

## Auditors and accountants

### *Auditing*

# Colophon

***Guideline 20 - Auditors and accountants  
Auditing***

*Carbon Footprint in logistics*

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**Connekt/Topsector Logistiek**

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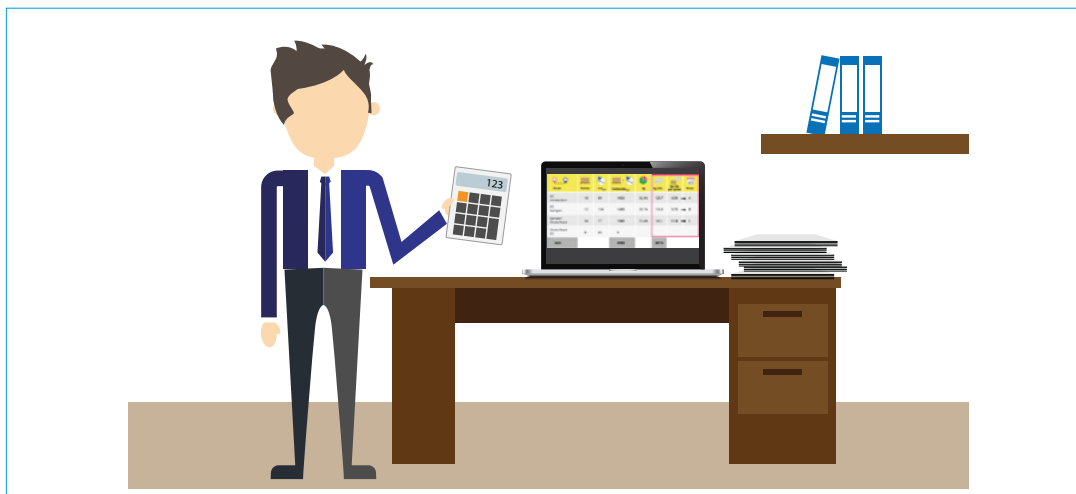
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# Auditors and accountants

## Auditing

This guideline deals with the way in which results are audited when CO<sub>2e</sub> emissions are allocated to cargo.

The more important it becomes to measure CO<sub>2e</sub> emissions per unit of cargo accurately, the greater the demand for auditing of the calculation and results.



Accreditation programs such as Lean & Green Europe were the first to request such audits. The obligation to measure and report on emissions is laid down in the EED (EU Energy Efficiency Directive) and applies in the first instance to larger companies. These companies in turn are requesting information from suppliers. The more important it becomes for a company to report on its emissions accurately, the more likely it is to ask its auditors to provide a well-substantiated report for annual reporting purposes.

This is in anticipation of legal obligations that are due to be introduced: in various countries, such as Germany, CO<sub>2e</sub> pricing will enter into force in the transport sector in 2021. The alternative is the negotiation of a limited quantity of emission rights.

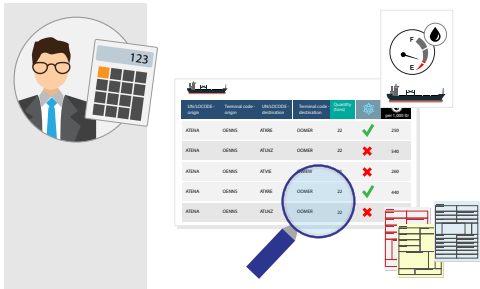
These are all reasons to introduce not only a good calculation method, but also a practical approach for audits by accountants and auditors.

The great thing about the COFRET methodology is that it is easy for auditors to audit the results. With other allocation methods based on the distance driven or sailed, for example, it is extremely difficult (and therefore expensive) or even impossible to pass judgement on the results obtained.

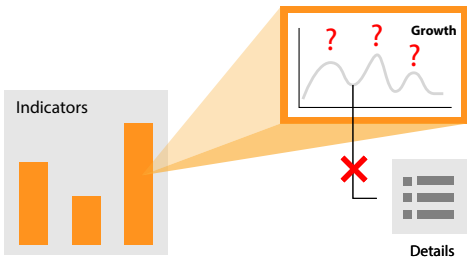
Automation of certification

UN/LOCODE - origin	Terminal code - origin	UN/LOCODE - destination	Terminal code - destination	Quantity (tons)		per 1,000 ttr
ATENA	OENNS	ATKRE	OOMER	22	✓	250
ATENA	OENNS	ATLNZ	OOMER	22	✗	540
ATENA	OENNS	ATVIE	OWIEW	21	✗	260
ATENA	OENNS	ATKRE	OOMER	22	✓	440
ATENA	OENNS	ATLNZ	OOMER	22	✗	350

*In principle, it is possible to perform allocation manually or using a self-produced spreadsheet, as long as the data needed are not excessive. Take the transport of bulk goods by inland vessels, for example: in this case the number of cargoes per vessel per year, as well as the fuel data, are known.*

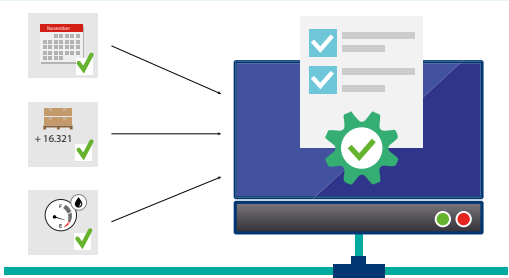


*In such a situation the calculation can also be audited by the company's auditor for an acceptable cost (assuming that the auditor is well informed about the calculation method).*

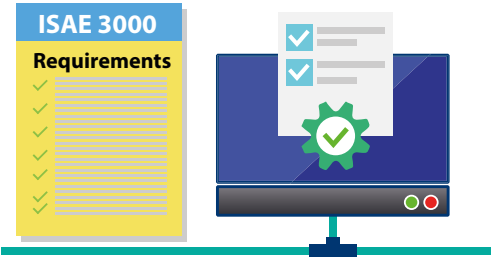


*If larger quantities of cargo or supply chains with several legs are involved, this becomes impracticable. Many other methods of calculating CO<sub>2e</sub> therefore rely on relatively simple approaches involving indicators and on aggregated quantities. A well-trained employee can still perform the calculations in such a case.*

*However, the disadvantage of this approach is that the result is fairly general and does not tell you much. Auditing becomes increasingly expensive, as good knowledge of the essential assumptions and methods is required.*



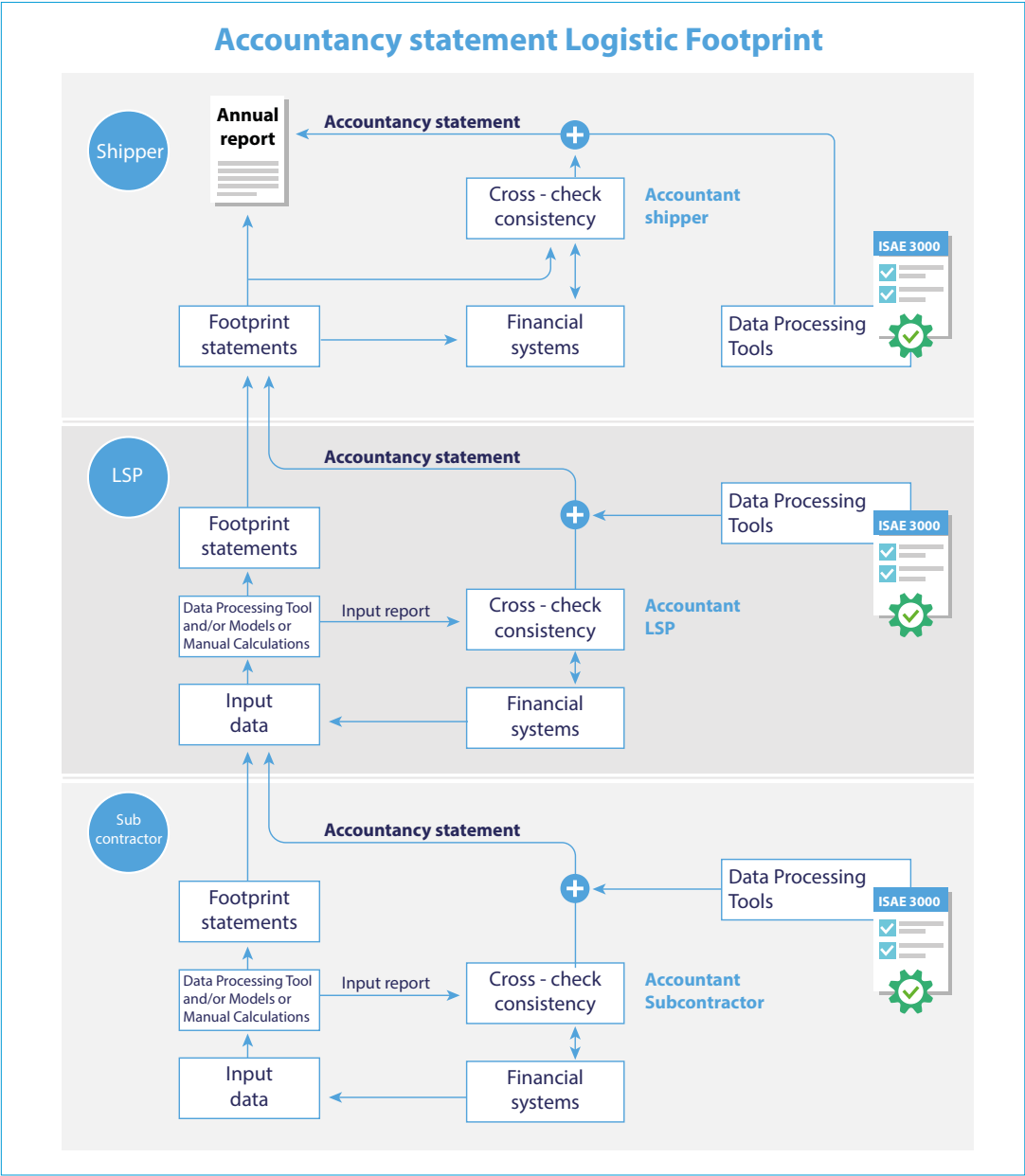
*If allocation is automated on the basis of detailed data and the automation process is certified, auditing can be made much simpler.*



The ISAE 3000 standard sets out how a data-processing instrument (software) can be certified. This means that a specialist auditor checks on a regular basis whether the software is functioning as described.

Chain of unqualified audit opinions

The result is that another auditor (e.g. a transporter’s auditor) can rely on the fact that the ISAE-3000-approved software is functioning properly, and can focus on the accuracy and completeness of the input data. This combination (input is correct and software does what it should) forms the basis for issuing an unqualified audit opinion in respect of the output. Even in cases of extensive outsourcing it is therefore possible to build up a chain of unqualified audit opinions.

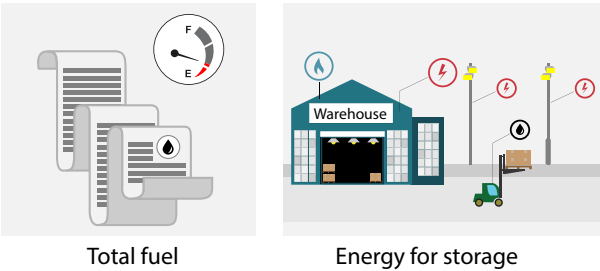


Auditing of input

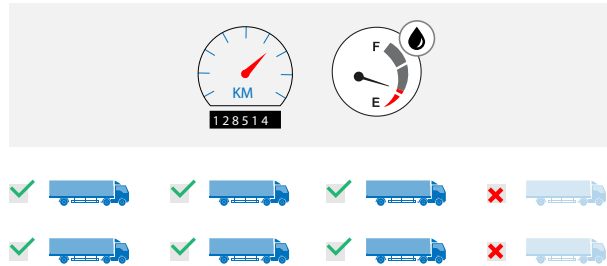
As part of the system of checks carried out in relation to accounting records it is customary to perform all kinds of cross-checks and verify whether totals tally, whichever way they are calculated. If the results tally, you can be virtually certain that there are no material misstatements.



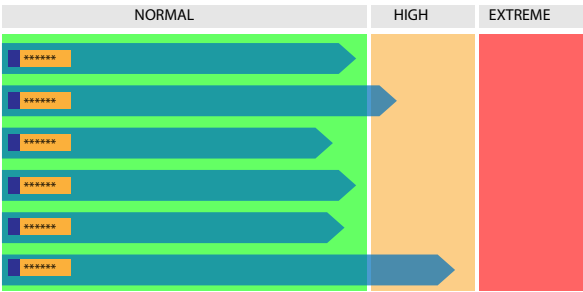
Within the context of transport practice, we are talking about checks that are already needed for annual reports, such as:



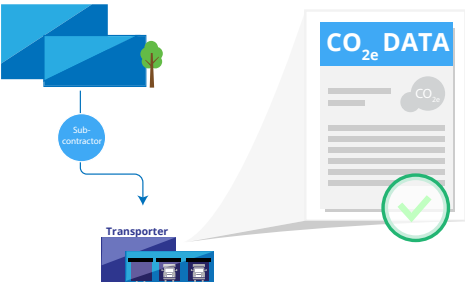
Has the total amount of fuel been included? And has energy for storage been taken into account?



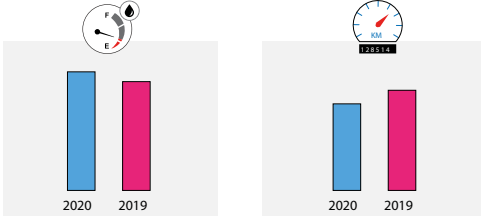
Have all vehicles been included? Are the records of fuel consumption per license plate complete? Are the kilometer records complete?



Is the consumption per vehicle or the average per vehicle type within justifiable limits?

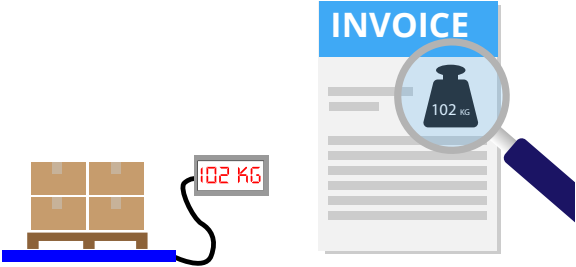


Has all transport purchased from third parties been included: are these CO<sub>2e</sub> data correct or accompanied by an unqualified audit opinion?

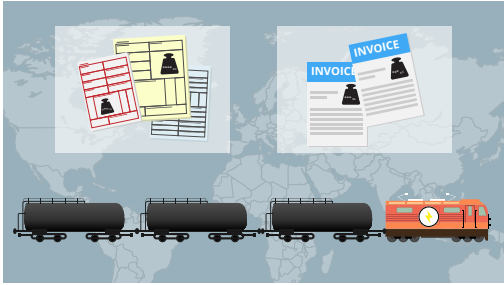


Average consumption per KM      Average trip distance

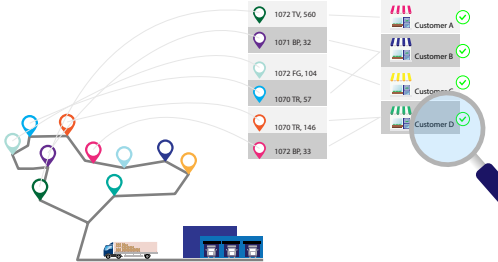
Is the average consumption per kilometer roughly the same in all cases? Are the average trip distances consistent with previous years?



Are all cargoes justified (addition of quantities and weights)? Do these data tie in with the invoices for each customer or the internal transfer price for each internal customer?



Is the quantity of cargo per trade lane, in the event of international transport, justifiable and consistent with invoices and/or purchasing costs?



1072 TV, 560  
1071 BP, 32  
1072 FG, 104  
1070 TR, 57  
1070 TR, 146  
1072 BP, 33

Customer A  
Customer B  
Customer C  
Customer D

*Have all customers and locations been included?*



2020  
2019

*Are the calculated indicators per region or customer consistent with previous years and in justifiable conformity with industry averages?*

Performing this audit at the same time as the audit of the annual report makes it relatively easy for an auditor to issue an unqualified audit opinion in respect of the output. If the audit opinions to be issued and the parameters to be checked are specified, a separate, specialist employee is not needed for this audit.



# Carbon Footprint guidelines

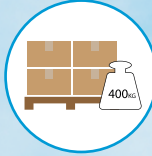
0. Measuring, calculating, allocating and reducing



1. Allocating



2. Cargo



3. Origin and destination



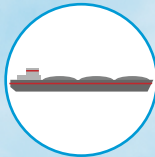
4. Fuel



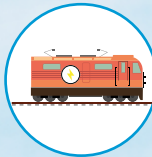
5. Inland shipping - containers



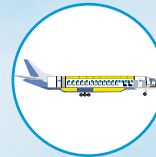
6. Inland shipping - bulk



7. Freight transport by rail



8. Air freight



9. Maritime and short sea shipping



10. Transshipment



11. Storage



12. Parcel transport and post



13. General road transport



14. Perishable and temperature controlled



15. Outsourced transport



16. Repositioning and empty kilometers



17. (Inter)national supply chains



18. Benchmarking



19. Intermediaries and platforms



20. Auditors and accountants



21. Data quality



22. The relationship between social goals and corporate goals

