

## Case study: the journey of climate assurance



Climate emergency declarations have been made by over 1250 local governments and 25 countries as of January 2020. The UK was the first major economy to legislate its commitment requiring the UK to bring all greenhouse gas emissions to net zero by 2050.

Business leaders have an important role in addressing the climate emergency including reducing harmful greenhouse gases and transitioning to a low-carbon economy.

This case study is the first of a series as the Institute follows the journey of climate assurance at Wates Group with their Group Head of Internal Audit, Simon Rose.

Listen to our [podcast](#) to hear about it first-hand.

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## Who are Wates Group?

Wates Group is one of the leading privately-owned, construction, development and property services companies in the UK. Established in 1897, with close to 4,000 employees, they work with a range of clients and partners from across the public and private sectors.

In January 2020, Wates committed to eliminating waste and carbon from its operations by 2025 with three **bold targets** to help ensure it does 'zero harm' to the environment:

- **Zero waste** from Wates operations by 2025 – Wates aims to reduce and then eliminate the

production of all waste created from on-site operations

- **Zero carbon** from Wates operations and operational vehicles by 2025 – Wates aims to reduce carbon emissions from Scope 1 and 2 operations and to become carbon neutral
- **Positive impact** on nature from all operations – Wates aims to enhance the natural environment wherever it operates and to increase the value and community benefit of natural environments.

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## Starting the assurance journey

A review of the fleet operations and discussions around carbon emissions raised awareness within internal audit of the ability to do more regarding climate risk. Rose connected with Clare Masters, Head of Environment for Wates to explore where internal audit could add value through their assurance work.

In the first instance, they plan to work with all of their site teams by embedding climate assurance into the work programme, such as evaluating the environmental plans that each site owns.

This very practical start point is one Rose compares to the approach that CAEs take when looking to provide assurance on any new area, such as GDPR or change projects. Simplicity is often the key. Internal auditors have an important conduit role in their organisations; well placed to identify and drive behavioural change in addition to providing assurance:

- Asking challenging questions
- Raising engagement
- Sharing good practice
- Guiding people to the materials available
- Encouraging collaborations with support teams

An innovative move has also seen Rose invite Clare Masters, to be a guest auditor on some of their site audits for 2020, this will help refine the quality of the work programme and also demonstrate that teams across the organisation have a shared responsibility to achieving the corporate targets.

A key challenge for the year ahead is capturing and consolidating the data from site based teams to provide corporate assurance and deliver insightful information to the audit committee and management.

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## Part of our DNA

Rose recognises that climate assurance will increase in the years to come. It was important that in starting the journey internal auditors understood that this needed to be part of their DNA going forward. This was fundamental to the decision to find a way to embed assurance from the outset rather than add a specific climate audit to the plan.

Climate assurance is not a temporary activity but part of a pervasive set of goals across the organisation, including internal audit. It is part of the agenda now and forever.

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## Building knowledge

The team has benefited from an internal communication campaign about the corporate targets. Importantly they have also engaged in conversations while building the audit programme and spent time with the head of environment to learn personally about the corporate targets and the challenges behind them.

The delivery of findings to the audit committee will be an opportunity to educate and explain what they mean, why they are important and why it's important that they care; evangelise upwards.

### Top Tips

- Engage with climate assurance
- Make it part of your agenda
- Start with something practical
- Perfection can wait
- Use experts
- Network and share ideas

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## Next time...

The Institute will share early learnings from Rose and his team as they roll out their audit programme across

sites to provide assurance and support change.

*"If we act decisively and work together; if we can change our behaviours and habits, we can hand on to future generations a world that is cleaner, greener and safer."*

**Wates Group**