

# Attestation Engagements (Audits) for the HFC Allocation Program

*Suggested Audit Procedures for  
Certified Public Accountants for  
Audits of CY2025 Activity*

December 2025 Webinar

# Webinar Technical Overview



- All participants will be muted during the presentation.
- If you have questions during the presentation, please enter them in the chat. We will review all questions at the end.
- This presentation will be recorded and posted along with a copy of the slides on the EPA's [HFC Allocation Program Reporting and Recordkeeping webpage](#)

# Agenda

- Webinar Objectives
- Auditing Overview
- General Agreed-Upon Procedures Requirements
- Changes to the Suggested Audit Procedures
- Preparing and Submitting Audit Reports
- Common Questions
- Trouble Spots in Past Audits
- Additional Resources
- Brief Overview of Suggested Procedures and Example Audit
- Q&As

# Webinar Objectives

- Connect with stakeholders in advance of the deadline for conducting third-parties audits (i.e., agreed-upon procedures engagement)
- Provide a refresher on hydrofluorocarbon (HFC) auditing requirements under 40 CFR 84.33
- Provide an overview of suggested procedures, highlighting updates
- Provide the regulated community and CPAs an opportunity to ask questions

# Auditing Overview

- **Due date:** May 31 of each year
- **Timeframe covered by the audit:** January 1 – December 31 of the prior year
  - All activity that occurred during the prior calendar year (CY), including requests for application-specific allowances, must be reviewed
- **Who is subject to the auditing requirement?**
  - Producers, importers, and exporters of regulated HFCs
  - Application-specific allowance (ASA) holders and those who are requesting allowances for the following year
  - HFC reclaimers and fire suppressant recyclers
- **Documentation to be included**
  - Summary of findings (e.g., list of discrepancies identified)
  - A final report (Agreed-Upon Procedures (AUP) Report) identifying the applicable procedures specified in the regulations along with the corresponding findings for each procedure, including a list of all records reviewed
- **What happens after the audit is submitted?**
  - Once the final AUP report and summary of findings are submitted, EPA will review the report and may reach out to companies about discrepancies identified in their audit
  - EPA intends to send “close-out” emails with suggestions on how to improve recordkeeping and reporting based on audit findings
- **Full list of auditing requirements:** [40 CFR 84.33](#)

# General Agreed-Upon Procedures Requirements



- In accordance with 40 CFR 84.33, Certified Public Accountants (CPAs) must prepare a report identifying the applicable procedures specified in the regulations along with the corresponding findings for each procedure. The CPA's findings must identify any instances where:
  - Information from two or more sources do not agree, or
  - Where specified values do not meet applicable requirements under the regulations
- The EPA has compiled a list of suggested procedures that comply with these requirements
  - A CPA may include their own procedures in the final AUP report, provided they meet requirements in 40 CFR 84.33

# AUP Engagement in Accordance with AT-C Section 215\*



Practitioner must be independent

Practitioner performs procedures and reports the findings

Procedures are not open to varying interpretations or do not use ambiguous language\*\* (for example, general review, check, test)

Practitioner report should include all procedures performed and results of findings

No opinion or conclusion is provided

\*Attestation engagements should be performed in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements (SSAE) No. 19, Agreed-Upon Procedures Engagements, especially as noted in section AT-C 215

\*\*Paragraph .A27 of AT-C Section 215 provides examples of acceptable descriptions of actions as well as descriptions of actions that generally are not acceptable because they are not sufficiently precise or have an uncertain meaning

# AICPA Guidance

- Technical Question and Answer 9571.01-.05 (transferred from 9510.04) provides nonauthoritative guidance about the EPA's auditing requirements
- Practitioners can access this resource on the AICPA website:

[TQA 9571.01-.05, Performing Agreed-Upon Procedures Engagements Related to Third-Party Audit Requirements under the EPA HFC Phase Down Program](#)

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## Q&A Section 9571

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### *Sustainability: Agreed-Upon Procedures Engagements Related to the EPA Hydrofluorocarbon (HFC) Phase Down Program*

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#### **.01 Background to Sections 9571.02–.05, Agreed-Upon Procedures Engagements Related to the EPA Hydrofluorocarbon (HFC) Phase Down Program**

Certain companies are subject to third-party auditing requirements under the Environmental Protection Agency (EPA) [Hydrofluorocarbon \(HFC\) Allocation Framework final rule](#) (the final rule). The final rule includes requirements for third-party auditing by an independent CPA of reports submitted by

- producers, importers, and exporters of regulated HFCs;
- application-specific allowance holders; and
- HFC reclaimers and fire suppressant recyclers.

The EPA issued [guidance](#) stating agreed-upon procedures (AUP) engagements, performed by a CPA in accordance with the AICPA Attestation Standards, specifically [AT-C section 215, Agreed-Upon Procedures Engagements](#),<sup>1</sup> should be used to meet the auditing requirement.

# Changes to the Suggested Agreed-Upon Procedures



- EPA may update our suggested procedures yearly for CPAs to conduct the annual audit and fulfill requirements under 40 CFR 84.33 to improve the clarity of procedures and quality of audits over time
  - Changes this year further streamlined procedures
- This year's suggested AUP updates include:
  - Asking for date of submission of quarterly reports (so we know what version of the report was reviewed)
  - Comparison of importer quarterly report data to internal documentation such as bills of lading and invoices
  - Removed suggested procedures on Requests for Additional Consumption Allowances (RACAs)
  - Clarified procedures and information related to application-specific allowance (ASA) holder records and reporting
  - Further clarified terminology and requirements regarding batch testing

# Preparing and Submitting Audit Reports

- Final audit report documents
  - Summary of findings template
  - A description of findings for each agreed-upon procedure, including a list of all records reviewed
- Submitting final audit reports to EPA
  - Reporting platform: EPA's Central Data Exchange (CDX) (<https://cdx.epa.gov/>)
  - Program service name: ODS: Ozone Depleting Substances
  - Reporting tab: Other Documents
  - Document type: Third-party Audit
  - Instruction documents:
    - Registering with CDX ([https://www.epa.gov/system/files/documents/2021-12/reporting-instructions\\_registering-with-cdx.pdf](https://www.epa.gov/system/files/documents/2021-12/reporting-instructions_registering-with-cdx.pdf))
    - Submitting Other Documents to EPA ([https://www.epa.gov/system/files/documents/2021-12/reporting-instructions\\_submitting-other-documents.pdf](https://www.epa.gov/system/files/documents/2021-12/reporting-instructions_submitting-other-documents.pdf))
- If you need to revise reports due to audit findings, please contact EPA before resubmitting reports
  - EPA will notify you if discrepancies identified by your audit warrant report resubmission
  - Reports may still be resubmitted for non-audit related issues, but it may be necessary to note those revisions in your AUP report if related to discrepancies identified by your CPA

# Common Questions: ASA Holders

- Are unique circumstances audited?
  - CPAs should review all ASA Holder Biannual Reports, which include sections on unique circumstances. However, CPAs do not need to review and assess the supporting documentation for unique circumstances
- Are the data in Section 3 of the 2H ASA Holder Biannual Report supposed to be cumulative (sum of data over the full calendar year)?
  - The quantities of HFCs received should be based on the reporting period, while the allowances conferred can be done by reporting period or over the full year. Please note in the AUP report if the quantity of allowances conferred is cumulative

# Common Questions: Importers

- What date should be used for the date of import?
  - The date of import aligns with the following points in the import process:
    - Ship berthing for marine vessel arrivals
    - Border crossing for land arrivals such as trucks, rail, and automobiles
    - First point of terminus in U.S. jurisdiction for arrivals via air
  - These points in time may be reflected as the “Conveyance Arrival” date for shipments in customs records
  - CPAs should request conveyance arrival dates for all imports, as these dates may not be reflected in customs paperwork, i.e., listed values for "entry date" or "import date" may not accurately reflect the import date
  - In the absence of conveyance arrival dates, manifest data, entry summary data, or bills of lading can be compared to importer quarterly reports to satisfy the suggested procedures

# Common Questions: General

- When is batch testing required?
  - Batch testing is required for producing, importing, exporting, reclaiming, recycling for fire suppression, or repackaging HFCs before they are offered for sale or distribution
  - Batch testing is not required for exporters if the container has already been batch tested
  - We intend to provide further information on batch testing soon
- How to report on the number and type(s) of containers used?
  - Regulated entities should have information on the type(s) of containers they use to transport and store HFCs (e.g., tanks, cylinders)
  - If a company does not maintain a list of the type(s) and number of containers used, this information can be collated from other documents (e.g., bills of lading, manifest documents, inventory documentation)

# Common Questions: General (Cont.)

- Can CPAs review a representative sample of records?
  - EPA has noted in the suggested procedures where sampling is allowed; all other records must be reviewed
- What to do if records are missing?
  - Records that entities are required to maintain in accordance with requirements under 40 CFR 84.31 that are not provided to the CPA should be documented as a finding in the AUP report
- What happens if my audit is late?
  - The regulatory deadline is May 31. The regulations do not allow for an extension. We ask that you notify EPA if you think your audit will be late so that we know it is coming. However, this does not negate responsibility for the late audit.

# Trouble Spots in Past Audits



Timing	Details	Applicability
Audits are due by the May 31 deadline	Be as detailed as possible in your procedures and findings (e.g., direction and magnitude of variances, names/types of files reviewed)	Confirm whether procedures apply to a company's activity and when in doubt reach out to EPA

# Reminders for This Year's Audits

- We recommend that CPAs maintain the procedure identifiers in the Suggested Agreed-Upon Procedures to streamline review
- Companies can provide context for identified discrepancies which the CPA can include in the final AUP report (e.g., under a finding with the label “management response”)
- Note where quantity discrepancies occur due to rounding
- Acquired company's activity should be covered in acquiring company's audit
- Ensure your engagement letter specifies that the report should be submitted by May 31, 2026
- An example audit is available
- When in doubt, please ASK! Send questions to [HFCAllocation@epa.gov](mailto:HFCAllocation@epa.gov)

# Additional Web Resources

<b>HFC Allocation Program</b>	<a href="https://www.epa.gov/climate-hfcs-reduction/hfc-allowance-allocation-and-reporting">https://www.epa.gov/climate-hfcs-reduction/hfc-allowance-allocation-and-reporting</a>
<b>HFC Allocation Program Regulatory Actions</b>	<a href="https://www.epa.gov/climate-hfcs-reduction/regulatory-actions-allowance-allocation-and-reporting">www.epa.gov/climate-hfcs-reduction/regulatory-actions-allowance-allocation-and-reporting</a>
<b>HFC Allocation Program Reporting and Recordkeeping</b>	<a href="https://www.epa.gov/climate-hfcs-reduction/reporting-and-recordkeeping-resources#Forms">https://www.epa.gov/climate-hfcs-reduction/reporting-and-recordkeeping-resources#Forms</a>
<b>Access Other Document Submissions Through EPA's Central Data Exchange (CDX)</b>	<a href="https://cdx.epa.gov">https://cdx.epa.gov</a>
<b>Frequent Questions</b>	<a href="https://www.epa.gov/climate-hfcs-reduction/frequent-questions-phasedown-hydrofluorocarbons">https://www.epa.gov/climate-hfcs-reduction/frequent-questions-phasedown-hydrofluorocarbons</a>
<b>HFC Auditing Requirements</b>	<a href="https://www.ecfr.gov/current/title-40/section-84.33">https://www.ecfr.gov/current/title-40/section-84.33</a>

# Questions & Answers