

NATIONAL CARBON OFFSET STANDARD

INDEPENDENT AUDIT REPORT

SECTION 1 AUDIT STATEMENT AND AUDIT FINDINGS

Organisation being audited

Organisation Name	Brisbane City Council
Street address	Level 8, 266 George Street Brisbane, Qld 4000

Carbon neutral type

Type of certification (tick all applicable)	<input checked="" type="checkbox"/> Organisation <input type="checkbox"/> Part of organisation	<input type="checkbox"/> Product/service <input type="checkbox"/> Event
Description of organisation	<p>Brisbane City Council is the largest local government in Australia. The organisational boundary comprises all services and operations relating to Council operations along with control of subsidiaries including the Brisbane Waste Innovation Alliance, council owned assets, Museum of Brisbane and the City of Brisbane Investment Corporation.</p>	
Initial or periodic audit	Initial	

Audited emissions inventory (2016/17)

Audited Scope 1 emissions	285,376 tonnes CO ₂ -e
Audited Scope 2 emissions	51,563 tonnes CO ₂ -e
Audited Scope 3 emissions	329,896 tonnes CO ₂ -e

Emissions reduced through LGCs	22,796 tonnes CO ₂ -e
Net emissions to be offset	644,039 tonnes CO ₂ -e

Auditor information

Name of audit organisation	Point Advisory
Details of lead auditor	Charlie Knaggs 0448 588 039 charlie@pointadvisory.com
Lead auditor NGER registration	0128/2011
Names of audit team members	Marisa Sanchez Urrea Caoilinn Murphy
Details of peer reviewer	Neil Salisbury 0433 302 453 neil@pointadvisory.com

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

The Lead Auditor, Charlie Knaggs, confirms that he has not carried out more than four previous consecutive audits for Brisbane City Council.

Scope of audit

Point Advisory was engaged to undertake an independent audit of the carbon accounts and other information relevant to Brisbane City Council's (Council's) carbon neutral claim under the National Carbon Offset Standard (NCOS). Council is seeking to obtain certification as carbon neutral for the period 1 July 2017 to 30 June 2018. The carbon accounts for this carbon neutral claim are for the reporting period 1 July 2016 to 30 June 2017.

We conducted the audit in accordance with ASAE 3000. The audit has been planned and performed in accordance with the engagement letter approved by Council to enable us to provide assurance of the carbon accounts and other information relevant to Council's carbon neutral claim. Point Advisory have carried out our assurance engagement in order to:

- Reach a reasonable assurance conclusion as to whether Council's 2016/17 Scope 1 and 2 emissions are presented fairly in accordance with the requirements of the NCOS
- Reach a limited assurance conclusion as to whether Council's 2016/17 Scope 3 emissions are presented fairly in accordance with the requirements of the NCOS
- Reach a reasonable assurance conclusion as to whether the other information relevant to Council's carbon neutral claim is presented fairly in accordance with the requirements of NCOS.

Audited body's responsibilities

Council is responsible for preparing the NCOS reporting documentation and for maintaining an effective internal control environment and data management system, in accordance with the requirements of the NCOS.

Auditor's responsibilities

Our responsibility is to express an opinion on scope of the audit (as stated above), based on the evidence we have obtained.

We conducted our assurance engagement in accordance with the NCOS and the *National Greenhouse and Energy Reporting (Audit) Determination 2009* (NGER Audit Determination) and the *Australian Standard on Assurance Engagements ASAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information*. The NGER Audit Determination and relevant standards require that we plan and perform this engagement to obtain assurance about whether the NCOS inventory and documentation are free from material misstatement, and whether they meet the requirements of the NCOS, in all material respects.

A reasonable or limited assurance engagement, in accordance with the NGER Audit Determination and ASAE 3000, involves performing procedures to obtain evidence about Council's alignment with the requirements of the NCOS. The nature, timing and extent of procedures selected depend on the audit team leader's judgement, including the assessment of the risks of material misstatement or material non-compliance of the matter being audited, whether due to fraud or error.

In making those risk assessments, we considered internal controls relevant to Council's carbon neutral claim to design assurance procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on the effectiveness of Council's internal controls.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Procedures performed

Point Advisory has undertaken a range of procedures that are considered appropriate to be able to provide a reasonable level of assurance over Scope 1 and 2 emissions sources and a limited level of assurance over Scope 3 emissions sources:

The procedures conducted in our reasonable assurance engagement included:

- Undertaking an assessment of the procedures used by Council to determine their organisational boundary
- Interviews with key staff to understand the processes, systems and instruments used to undertake the emissions inventory
- A site visit to the main office to observe and review relevant information
- Conducting a materiality assessment to determine the major sources in the GHG inventory
- Reviewing the compilation of the emissions inventory through a sample of the inventory based on the materiality assessment
- Confirming that a sample selection of calculations and emissions factors used were correct
- Analysing data collation and collection and processing systems to determine their appropriateness and operational integrity.

The procedures conducted in our limited assurance engagement (Scope 3 emissions only) included:

- Review of the calculation methodology applied to Scope 3 sources
- Review of the transcription of data and emissions factors
- Assessing financial ledger data to ensure the completeness of expenditure data in the input-output analysis
- Making enquiries about the methodology used to develop and apply input-output factors to Scope 3 sources.

We also conducted the following general assurance procedures in relation to the NCOS self-declaration:

- Reviewed the Public Disclosure Summary (PDS) to ensure it accurately reflects Council's greenhouse gas inventory and emissions management strategy
- Reviewed the number and type of carbon offsets purchased and surrendered by Council.

Point Advisory 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 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 may occur and may not be detected. Further, the audit process was not designed to detect all weaknesses or errors in the internal control environment and data management system so far as they relate to the scope of audit 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.

Limitations on use

This Audit Report has been prepared solely for use by the management of Council. 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.

Conclusion

In our opinion, in all material respects, the Scope 1 and 2 carbon accounts and other information relevant to Brisbane City Council's carbon neutral claim for the period 1 July 2017 to 30 June 2018 are presented fairly and in accordance with the requirements of the National Carbon Offset Standard. The carbon accounts audited for this carbon neutral claim are for the reporting period 1 July 2016 to 30 June 2017.

Furthermore, based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Scope 3 carbon account relating to Brisbane City Council's carbon neutral claim for the period 1 July 2017 to 30 June 2018 has not been prepared, in all material aspects, in accordance with the National Carbon Offset Standard.

Confirmation of audit findings

Name of lead auditor	Charlie Knaggs
Position of lead auditor	Principal, Energy and Climate
Signature of lead auditor	
Date	13 November 2017