFBRC GHG Inventory Report v3</i>	Barbara Albert (SBC), Version 3
Public Disclosure Summary	<i>NCOS 2016 OFBRC Public Disclosure Summary v2</i>	Barbara Albert (SBC), Version 2, Signed Document
Emissions calculations - IYC	<i>IYC Inventory for FY1516 SBC v2</i>	Barbara Albert (SBC), Version 2
Emissions calculations - OFBRC	<i>Oak Flats Club Inventory for FY1516 SBC v2</i>	Barbara Albert (SBC), Version 2
Summary of collated data	<i>Carbon Data 2016.xls</i>	Barbara Albert (SBC),
Origin electricity invoices	<i>IYC Origin & OFBRC Origin</i>	IYC: Apr, Feb, Mar 16 & Oct 15 OFBRC: Aug, Jul, Sep 15 & May 16