

**Notes for Auditors about Auditing the Recyclable Quantity of Grantees under
Enterprise Support Programme (ESP) of the Recycling Fund**

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1. Introduction

- 1.1 This Document is to facilitate the auditor or engagement partner who is engaged to conduct quantity audit for the Grantees under the Enterprise Support Programme (ESP) of the Recycling Fund to assure the compliance of the funded operation of the Grantees with the Requirements on Recyclable Quantity Achievement and should be read in conjunction with the Requirements on Recyclable Quantity Achievement.
- 1.2 The Advisory Committee on Recycling Fund (RFAC) and the Secretariat of Recycling Fund (the Secretariat) reserve their right to change any requirements or to decide how requirements should be interpreted at any time without prior notice. The Secretariat may review this Document as and when appropriate. The most updated version would be available at the website of the Recycling Fund (www.recyclingfund.hk).

2. Scope

- 2.1 This Document is designed to be a note for the Auditors undertaking the engagement of Quantity Audit as a structured process that complies with the Requirements on Recyclable Quantity Achievement, on Grantees under the ESP of the Fund. The Grantees have to certify and substantiate the recyclable quantity collected or processed or recycled for the baseline condition and the entire project duration through engaging an independent qualified Auditor or engagement partner (their eligibility listed in Clause 3.2.2 of the Notes for Auditors).
- 2.2 Through the same engagement, the Auditors are to express in an assurance statement whether the Grantees have demonstrated conformity to the Requirements on Recyclable Quantity Achievement with respect to the application of the Recycling Fund.

3. General Requirements

3.1 General principles

3.1.1 The Auditors are expected to apply professional values, ethics and attitudes which is exhibited in the practical application and adherence to the six fundamental core principles of auditing as follows when conducting the audit:

- a) **Integrity:** the foundation of professionalism
- b) **Fair presentation:** the obligation to report truthfully and accurately
- c) **Due professional care:** the application of diligence and judgment in auditing
- d) **Confidentiality:** security of information
- e) **Independence:** the basis for the impartiality of the audit and objectivity of the audit conclusions
- f) **Evidence-based approach:** the rational method for reaching reliable and reproducible audit conclusions

3.1.2 As engaged by the Grantees, the Auditors in conducting quantity audits for the Recycling Fund Project to certify and substantiate the recyclable quantity collected or processed or recycled for the baseline condition and the entire project duration (refer to Annex A of this Document), shall comply with the requirements and responsibilities prescribed in this Document.

3.1.3 In case there is any ambiguity regarding the terms and conditions of the grant under the Recycling Fund that has a significant effect upon the Auditor's reporting on the subject matters, the Auditor or engagement partner should assist the Grantees to seek clarification with the Secretariat.

3.2 Competence requirements

3.2.1 The Auditors should possess the necessary qualifications and experience as described in Clause 3.2.2 to enable them to discharge their professional accountabilities with the specific knowledge and skills.

3.2.2 Eligibility of auditors for the Requirements on Recyclable Quantity Achievement under the Fund is either:

- a) a certified public accountant (practising) (CPA (practising)), a CPA firm or a corporate practice registered with the Accounting and

Financial Reporting Council (AFRC) under the Accounting and Financial Reporting Council Ordinance (Cap. 588), or;

- b) auditors of certification / verification institutions / organisations, who possess experience in conducting such verifications or quantity audits and knowledge of waste management and / or recycling processes, as approved by the Secretariat. The most updated list of certification body approved by the Secretariat would be available at the website of the Recycling Fund (www.recyclingfund.hk)

3.3 Conducting the audit

- 3.3.1 The Grantees shall declare the recyclable quantity provided is true and accurate and reflect the state of affairs for the required period.
- 3.3.2 The Auditors are recommended to show the Grantees the good practices of record management for fulfilling quantity audit with “Recycling Fund – Good Practice Guide for Record Management” which provides guideline, together with templates and illustrative samples in retaining and managing the records involved in the recycling operation and is available at the website of the Recycling Fund (www.recyclingfund.hk).
- 3.3.3 The Auditors shall prepare an audit plan adapted to suit the size and complexity of the audit providing necessary information for scheduling and co-ordination of the audit activities.
- 3.3.4 The Auditors shall determine the required auditing time to accomplish each audit on the operation of Grantees. It is expected that inclusive of reporting time, the Auditors are recommended to spend 1 to 3 man-days for conducting audits on Grantees under the ESP. The number of scheduled man-days is generally worked out as a result of the assessment on Grantee's record management and project operation, together with the complexity of each case and such situations so warranted, in relation to the provisions of the auditors.
- 3.3.5 The Auditors shall hold an Opening Meeting at the commencement of audit addressing the salient notions:
 - a) Outline of their roles and the Audit Standard (Requirements on Recyclable Quantity Achievement)
 - b) Auditing being a sampling process seeking conformance, not non-conformance
 - c) Categorization of observation and major non-conformity
 - d) Confidentiality to the Grantees
 - e) Audit schedule, including any changes required

Details of attendees (Name and Position) shall be captured in the Auditor's Report.

- 3.3.6 The Auditors, after confirming overall materials balance summary (refer to Annex B) of recyclables in respect of input and output, and assessing the comprehensiveness of Grantee's data management system, shall carry out adequate sampling of documents and records and interviews with personnel, to verify that the Grantees comply with all applicable requirements. The sampling plan shall be set separately for input and output transactions. The Auditors must determine the audit objectives, identify the population characteristics of interest, and state the degree of risk that is acceptable when selecting samples. The threshold of sampling is to be commensurate with the acceptable percentage of the verified quantities thus represented, staying at a minimum of 10 to 15% as far as applicable, as each case may warrant. As this is a quantity audit, selection of quantity-weighted samples with a bias on high-value transactions, as far as practicable, may result in determining the accuracy of recyclable quantity, particularly where exceptionally large number of transactions of input and output is presented. In any event, no more than 20 samples respectively for input and output would be expected.
- 3.3.7 In case of any activities under the ESP, including collection of recyclables, held outside of Grantee's physical boundary but within the scope of operation as in the approved fund application, the Auditors may exercise discretion to verify such activity on-site by visual inspection, only if so necessitated, and ensure the source and quantity are in compliance with the supplier documentation.
- 3.3.8 Objective evidence should be examined to substantiate conformity with the Requirements on Recyclable Quantity Achievement, including but not limited to:
- a) documented information review (e.g. invoices, receipts, bank ledger account kept under the Fund entity, etc.);
 - b) machinery / equipment and material inspection;
 - c) cross-checking with upstream suppliers and downstream buyers, if necessary;
 - d) interview with personnel; and
 - e) photo-taking.
- 3.3.9 Each recyclable may be unique in its recycling process. The Auditors may discern some peripheral figures of the recycling process, such as conversion ratio of machine or process, percentage mix of recyclables and material balances and use for verification on the quantities declared.

3.3.10 The Auditors shall make conclusion based on the audit of Grantee’s conformity to each of the applicable Requirements on Recyclable Quantity Achievement.

3.3.11 The Auditors shall convene a Closing Meeting with the Grantee’s representatives addressing the salient notions:

- a) Auditor’s result and recommendation to the Grantees
- b) Non-conformities and their impact, and observations as opportunities for improvement, if any
- c) Confidentiality to the Grantees

Details of attendees shall be captured in the Auditor’s Report.

3.3.12 All findings shall be considered by audit team leader and categorized as non-conformities or observations:

- a) An **observation** is made when at early stages such problem does not yet constitute a non-conformity, but the Auditors consider that it may lead to a future non-conformity if not addressed by the Grantees. Such observations should be recorded in Auditor’s Report as “observations” for the benefit of the Grantees.

Examples (including but not limited to):

- ✧ All documentation for supporting the prescribed quantity of recyclables in the approved fund application form could be retrieved. However, the management representative spent much time retrieving such information due to the lack of a comprehensive bookkeeping system
- ✧ No discrepancy between the actual and prescribed quantity in the approved fund application, but the methodology used for determining such quantity can be presented in a systematic way

- b) A **non-conformity** is raised where findings appear both on combinations of or either:
 - observable lapses have been identified; and/or
 - a non-conformity that can be potentially or is systematically repeated, and/or
 - it can result, or has already resulted, in a failure to comply with the Requirements on Recyclable Quantity Achievement.

Examples (including but not limited to):

- ✧ Significant deviation between the quantity stated by the applicant and the quantity determined by the Auditors
- ✧ The activities related to recyclables for the Recycling Fund project are not held at the premises as prescribed in the approved fund application
- ✧ No documentation for supporting the prescribed quantity of recyclables for the Recycling Fund project could be retrieved
- ✧ Fund not used for the prescribed operations and/or purposes specified in the approved fund application
- ✧ Additional quantities for the Recycling Fund project are not collected from the sources specified in the approved fund application, thus not possibly achieving waste diversion from landfills in Hong Kong

3.3.13 The Auditors shall confirm that any non-conformity to the Requirements on Recyclable Quantity Achievement is included in the auditor's report which the Grantees will submit to the Secretariat.

3.3.14 At any time during an audit, the auditors can decide and has the authority to recommend the audit be aborted due to significant issues which prevent the audit from being completed as planned including but not limited to the following situation:

- a) the Grantee's failure to cooperate appropriately with the audit team / audit process; or
- b) significant discrepancy found between the Requirements on Recyclable Quantity Achievement and the Grantee's current status with respect to the approved fund application.

3.4 Reporting requirements

3.4.1 The Auditors shall document its audit findings and the assurance statement in the auditor's report. The Auditor's report shall be brought to the attention of the Grantees and shall include the information specified below:

- a) Purposes / Objectives of audit
- b) Name of the auditor conducting the audit
- c) Audit date (day, month and year) of the report
- d) Name and address of the Grantees and her representative

- e) Background / Scope of the Grantees (e.g. recycling process, recyclables, etc.)
- f) Audit information (e.g. records reviewed, sampling, etc.)
- g) Objective evidence collected for getting to audit decision (e.g. photos, documentation, etc.)
- h) Completeness of information provided by the Grantee (e.g. Materials Balance Summary (refer to Annex B of this Document) or likewise indicating the quantities of collection, production/processing, sales and residue of recyclables)
- i) Conformity of the Grantees to the applicable indicators in Requirements on Recyclable Quantity Achievement
- j) Number and description of non-conformities and observations
- k) Recyclable quantity determined in the quantity audit for Clause 4.1 of the Requirements on Recyclable Quantity Achievement
- l) Assurance statements as per Clauses 4.1, 4.2, 4.3, 4.4 and 4.5 of the Requirements on Recyclable Quantity Achievement:
 - The Grantee has, in all material respects, demonstrated conformity to the applicable Requirements on Recyclable Quantity Achievement with respect to the application of the Recycling Fund;
 - The Grantee has, in all material respects, not demonstrated conformity to the applicable Requirements on Recyclable Quantity Achievement with respect to the application of the Recycling Fund.
- m) Attendance list of Opening and Closing Meeting
- n) Assumption / Limitation / Level of uncertainty

3.4.2 Annex C contains an auditor's report template. An example of the auditor's report for baseline audit is available at the website of the Recycling Fund (www.recyclingfund.hk). The Auditors would apply their professional judgment to ascertain the exact circumstances of each audit engagement, as necessary.

3.4.3 The Auditors shall retain all copies of the selected samples during the course of audit in either paper or electronic format and attach all the legible samples along with the auditor's report.

3.5 Acceptance of report

3.5.1 The auditor's report shall be submitted to the Grantees who shall then submit to the Secretariat for consideration and acceptance.

- 3.5.2 The Secretariat reserves the right to require the Grantees to conduct further audit to facilitate the considerations by the Secretariat and RFAC.
- 3.5.3 The Grantees are not entitled to seek reimbursement for the audit fee for the quantity audit as in the approved fund application if the auditor's report expresses non-conformity or fails to demonstrate the recyclable quantity achievement required for whatever reasons and so, is not accepted by the Secretariat or RFAC.

4. Auditing against the Indicators

4.1 Recyclable Quantity and Throughput

- 4.1.1 Under the Recycling Fund, the Grantees' operation shall be subject to two phases of quantity audit for the concerned types of recyclables in the approved application, namely:-
- (a) baseline quantity audit, to be conducted upon accepting the offer of the Recycling Fund; and
 - (b) performance target quantity audit, to be conducted within two months upon completion of project.
- 4.1.2 For baseline quantity audit, the Auditors shall confirm whether the baseline period for target recyclable quantity and throughput cover **at least 3 months prior to the month of the application form submitted** by the Grantees, or should it deem appropriate, other preceding months otherwise as approved with justifications by the Secretariat and whether the Grantees have filed the information related to the recyclable quantity in the mentioned period. In case if there is a seasonality effect in Grantee's business operation, it is advisable to have the baseline period covered for more than 3 months.
- 4.1.3 The Auditors may request the Grantees for performing actions such as running the operation for further trials as to gain objective evidence such as documentation for the substantiation of the prescribed baseline quantity, at the discretion of auditor or engagement partner during the quantity audit and subsequent to recommendation of the Secretariat. The Auditors shall duly advise the Grantees the required retake of baseline quantity audit and the cost implication, if any, and as such, Clause 3.5.3 may apply.
- 4.1.4 When determining the baseline quantity condition and performance targets, the Auditors shall find out the methodology (including parameters and calculations) used by the Grantees to determine such quantity, and whether such methodology is reasonable to give the estimation. Individual figures which are used in the calculation, including but not limited to recyclable quantity, shall be checked for

their source and accuracy. The Auditors shall ask the Grantees the justifications for any assumptions or estimations made and seek clarification from the Grantees for any ambiguous formula or calculation presented.

- 4.1.5 The Auditors shall verify the percentage mix of recyclable collected from import and local source as well as wastage quantity or ratio of collected recyclables for the baseline quantity, as appropriate.
- 4.1.6 The verified baseline quantity may carry upward or downward deviations, from what stated in the fund application. Any understated quantity would be re-instated to arrive at a revised baseline quantity for further execution. In case of downward deviation resulting in overstated quantity, the Auditors may address the case in the report to let the Secretariat further execute the target performance quantity at discretion as necessary.
- 4.1.7 After the completion of the Recycling Fund project, the Auditors shall determine the performance target recyclable quantity (e.g. collection of recyclables) and throughput (e.g. production and sales of recycled products / processed recyclables) as well as wastage quantity for the entire duration of Recycling Fund project. The Auditors shall refer to the same techniques used in Clauses 4.1.4 and 4.1.5. In case of downward deviation resulting in under-production in quantity to 10% or above of the target quantity, the Auditors may issue a major non-conformity at discretion.

Example 1:

A Grantee presented the following data to the Auditors for its collection of waste paper for the preceding 3 months prior to the month of application form submitted by the Grantee in April.

Operation: Collection

Month	Amount of Waste Paper Collected (kg)
January	16,000
February	18,000
March	20,000
Total	54,000

The Auditors shall find out *where* the figures came from (**source**), e.g. weighing records, sales invoices, etc.

The Auditors shall find out *how* this figure could be reached (**methodology**), e.g. sum of the monthly quantity, projection of monthly quantity etc.

Information that can be extracted from the above case:

Baseline quantity and throughput: collection of 54,000 kg of waste paper.

4.2 Production confined to the prescribed premises

4.2.1 When verifying whether Grantee’s production is confined to the premises as prescribed in the approved fund application (Requirements on Recyclable Quantity Achievement Clause 4.2), the Auditors shall find out where the activities related to the recyclables are held at the premises as prescribed in the approved fund application by understanding the process flow of the Grantee’s operation including the recyclables entering and leaving the system. The Auditors shall also determine if the factors of, including but not limited to, manpower, machinery, material, methodology and environment in the prescribed facility speak volumes the activities performed by the Grantee. The Auditors can estimate the capacity of facility according to but not limited to the following examples, subject to the operation of the Recycling Fund project and information provided by the Grantee:

Example 1:

A Grantee purchased through the Fund two Machines A and one Machine B which can generate 20 kg and 40 kg of processed paper per hour respectively according to the operational manual and operator. Using the equipments above, the Grantee claimed that 210,000 kg of recycled paper for the Recycling Fund project were processed within 300 working days and 10 hours per day last year.

Information that can be extracted from the above case:

Equipment capacity of Machine A: 20 kg of paper per hour

Equipment capacity of Machine B: 40 kg of paper per hour

Overall Equipment capacity: $20 \times 2 + 40 \times 1 = 80$ kg of paper per hour

Estimated hourly production: $210,000 \text{ kg/year} \div 300 \text{ days/year} \div 10 \text{ hours/day} = 70 \text{ kg}$

As the estimated hourly production is within the equipment capacity, so the processed amount claimed by the Grantee is reasonable and the facility has the capability to support the processes as prescribed in approved fund application.

Example 2:

A Grantee purchased through the Fund two Machines A and one Machine B which can generate 20 kg and 40 kg of processed paper per hour respectively according to the operational manual and operator. Using the equipments above, the Grantee claimed that 360,000 kg of recycled paper for the Recycling Fund project were processed with 300 working days and 10 hours per day last year.

Information that can be extracted from the above case:

Equipment capacity of Machine A: 20 kg of paper per hour

Equipment capacity of Machine B: 40 kg of paper per hour

Overall Equipment capacity: $20 \times 2 + 40 \times 1 = 80$ kg of paper per hour

Estimated hourly production: $360,000 \text{ kg/year} \div 300 \text{ days/year} \div 10 \text{ hours/day} = 120 \text{ kg}$

As the estimated hourly production exceeded the equipment capacity, so the processed amount claimed by the Grantee is not reasonable and the facility may not have the capability to support the processes as prescribed in approved fund application.

It should be noted that further understanding on the prescribed facility is required, such as reconfirming the annual processed recyclable amount and equipment capacity, enquiring how the extra amount achieved by the current equipment capacity, etc.

4.3 Traceability of recyclable

- 4.3.1 When verifying the flow and traceability of the recyclables, the Auditors shall obtain the updated materials balance summary from the Grantees and see whether information listed in Clause 4.3.1 of the Requirements on Recyclable Quantity Achievement is included in the summary.
- 4.3.2 The Auditors shall obtain sales documentation for recyclables issued by the Grantees and determine whether information listed in Clause 4.3.3 of the Requirements on Recyclable Quantity Achievement is available. In case of any information listed not available or not applicable to the Grantees, the Auditors shall ask the Grantees how the information listed in Clause 4.3.2 of Requirements on Recyclable Quantity Achievement is obtained and compare such information with the sales documentation.

- 4.3.3 The Auditors shall verify the process of and collect objective evidence for the control of sourced recyclables by the Grantees, such as use of any classification and assortment systems, mass balance summary, material sampling, purchase order, quality check record, quality analysis report, supplier invoices, receipt, delivery notes or shipping documents, sales order, etc.

4.4 Prescribed operation

- 4.4.1 When verifying whether the Grantees' fund is used solely and exclusively for the purposes specified in the approved fund application, the Auditors shall verify individual purchasing records listed in Clause 4.4.1 of Requirements on Recyclable Quantity Achievement with respect to the approved fund application (e.g. employee contract or payroll, supplier invoice or receipt, service record or contract, etc.) and cross-check such information with the presence of prescribed operation.

Example:

A Grantee purchased three machines and recruited three extra employees with the Fund in order to carry out the recycling operation related to the recyclable quantity committed under the Fund as in the approved application form.

Auditors should check the following for the above case:

Machines:

Review of purchasing records and/or supplier documentation

Inspection of the actual equipment and cross checking of the technical specification of the equipment with the recycling processes and recyclable produced as committed under the Fund

Extra employees:

Review of employee contracts and/or payroll

Interview with the related recruited employees

4.5 Source of additional recyclables

- 4.5.1 When verifying whether the additional recyclables committed in the Recycling Fund project were collected from the sources mentioned in the approved fund application in order to possibly achieve waste diversion from landfills in Hong Kong (e.g. waste generated from local source), the Auditors shall obtain supplier documentation for recyclables and determine if information listed in Clause 4.5.1 of Requirements on Recyclable Quantity Achievement is available on the documents. In case of any information not available or not applicable to the Grantee, Auditors shall ask the Grantee how the source of the recyclables is obtained and compare the information of such source claimed by the Grantee. The following example shows some typical information found on a weight note:

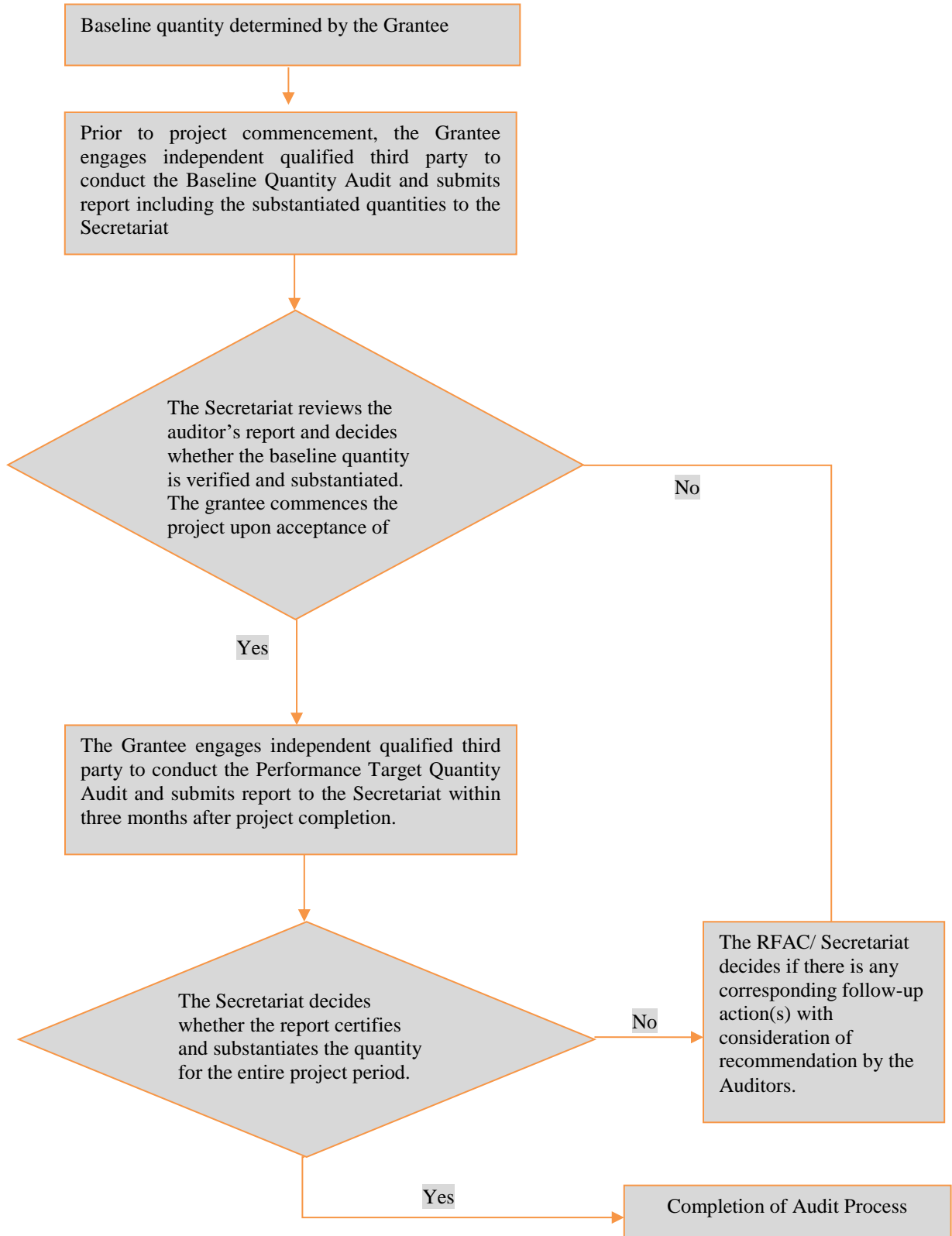
Example:

(GRANTEE'S REGISTERED NAME)		
Address: XXX		
Telephone No.: 2345 6789		Fax. No.:2987 5432
80-tonne Weighbridge		
Certificate No.: 1234/a-56789		Serial No.: 000001
Date	02 Jan 2016	Date of receiving the recyclables
Time	09:00	
Vehicle License No.	AA 1234	
Gross Weight (kg)	10,000	
Tare Weight (kg)	0	Weight of recyclables
Net Weight (kg)	10,000	
Fee	\$ 10,000	Categories of Recyclables, Supplier Information
Remarks:	Categories of Recyclables: Metal - Copper and zinc pipes	
Supplier: Mr. CHAN, XXX Company, Tel. No. 2233 4455		

The Auditors shall verify information as required in the Requirements on Recyclable Quantity Achievement with respect to the Grantee's operation and the approved fund application.

- 4.5.2 The Auditors shall verify if the source of recyclables within the scope of the Recycling Fund project tallies with the one committed in the approved fund application by examining the supplier documentation such as supplier invoices, weighbridge note, etc.

Process of Quantity Audit



Template and Example of Materials Balance Summary

XX Recycle Company Limited
Monthly Materials Balance Summary

Notes:

1. Recycler can revise this form and expand the table based on its operation and the approved Recycling Fund project.
2. Recycler shall indicate the 'opening stock' carried forward from the preceding period at the beginning of each month and provide the 'closing stock' by the end of each month. The 'closing stock' will then be the 'opening stock' for the next period.
3. Recycler shall fill in its daily operation by each type of recyclable or recycled product in each row. (Please refer to the sample.)
4. Please use standard weight unit (eg. kg, tonne) to complete the form.

Month for Record (MM/YY) : _____

Date	Daily Total (Please choose the weight unit used in the summary table, kg / tonne/ Others: _____)										Remarks
	Collection				Production/ Delivery						
	Recyclable Type	Collection Quantity	Transaction/ Buying Amount (HK\$)	Recyclable Collection Ref. No. (Appendix 1A & 1B)	Recyclable Product Type	Production Quantity	Delivery Quantity	Transaction/ Selling Amount (HK\$)	Delivery Ref. No. (Appendix 2)	Residual Waste Quantity	
Opening Stock											
Total Collection, Production and Delivery Quantity in this month											
Closing stock											

(Latest version: April 2021) This version superseded all prior versions.

Remark: The Grantees may devise their own materials balance summary as appropriate to exhibit their material process flow of the project to give coherence to input, storage, processing and output. The auditors should verify supporting evidences to ensure the alignment of material process flow for the Grantees.

Auditor's Report Template

Auditor's Report

Based on Requirements on Recyclable Quantity Achievement

To THE [MANAGEMENT] OF [NAME OF ORGANISATION] ("Grantee")

We have performed the [baseline / performance target] quantity audit against the Requirements on Recyclable Quantity Achievement with respect to the funded project by the Grantee during the period from [commencement date] to [completion date].

This auditor's report is confidential and limited to the Auditing Firm, Grantee's representative, the Secretariat of the Recycling Fund ("the Secretariat") and Environmental Protection Department ("EPD"). We expressly disclaim any liability or duty to any other party for the content in this report. This report relates only to the items specified below and does not extend to any financial statements of [Name of Organisation], taken as a whole.

Management's Responsibility

The Management of the Grantee is responsible for ensuring the declaration of baseline quantity and performance quality and its operation under the funded project in compliance with the Requirements on Recyclable Quantity Achievement.

Auditor's Responsibility

Our responsibility is to certify the declared quantities and express an opinion on the conformity to the requirements on the operation under the funded project. We perform procedures to obtain audit evidence about the transaction records maintained in accordance with the material stock summary. The procedures adopted depend on the auditor's judgment, including the assessment of the risks of the record keeping system. The particulars of the audit and the Grantee are as follows:-

Profile of Grantee:

Name of Grantee:	
Grantee's company address:	
Target recyclable materials for the Recycling Fund project:	
Target operation for the Recycling Fund project:	

Particulars of audit:

Name of Auditing Firm:	
Name of auditor:	
Name of reviewer for the auditor's report (if applicable):	

Audit date:	
Number of manday for (1) on-site visit and (2) off-site reporting:	
Site(s) for recycling operation audited:	
Coverage period:	
Recycling operation during the coverage period:	
Recyclable materials processed by the Grantee during the coverage period <i>(Please specify inputs and outputs respectively, if applicable):</i>	
Source(s) during the coverage period: <i>(Please indicate the estimated percentage for the respective sources if applicable)</i>	
Outlet during the coverage period: <i>(Please indicate the estimated percentage for the respective outlets if applicable)</i>	
Records provided / verified by the Grantee: <i>(Please specify the period for the records provided.)</i>	
Sampling by auditors (for input and output records):	<p>Number of input record sampled: Number of outputs record sampled:</p> <p>All samples are [selected at random / only provided by the Grantee].</p> <p>Number of transaction during the coverage period (inputs): Number of transaction during the coverage period (outputs):</p> <p>Comprehensiveness of data management system:</p>

We are engaged to undertake to verify the Recyclable Quantity collected or processed or recycled declared by the Grantee for the [Baseline Condition / the entire Project Duration] AND conformity to the applicable requirements under the Recyclable Quantity Standard.

The findings are summarized as follows:-

Recyclable Quantity and Throughput <i>(Please provide the Materials Balance Summary or likewise indicating the quantities of collection, production/processing, sales and residue</i>	[expressed in tonnes The methodology and assumption in deriving the recyclable quantity for the covering period should be clearly spelt out.
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<p><i>of recyclables along with the auditor's report.)</i></p>	<p>The recyclables collected and the recycled products sold should be provided separately as appropriate in particular for those with significant difference between these two figures and / or those already provided in the recycling fund application.</p> <p>The percentage of recyclable from imported source: Any incident resulting in the significant deviation from throughput under normal operation:</p> <p>expressed in number of non-conformities identified and/or factual findings and exceptions]</p>
<p>Production confined to the prescribed premises</p>	<p>[The operation and the boundary of the Grantee's operating site as observed during the audit should be described. The Grantee's premises together with its machineries employed and manpower at the premises during the baseline period or the Recycling Fund project should be assessed and compared against the information provided by the Grantee.</p> <p>expressed in number of non-conformities identified and/or factual findings and exceptions]</p>
<p>Traceability of recyclable</p>	<p>[The documentation and record system of the Grantee's operation during the coverage period should be briefly described. The documents and records sighted and verified as well as the sampling method should be provided to substantiate the findings. The sources (for the recyclables collected) and outlets (for the recycled products sold) should be duly assessed separately.</p> <p>expressed in number of non-conformities identified and/or factual findings and exceptions]</p>
<p>Prescribed operation <i>Only applicable to performance target quantity audit</i></p>	<p>[The operation of the Grantee's operating site as observed during the audit should be described. The auditor should assess whether the prescribed machinery and equipment are used to support the recycling operation and recyclable throughput committed as per the approved recycling fund application.</p> <p>expressed in number of non-conformities identified and/or factual findings and exceptions]</p>
<p>Source of additional recyclables <i>Only applicable to performance target quantity audit</i></p>	<p>[The sources and the outlets of the recyclables as revealed from the audit should be described. The documents and records sighted and verified as well as the sampling method should be provided to substantiate the finding. The auditor should assess whether the sources, outlets and quantity of additional recyclables during the coverage period follow the approved recycling fund application.</p> <p>expressed in number of non-conformities identified and/or factual findings and exceptions]</p>

Attendance list of Opening and Closing Meeting <i>Only applicable to performance target quantity audit</i>	Date of Opening Meeting: Attendance list of Opening Meeting: Date of Closing Meeting: Attendance list of Closing Meeting:
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Assumption / Limitation / Level of Uncertainty employed and/or identified during the audit

[Please provide assumption / limitation / level of uncertainty here]

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

Opinion

In our opinion, the Grantee has, in all material respects, demonstrated conformity to the applicable Requirements on Recyclable Quantity Achievement (*Clauses 4.1, 4.2 and 4.3 for baseline condition; Clauses 4.1, 4.2, 4.3, 4.4 and 4.5 for entire project duration*) and attained the quantity of [recyclable quantity in tonnes] tonnes on [Types of recyclables] and the quantity of [recyclable quantity in tonnes] tonnes on [Types of recyclables] respectively from [Start of reporting period] to [End of reporting period].

Prepared by: [name of Auditor]

[signature of the Auditor]

Reviewed by: [name of Reviewer] (if applicable)

[signature of the Reviewer] (if applicable)

XYZ & Co

Certified Public Accountants (Practising) [or Certified Public Accountants or Certifying Body]

[Company chop of the auditing firm] (Only applicable to certification body)

[Auditing firm's address]

[Date of the auditor's report]

[Supporting evidences should be attached to the Auditor's Report to substantiate the findings above.]

- End of document -