Proposed Changes to Verification Process

ISC is seeking feedback on two proposed changes to the current verification process used in the IS Rating Scheme. These changes are being proposed as part of ISC's Verification Process Workplan.

Details of the proposed amendments to the verification process can be found below. If you could please provide your feedback by following this link by no later than the 14th of February 2025.

Note that over the coming months, ISC will be seeking further input and feedback on additional scheme improvement proposals through various forums.

Measure #1 - ISC Internal review and agreement of the Materiality Assessment and Base Case Proposal

For IS Planning, Design & As Built and Operations ratings, the Base Case Proposal (BCP) and Materiality Assessment is currently verified by 1 external (third-party) verifier. The outcomes of this arrangement have proved challenging for ISC to manage and has negatively impacted industry's confidence in the rating tool.

The ISC are proposing the aforementioned be replaced with a process currently utilised for the IS Essentials Materiality Assessment, whereby the "Review and agreement of the Materiality Assessment is completed by the ISC and has two rounds, if required." (see Figure 1)

The choice of language is aligned with ISEAL guidance. ISC would recognise the Base Case Proposal and Materiality Assessment as enabling processes, as opposed to verifiable outcomes/claims. Subsequently, the use of 'verification' is not required.

For IS Essentials, this process would also be adopted for the Base Case Proposal. (see Figure 1) This measure will reduce inconsistencies, improve turnaround times and improve the quality of feedback to projects. The internal review may be conducted by the "Quality Controller" as described in 'Measure #2'.

Measure #2 – ISC Internal 'Quality Controller' of Verification

Currently, verification of IS Planning and Design & As Built ratings rounds 1 and 2 utilises 2 external (third-party) verifiers. The outcomes of this process have proved challenging for ISC to manage and has impacted industry's confidence in the rating tool.

To rectify this, the ISC is proposing to utilise 1 external (third-party) verifier and 1 internal "Quality Controller" (dedicated ISC staff member) to enable more consistent results to be

delivered in a manner that is significantly more efficient, while maintaining third-party verification.

Both parties will review project submissions, however, their function and purpose in the process will differ. It is intended that the internal "Quality Controller" will ensure that the verification process and principles are adhered to, and that consistency across projects is maintained wherever relevant/possible.

The external verifier will provide the primary basis for discussion in verification (as per their current role) and ensure that no bias from ISC is introduced into the verification process. Transparent consultation and resolution pathways to be applied within the verification process (ie. prior to feedback being issued to projects) will be developed for instances where support and direction is sought by the external verifier, where the two parties do not align and where concerns about inconsistencies, bias or alike arise. These will be made readily available to ensure industry maintain confidence that the process is delivering appropriate, consistent, third-party verified results.

The proposed verification structure is aligned with the current operations of ISC's peers, ISI Envision in the U.S, and the recent 'Good Practice Guideline' from ISEAL where it is noted that "it is valuable to employ a consistency check of some kind, where the results of an evaluation are checked by qualified experts". The retention of an independent third-party verifier and the delineation of the internal resource as a Quality Controller, ensures that ISC remain aligned with ISEAL's third-party assurance requirements.

For IS for Operations and IS Essentials 1 external (third-party) verifier is currently utilised. This arrangement will be maintained, and the internal "Quality Controller" will act as a quality spot check/reviewer only.

IS Rating Tool	Materiality Assessment Agreement	Base Case Proposal Agreement	Round 1 Verification	Round 2 Verification
IS Essentials	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Review	Third-party Verifier + Internal Quality Controller Review
IS Planning	ISC Internal Quality Controller	N/A	Third-party Verifier + Internal Quality Controller Participation	Third-party Verifier + Internal Quality Controller Participation
IS Design & As Built	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Participation	Third-party Verifier + Internal Quality Controller Participation
IS Operations	ISC Internal Quality Controller	ISC Internal Quality Controller	Third-party Verifier + Internal Quality Controller Review	Third-party Verifier + Internal Quality Controller Review

Figure 1 Proposed Verification structure summary table