



## ACCORD AUSTRALASIA PTY LTD

Assurance Engagement for the Accord “Recognised – Environmental Credentials Scheme”

November 2015



## INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF ACCORD PTY LTD

Accord Australasia Ltd (“Accord”) engaged RSM to perform a reasonable assurance engagement in relation to the operations of the ‘*Recognised – Environmental Credentials Scheme*’ (the Scheme), for the period from commencement of the Scheme on 27 October 2011 to October 2015. Specifically, the audit was intended to provide confidence that the process is robust and independent, and free from any potential influence by Accord.

The Scheme consists of two parts:

- a set of criteria (Standard Criteria) defining the characteristics of environmentally preferable commercial cleaning products; and
- a fully independent third-party scientific assessment to determine whether products meet the criteria.

Toxikos Toxicology Consultants (“Toxikos”) was engaged as the third-party assessment body during the audit period.

The application and assessment process flowchart developed by Accord, which formed the audit criteria, has been included as **Appendix 1** of this report.

### Our independence and quality control

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

In accordance with Australian Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, RSM maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Management’s responsibility

Accord’s management is responsible for operating the Scheme and the application process in such a way as to exclude itself from exercising any influence on the assessment process conducted by the independent third party assessor.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the application and assessment process to ensure it is free from potential influence from Accord, in all material respects.

### Our responsibility

Our responsibility is to express a conclusion on Accord’s independence in the application and assessment process throughout the period July 2011 to October 2015. We conducted our reasonable assurance engagement in accordance with Auditing Standard ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This Standard requires that we comply with independence and ethical requirements and plan the engagement in order to perform effectively.

A reasonable assurance engagement is one designed to obtain evidence that the application and assessment process is robust and independent, and free from any potential influence by Accord. The procedures selected to obtain this evidence depend on the practitioner’s judgement, as does the assessment of whether any non-compliance is material.

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

# INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF ACCORD PTY LTD (CONT.)

## Summary of procedures undertaken

The procedures performed in conducting the engagement included:

- held an entry meeting to discuss and confirm procedures to be performed, timing and deliverables;
- obtained an understanding the systems, processes and controls Accord and Toxikos have in place in relation to receiving and assessing applications;
- considered management's processes and controls for the separation of responsibilities and activities in receiving and assessing applications;
- for a sample of applications received (both successful and unsuccessful) obtained all relevant documentation from both Accord and Toxikos to enable a walkthrough of the processes followed, involvement of each party and evidence of decisions made.
- held an exit meeting at the completion of fieldwork to discuss findings and outcomes.

## Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that we have reviewed, has not been reviewed entirely, hence no view is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the test performed are on a sample basis. Any projection of the evaluation of control procedures 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.

## Use of our reasonable assurance engagement report

This report has been prepared for the purpose of providing confidence that the process is robust and independent, and free from any potential influence by Accord.

Our report is intended solely for the Directors of Accord for the purpose described above. We permit Accord to share this report with its stakeholders to enable those stakeholders to confirm that an independent assurance engagement has been commissioned by the Directors of Accord. However, we accept no responsibility or liability to such stakeholders for any loss occasioned as a result of access to reliance upon this report.

## Conclusion

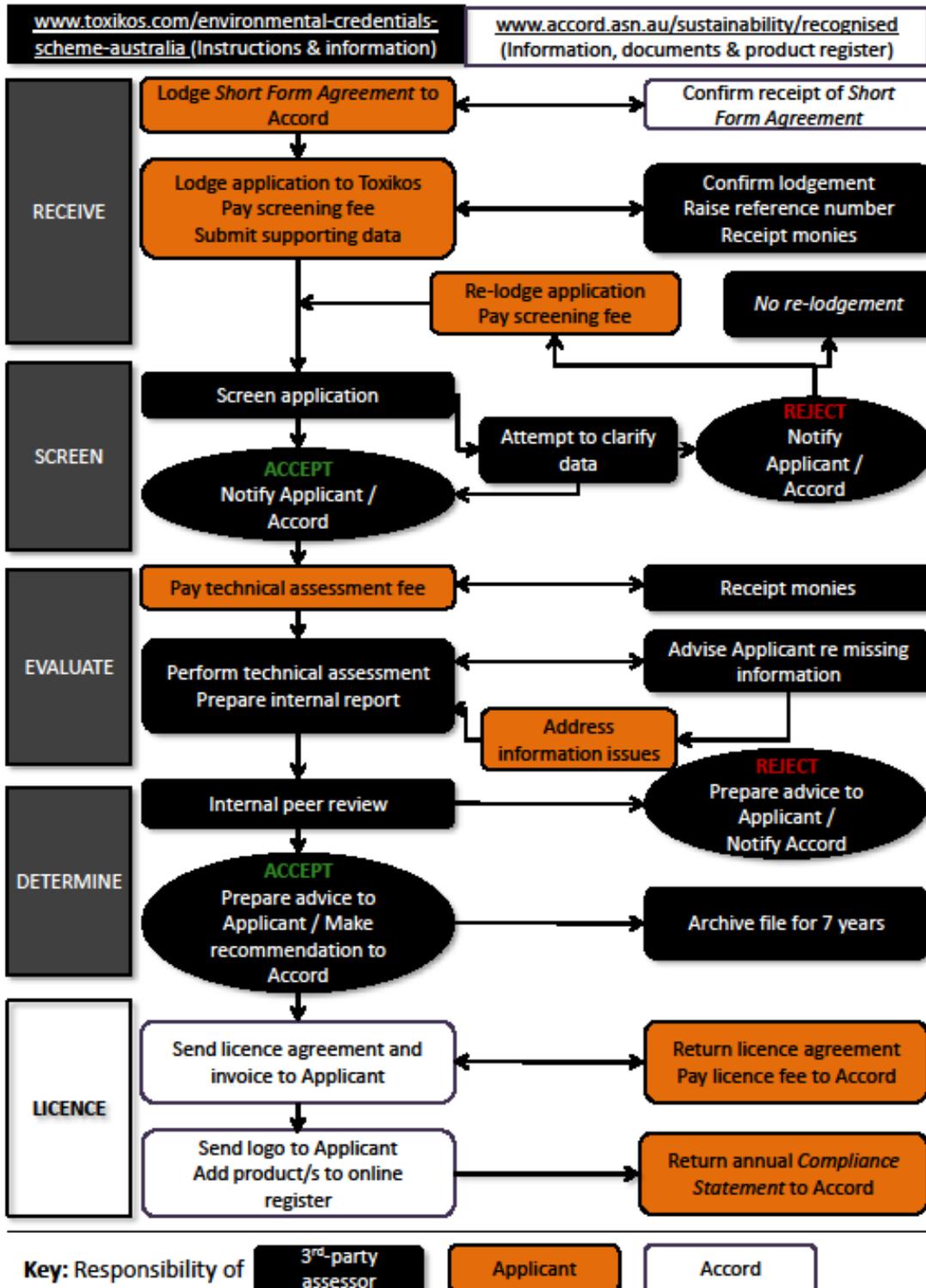
In our opinion, the application and assessment process is robust and independent, and was free from any potential influence by Accord throughout the period 27 October 2011 to October 2015.



**T PITTAWAY**  
Director

**Sydney**  
**18 November 2015**

## APPENDIX 1 - APPLICATION AND ASSESSMENT PROCESS



**THE POWER OF BEING UNDERSTOOD**  
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