



INTOSAI
Working Group
on Environmental
Auditing

MINUTES 13th Meeting of the INTOSAI Working Group on Environmental Auditing

7 - 11 June 2010
Guilin, Guangxi, China



Day 1

Monday, 7 June 2010

The participants went on an environmental excursion, visiting the Yangshuo County.

In the evening the participants were treated to a local outdoor singing and dancing performance.

Day 2

Tuesday, 8 June 2010

Welcome and Introductions

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG13

The Chair welcomed the members of the Working Group on Environmental Auditing (WGEA) to the 13th Meeting (WG13) in Guilin. He first thanked the Chinese colleagues for the excellent excursion and reception the day before. Mr Saar introduced the guests of honour and invited them to address the meeting:

Address by Mr Liu Jiayi, Auditor General of the National Audit Office of China

Mr Liu Jiayi welcomed the 131 participants from 62 Supreme Audit Institutions (SAI) and international organisations to WG13. He dwelt upon the importance of the environment for human beings in general and described the objectives and recent achievements of China in protecting the environment. He then went on to discuss the role of auditing for countries, calling it the “immune system” that ensures the healthy operation of a country and its economy. In recent years the National Audit Office of China has started to implement the state policy of resource conservation and environmental protection, conducting various environmental audits. However, the work is still in its early phase with many challenges ahead.

Given the global nature of environmental problems international cooperation is vital and China has taken active part in it, becoming Chair of ASOSAI in 2000 and in 2008 was appointed Chair of Theme II of the upcoming XX INCOSAI. Mr Liu Jiayi referred to the International Environment Day on 5 June, whose theme this year is “Many Species, One Planet, One Future” and described China’s vision calling for “Low Carbon, Reduction of Emission, Greener Life” in response to the theme. He invited all to join their efforts in order to realise the vision.

Mr Liu Jiayi finished by praising the natural beauty of Guilin with a line from an ancient Chinese poem: “The scenery of Guilin tops the world”. He wished all participants fruitful working days and an enjoyable stay. Finally he thanked the various Chinese bodies and entities that had organised the meeting.

Address by Mr Zhou Shengxian, Minister of Environmental Protection of China

Mr Zhou Shengxian congratulated the meeting and went on to discuss the effects of the global crisis to world economy. Due to coordinated efforts undertaken by all countries there seem to be signs of recovery now. Along with the crisis the “Green deal” has taken shape, which advocates the need to shift from relying on consumption overdraft driving economic growth by “credit expansion” to economic growth by the provision of large scale environmental and ecological services.

Mr Zhou Shengxian explained how the Chinese Government had coped with the world crisis and maintained economic growth, public welfare and social stability despite the difficulties. He dwelt upon the implications of the global crisis – the traditional development mode no longer works for economic growth and resources and the environment cannot support it. Instead a sustainable development strategy is needed.

Mr Zhou Shengxian discussed the steps taken by the Chinese Government to protect the environment, explaining strategies, policies and tasks, such as the development of conservation culture and pointing to the various targets to reduce emissions and avoid water, air and soil pollution. He listed and described in some detail the various areas of activity pursued by the Chinese Government: handling the relations between the environment and economic growth, prevention and control of pollution, protection of ecological and rural environment and environmental policy incentives. He admitted though, that despite the efforts problems remain, and that the increasing GDP and population are expected to put more pressure on the environment in the future.

Mr Zhou Shengxian explained the essence and advantages of conservation culture and the difficulties between reconciling its principles with the traditional industrial civilization. He then pointed out the key areas of environmental protection for the near future in China:

- meeting the targets for reducing pollutants as set out in the 11th Five-Year Plan,
- developing the environmental impact assessment system and promoting industrial optimization and upgrading by source control,
- improving environmental standards and guiding the development of emerging industries and higher technology level by market access,
- strengthening environmental protection science and technology and making more efforts in developing green economy, low-carbon economy and circular economy,
- improving environmental economic policy and accelerating the development of the system and mechanism for sustainable development.

Mr Zhou Shengxian also spoke about the need to develop public awareness in environmental matters. He emphasised the role of environmental audits and the National Audit Office of China in achieving the environmental goals.

He finished by stressing the importance of friendship, communication and discussion – all this has evolved in the field of environmental auditing during its 30-year history. He expressed his firm belief that the current WG13 meeting would open a new page for the development of the environmental audit cause.

Address by Mr Ma Biao, Governor of Guangxi Zhuang Autonomous Region

Mr Ma Biao extended the greetings of the Guangxi People's Government and the 50 million Guangxi people to the participants of WG13. He thought the theme of the meeting, *Harmonious Development between Mankind and Nature* very well suited and providing the participants the opportunity to have in-depth discussions on global environmental auditing, protecting the environment and coping with climate change.

The Governor presented the advantages of Guangxi: geographically the region is situated at the junction of various economic circles and has access to the sea, rivers and the border. It is also rich in resources and has built up well developed industries in a wide variety of fields. The region makes full use of its advantages, however, always adhering to strict environmental policies and requirements. Environmental auditing plays an important role as well for the region. The years of hard work in environmental protection have produced progress – emissions have dropped, air quality has improved and the region has many ecological demonstration zones.

Mr Ma Biao emphasised that the global battle for a clean environment was far from over and the WG13 would surely be a worthy contribution towards it. He hoped that the meeting would be a great success. Finally he praised the beauty of the region and invited the participants to see more of the area and come back for further visits.

Address by Mr Mihkel Oviir, Auditor General of Estonia

Mr Oviir expressed his satisfaction that 127 participants had gathered to the meeting and he was especially glad to welcome his 11 colleagues, the heads of SAIs. He thanked everyone for their dedication and contribution to the cause.

Mr Oviir emphasised the importance of the venue – China – for the WG13 meeting, firstly, because China is currently the engine of world economy and has taken remarkable environmental steps that have a great impact; and secondly, because China is chairing Theme II of XX INCOSAI.

Mr Oviir then described the three years as chair of WGEA and the accompanying challenges. He thanked the INTOSAI members for their trust in Estonia and admitted that none of the work would have got done without the contribution of all the WGEA members. He gave special praise to the project leaders of the work plan period: Brazil, Canada, the Czech Republic, Indonesia, Norway, South-Africa, Tanzania and the USA. Due to their efforts a number of new and useful materials have been produced. Special thanks were given to the United Nations Environment Programme (UNEP) and the Steering Committee (SC) members for their selfless engagement, as well as to the SAI of New Zealand, who proof-read all the documents. The WG is expected to approve the documents, which will then be made public at INCOSAI.

Mr Oviir pointed to two important underlying themes for WG13: “acquiring and sharing new knowledge” and “future and our new work plan”. He explained how the draft work plan for the next period had evolved, based on the INTOSAI Strategic Plan and the WGEA mission and vision statements. The work in Tanzania showed that there was a lot more that needed to be done than the capacity of the group for the next period would enable. As the next step the WG is expected to improve and approve the work plan.

Mr Oviir devoted some time explaining the importance of Theme II for INCOSAI, chaired by China and co-chaired by Poland. The WG will have the opportunity and obligation to contribute to the topics, since the development and future of environmental auditing in the public sector in the coming decades would very much depend on the INCOSAI recommendations.

Last but not least, Mr Oviir thanked the hosts, the SAI of China for organising the event, for their excellent cooperation in the preparation phase and hoped that WG13 will be a great success.

Mr Oviir officially opened the WG13 meeting.

Mr Tönis Saar then introduced the meeting schedule for the next four days.

Environmental Protection in China

Mr Yue Ruisheng, Foreign Environmental Protection Cooperation Center, Ministry of Environmental Protection of China

Mr Yue Ruisheng touched upon the following topics in his presentation: the state of environmental protection in China, progress of environmental protection, current challenges, new pathway of environmental protection and environmental auditing.

He started by explaining the “common but unique” features that characterize *the state of the environment* in China. The problems are structural (arising from the structure of the industry), compressive (the problems have emerged in the past 30 years), composite (a variety of environmental problems co-exist), regional and global. The conflict between socio-economic development and natural resources constraints will become more and more intensified with the pressure of the environment still expected to increase. Also the situation varies by location, some areas are already under effective control, whereas other lag behind.

To deal with the problems new guiding principles have been developed for environmental protection, including the principle of ecological civilization, promotion of historic transitions for environmental protection, ecological rehabilitation of rivers and lakes etc.

The new strategies and principles open a new phase in environmental protection in China: via optimizing economic growth. A comprehensive approach is taken to environmental protection, so as to ensure public health and a livable environment for the people. Therefore the control and prevention of pollution, safe drinking water and discharge reduction are key priorities.

Rapidly growing urbanization and emerging latent pollution problems (heavy metals etc) compound the situation further.

China is also actively addressing issues related to global climate change, and has committed itself to reducing CO₂ emissions per GDP by 40-45% by 2020 compared with its 2005 level.

Mr Yue Ruisheng continued by describing *China's progress in environmental protection*, illustrating the trends and tendencies with ample statistics.

Ever since the United Nations Conference on the Human Environment in 1972, China has attached great importance to environmental protection, which has become a fundamental national policy. Sustainable development is a national strategy.

“Three Transitions” in environmental protection were adopted by the 6th National Environment Conference in 2006:

- a) Focus from pure economic development is shifted to equal stress on economic growth and environmental protection;
- b) Synchronized development of environmental protection and economic development;
- c) Comprehensive adoption of legal, economic, technical and necessary administrative measures to address environmental problems.

Environmental protection is integrated into macro-economic regulation, taking the form of industrial restructuring (resulting in increased wastewater treatment capacity, cleaner power generation, closure of inefficient power plants and factories with poor technologies), implementation of the environmental impact assessment (EIA) system, prevention of pollution rebound (via special inspections of construction projects and highly polluting sectors).

Pollution reduction is promoted through a scientific indicators system, accurate monitoring system and strict performance evaluation system. Thus reduction efforts and achievements will be made public, as will be those enterprises and local governments not meeting the targets, who will be given deadlines for rectifying the problems and receive warnings, but also guidance.

Such approach has produced significant results in the form of reduction of COD and SO₂ levels, as well as improved water and air quality. An ecological rehabilitation programme has been launched for water bodies and drinking water resources (water quality and ecological safety assessments).

A system of environmental emergency response has been set up pursuing the principle of whole process management to deal with various environmental incidents and treat heavy metal pollution in a comprehensive manner.

Incentives for treatment have been established for rural environmental protection, taking the form of funds granted to progressive local governments.

Ecological conservation efforts include a national soil pollution survey, assessment of natural reserves, inventories of alien species.

The most important strategic projects are:

- a) Pollution Sources Census (the sources were categorised, surveys of those sources are underway and a database is being built);
- b) Macro Environmental Strategy Study (analysis of the current state of the environment and the causes of environmental problems, proposals for rectifying the situation, all leading to a "New Pathway for China's environmental protection");
- c) Key Sci-Tech Project on Water Pollution Control and Treatment Technologies (to create a scientific basis for water pollution control and treatment).

With the view to long-term development work on improving legislation and capacity building is ongoing.

Despite all the above efforts *environmental challenges* remain, the trends have not been fully reversed and pollution is expected to increase also in the future, given the momentum of economic recovery. More latent problems are sure to emerge. The level of capacity building varies significantly and in many areas is still quite basic.

The *New Pathway for Environmental Protection* is a comprehensive solution to deal with the environmental problems, building concern for environmental issues into economic development and raising the environment to a much higher strategic position, all this with the fundamental objective of "environmental protection for the people".

The main trends and principles of the New Pathway are the following:

- a) Harmony between the people and the nature should be facilitated. The rivers and lakes should be ecologically rehabilitated;
- b) Mechanism and institutional innovation should be promoted, so as to mobilize the whole society and form strong synergies for environmental protection as soon as possible.

Key tasks include:

- a) Implementation of the environmental protection responsibility system (overall responsibility falls on local governments, who have to follow targets and are accountable for protecting the environment, those failing in their duties will be severely punished);
- b) Implementation of the total amount control system (pollutant discharge control plan for all localities, a pollution permits system developed and online monitoring);
- c) Strengthening the EIA;

- d) The whole territory is to be divided into major functioning zones with corresponding ecological conservation policies (optimized development zones, key development zones, restricted development zones and non-development zones);
- e) Policy reform and market measures to be used to address environmental issues (prices and levies, incentives, the "polluter pays");
- f) Increased investments into the environment (the leading principle: the growth rate of environmental protection investment should outnumber the economic growth rate);
- g) Relentless capacity building for supervision and management.

In summary the speaker emphasised the role environmental audit has played: it has been indispensable and important in promoting environmental protection in China. He hoped that even greater achievements are expected after the current important WGEA conference.

Chair's Progress Report

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG13

Mr Saar presented the WGEA progress report for the current work plan period of 2008-2010. The Chair admitted that the three years had not been easy for Estonia, given that the work plan was the most extensive since the formation of WGEA and the plans could not have been fulfilled without the help of each and every one of the Working Group and Steering Committee members. He extended special thanks to all the project leaders, who bore the brunt of the work and the subcommittee members, whose interventions and interaction had been most valuable.

Mr Saar then discussed the membership of WGEA. At the time when Estonia took over from Canada, WGEA was the biggest INCOSAI working group with 62 members, and since then it has been growing further still and the current membership has reached 71. The Chair also expressed his satisfaction over the high turnout to WG13 - 56 countries are represented. He added that he was extremely pleased about the fact that he had met most of the people present before, this is a good sign, showing continuity and development.

The Steering Committee has 17 members. With some countries leaving (Austria, the Netherlands and South Africa), other have taken their place (Argentina, Morocco and Tanzania), but everybody have had valuable contributions to make.

Mr Saar also congratulated the regional groups (RWGEAs) for remarkable developments. Coordinators of the RWGEAs have changed as follows: Norway replaced Poland in EUROSAL, Argentina took over from Brazil in OLACEFS and Tanzania from South Africa in AFROSAL.

Next Mr Saar described the INTOSAI strategy, which is divided into four main goals and the WGEA comes under Goal Three: Knowledge Sharing and Knowledge Services. In order to better structure the fulfilment of the broad aim, WGEA set itself five objectives for the current work plan period:

1. Expand the guidance materials available to SAIs
2. Facilitate concurrent, joint, and co-ordinated audits
3. Enhance information dissemination, exchange and training
4. Increase cooperation with external organisations
5. Ensure effective governance of the WGEA

The Chair briefed the WG about the Knowledge Sharing Committee (KSC), a new umbrella body that has been set up on the basis of the documents adopted at the Budapest and Mexico INCOSAI meetings. The working body of the KSC is a steering committee, which brings together all the chairs of working groups and task forces. SAI India organised the first meeting of the KSC Steering Committee in Delhi, 5-6 March 2009, which Mr Saar attended.

At the Delhi meeting the Terms of Reference of the KSC were approved. The terms of reference would mean additional work for the working group, on the one hand requiring activities that are already well organised by WGEA, e.g. using a collaboration tool developed by India, as a means of communication; on the other hand offering cooperation and joint activities, which are valuable as a means of studying the work of other working groups, e.g. learning how keep their materials updated etc. The framework for evaluating working group

activities, also foreseen under the terms of reference, had caused some discussion, given that it did not exist yet. Hopefully more will be known about this at the next meeting, scheduled for Mexico in August 2010. The additional requirements also include annual progress reporting and making drafts of "official products" available to the KSC for comments. These resulted in some confusion, given that the WGEA already does its own reporting and duplication should be avoided, thus the proposal is to send the same reports to the KSC. As regards official documents, the Chair proposed that most documents the WG is to approve are WGEA documents, not official INTOSAI documents. If the WG wanted, these documents can be made into official documents, by undertaking the required (lengthy) procedure and getting ISSAI numbers assigned to them.

Mr Saar gave a brief overview of the meetings held during the work plan period:

SC7 – 6-9 May 2008 in Estonia was the first meeting of the current work plan period, at which the project plans for the period were adopted.

WG12 – 25-29 January 2009 in Qatar was the biggest meeting of INTOSAI working groups; as a difference from previous WG meetings a pre-meeting training course was organised with the help from Brazil and Canada, which was very popular.

SC8 – 3-6 August 2009 in Indonesia. At this meeting the drafts of guidance materials were approved.

SC9 – 15-18 February 2010 in Tanzania. The meeting approved the final drafts and discussed the draft work plan for the next period.

Mr Saar then continued with the status report of work underway. Under *Goal 1* all new guidance materials and the study (environmental accounting) were sent to members for approval about 1.5 months ago. The accompanying note invited members to respond, if they had any comments or did not agree with the contents by 1 June; silence was deemed as agreement. There were many responses – all positive. Some minor comments were also offered, which by now have been mostly taken into consideration.

The Chair named and praised all the project leaders and subcommittee members for their invaluable contributions and in particular the latter for providing feedback and interesting case studies:

1. *Climate change* – chaired by Norway, subcommittee members Australia, Austria, Brazil, Canada, China, Indonesia, Poland, Russian Federation, South Africa, United Kingdom, United States, Zambia, Zimbabwe.
2. *Sustainable energy* – leader Czech Republic, subcommittee members Australia, China, Norway, Poland, United Kingdom, Zimbabwe, Kuwait, India, Vietnam.
3. *Forestry* – leader Indonesia, subcommittee members Bahamas, Bhutan, Brazil, Cameroon, Estonia, Ethiopia, Kenya, Lesotho, Malaysia, South Africa, Uganda, Zimbabwe.
4. *Mining*: leader Tanzania, subcommittee members China, Ethiopia, Mongolia, South Africa, Uganda
5. *Fisheries* – leader South Africa, subcommittee members Bahamas, Botswana, Canada, Netherlands, New Zealand, Norway.
6. *Study on environmental accounting* – leader USA, subcommittee member Uganda.

The following was undertaken under *Goal 2*:

1. Designing and carrying out a multiregional coordinated climate change audit – the draft report is in preparation and the final drafting meeting will be organised in Athens, Greece after WG13. The lead is taken by Canada, and participating countries are Australia, Austria, Brazil, Estonia, Finland, Greece, Indonesia, Norway, Poland, Slovenia, South Africa, USA, UK.
2. Regional cooperative audits – four regions out of six have such audits in process or finished.

Goal 3 included the following:

1. Organisation of WG12 and WG13, lead by Estonia
2. Developing a biodiversity training module – has been completed and sent to regions for delivery, was first delivered in Qatar, and by EUROSAI in 2009. The course is being translated into Arabic.
3. Publication of the WGEA electronic journal Greenlines twice a year – thanks go to the USA for editing and supporting the work of the journal that serves as the WGEA news gate and a venue for the feature stories.

4. WGEA-IDI environmental auditing training course - was organised for French speaking SAIs in February 2010 in Senegal. Thanks are due to Cameroon, Canada (and Canada's International Development Agency CIDA) for updating, translating and delivery.
5. The 6th survey on environmental auditing - was a very useful exercise, the results to be presented under a separate agenda item at WG13.
6. Annual collection of environmental audits – the collection for 2010 will start shortly.
7. The web site has been renewed during the 3 years – there is new visual identity, and e-mail updates and RSS feed have become possible.
8. New web site for biodiversity – 80% of the work is ready, will be completed in a few months. Thanks to Canada and Brazil for the good work done.

Under *Goal 4* the SC approved the communication strategy with external organisations, the work was led by Estonia in cooperation with Canada and Poland. The materials are included in the WG13 folder.

One project scheduled under *Goal 4* has been redefined: Analysis of the Environmental Audits' World-Wide Database to identify audits whose criteria had included an International Environmental Agreement. When the task was defined 3-4 years ago, at the time when Estonia took the chairmanship over from Canada, the WGEA web site was on a different platform and had to be changed completely in order to avoid having to do the same all over again when the next country would take over. However, it was impossible to search the database by using the necessary criterion and it was decided that it would be more useful to create a database with this function for the newly added audits only, since going back in time would not be cost-effective and would „produce little value for money”.

The work undertaken under *Goal 5* included definition of the roles and responsibilities of the SC, the WGEA, the RWGEAs and the members. The document was approved in Qatar and is now posted on the WGEA web site.

The Chair also thanked all the SAIs that had undertaken on a voluntary basis to translate the previous work period documents: Canada, Argentina, Peru, Chile, Egypt, Tunisia, and Jordan. Egypt has also willing to coordinate the translations for the current work period documents.

Under other activities the Chair reported the following:

1. Participation of the Chair at the INTOSAI Governing Board meeting in November 2009 in Cape Town, South Africa.
2. The development of the Primer for Auditing Multilateral Environmental Agreements in cooperation with the UNEP. The document is included in the WG13 folder. The draft still needs some finishing touches and discussion by SC, then will be ready for approval by the WG.
3. Cooperation with RWGEAs - better cooper with regional chairs is needed and offered.
4. SAI Mexico has been updating the INTOSAI Glossary of Auditing Terms, through the SC WGEA has offered its input regarding environmental auditing terms.
5. Participation in COP15, in Copenhagen, Denmark. The Chair thanked Canada, Poland and Norway for helping prepare the side event at very short notice. Thanks to these efforts the WGEA was well represented and the result was good, especially given that the WGEA participated for the first time in such a momentous event.
6. Contributions to the INTOSAI journal, EUROSAL Newsletter and Greenlines.

Finally, the Chair went over the immediate plans:

1. Finalising the biodiversity web site.
2. Documents which were sent out to the INTOSAI community were in draft format. A company has been hired for desktop publishing so that they look more professional. The process is ongoing, mostly finished, and the project leaders now need to check the finished versions for correctness and then they can be deemed finally finished.
3. The environmental audit collection for 2010 will be sent out shortly.

4. The Primer undertaken in cooperation with UNEP and WGEA will be ready by autumn.
5. XX INCOSAI will be a major event for WGEA. The Chair invited everyone to pass on the message to their Auditors General that they are very welcome to the WGEA side event. The relevant event in Mexico had been a great success, and a repetition is planned for Johannesburg.
6. Minor enhancements still need to be made in the web site.

The Chair explained the approval procedure of documents: based on the work done by the SC in Tanzania and the written comments received from the WGEA members before WG13, which have been taken into account already, the Chair invited the participants to approve the five guidance materials, the study on environmental accounting and the progress report. Nobody spoke against any of the proposed documents and thus the documents were all adopted by acclamation.

Results of the 6th Survey on Environmental Auditing

Margit Lassi, Senior Advisor of INTOSAI WGEA

Ms Lassi thanked all SAIs who contributed to the 6th Survey for their excellent cooperation and patience. The Survey was conducted between March and August 2009. The survey form was distributed to all INTOSAI members via e-mail, the responses could be sent either electronically or on paper. The questionnaire was available in all five INTOSAI languages.

106 SAIs completed survey forms, resulting in the response rate of 59%.

The main findings and results were the following:

Auditing mandate: progressively more SAIs specify their mandate to audit environmental issues. 73% of the respondents mentioned that their mandate had not changed since 2006. Most SAIs have legislative mandate to audit environmental issues in compliance, financial and performance audits.

Environmental audits have been conducted by 78% of SAIs, showing a slight increase from 2006. 86% of the responding SAIs consider environmental issues in other audits.

The SAIs consider as the *most important environmental issues*: natural resources, water and waste; with air, ecosystems and human activities mentioned less.

The most important *audit objectives* are compliance with domestic environmental legislation, performance of government environmental programs and compliance with domestic environmental policies.

The respondents were asked if they had conducted or were conducting *audits of sustainable development*, which was defined as the development that integrates social, environmental and economic objectives and 26% gave an affirmative answer (25% in 2006).

The results concerning *audits on environmental agreements* were the same as 6 years ago, but there was more variety in the agreements audited. The following conventions were audited most frequently: the Kyoto Protocol, Natura 2000 Networking Programme (EU), Biodiversity Convention, the Basel Convention etc. 66% of EUROSAI members and 43% of OLACEFS members have audited environmental agreements, other regions are less active in this field.

Impact of environmental audits – more than half the SAIs measure the impact, by observing government responses and by conducting follow-up audits. Audits help governments to develop different aspects of their policies and programmes, create an environment management system, formulate environmental legislation, evaluate their capacity to implement environmental policies and programmes.

Capacities: In 82% of the responding SAIs one or more percent of the staff work on environmental auditing full time. In 33% of SAIs human capacity increased in comparison with the previous survey, the biggest increase occurred in ARABOSAI and ASOSAI. In 58% of SAIs the share remained the same.

As regards other capacities (budget, training, methodology) there was an increase in 43% of SAIs, the capacities remained the same in 51% of SAIs.

The respondents listed the following *barriers* to their work: insufficient monitoring and reporting systems, insufficient data on the state of the environment, lack of skills, insufficient formulation of government policy, norms and standards, lack of resources (staff, finances). The following ways were considered important to *overcome the barriers* – training, use of environmental standards of international organisations, collecting

data from the field, using external experts, cooperating with other SAIs, attend WGEA and RWGEA meetings.

Future developments: almost 80% of the respondents have planned environmental audits for 2009-11, with natural resources, waste and water scoring the highest among the subjects, and more specifically the subjects included forestry and timber resources, drinking water, general waste, solid and municipal waste, hazardous waste, wastewater treatment, climate change etc.

Other future activities contemplated by SAIs are the following: 73% of SAIs expect to exchange of knowledge with other SAIs, undertake more training, integrate environmental issues in other audits, create a pool of environmental auditors, be able to better measure the effectiveness of government policies and the impact of environmental audits.

Sustainable development will be a top priority for the next period, as well as integrating environmental audits in other audits.

International accords and cooperation:

Half the SAIs have cooperated with other SAIs, however, the SAIs in this survey ascribed more importance of cooperating when auditing international accords than before.

Almost all SAIs find cooperation most useful, helping them to be more effective in their work, learn new strategies and audit approaches, share auditing methodologies, benchmarks and best practices. They also find international activities as motivating them at work. Many SAIs hoped that *future cooperation* would be lifted to a new more effective level, e.g. using interactive web sites, e-training, easily accessible guidance materials.

The *most used WGEA products* were the web site, Greenlines, guidance materials from the previous work plan (the guidance of biodiversity topping the list). However, the SAIs felt that the *most important WGEA products* were the guidance materials (with 81% of SAIs interested in additional guidance materials, especially concerning waste, air quality and pollution, fisheries, natural resources, minerals, climate change, forestry etc), training activities and the web site.

WGEA and the expectations of SAIs:

Guidance on procedural and practical level, how to increase the impact of environmental audits, external expertise, help in developing environmental indicators and auditing international agreements.

RWGEAs and expectations of SAIs: more attention to cooperation in training, meetings, cooperative audits, information and best practice exchange.

The following topics were proposed for the *next work plan*: energy efficiency, renewable energy, air pollution and quality, climate change, forestry, fisheries, waste management, national heritage etc. Some SAIs asked for methodologies for economic evaluation of environmental impact to be included in the work plan.

By way of summary Ms Lassi concluded that the number of environmental audits was increasing, as were the resources assigned for the work. Electronic communication was on the increase as well, with the web site the most used source. The guidance materials were deemed the most important products. WGEA and RWGEA meetings and help from the working groups is expected and needed.

Ms Lassi finished by inviting everyone to study the results of the 6th Survey in more detail: the full report is included in the WG13 folder and has also been posted on the web site.

The Chair thanked Ms Lassi for leading the huge exercise, and also all the respondents. He emphasised the value of the survey, its results are much used via the web site. The 6th Survey also served as a basis for China for the XX INCOSAI Theme II Discussion Paper and Principal Paper. In addition, the results provided very good feedback to WGEA as to how much the current work is used by SAIs and what is considered (still) valuable and what the needs are.

Work Plan 2011-2013

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG13

Mr Saar first described how the draft work plan had evolved to date. The work was not easy, the process was quite long and would still continue during WG13. It is important to make sure that the work plan meets the needs of WGEA members and that there is the capacity to deliver.

The work plan is based on the INTOSAI strategic plan, KSC mandate and terms of reference and the results of the 6th Survey.

Extensive discussions concerning the work plan were held at SC9 in Tanzania, setting out future priorities, wishes, areas in need for more concentration. The WGEA vision and goals were revisited for continued appropriateness.

All the materials and decisions, including the minutes of SC9, reflecting the work on the work plan to date are posted on the web site.

Mr Saar introduced in more detail the contents of the draft work plan:

The plan is designed to carry out the WGEA vision and mission. The goals remained almost the same, with some modifications to goals 1 and 4:

Goal 1: Up-date existing and develop new guidance materials available to SAIs, conduct research studies on emerging topics in environmental auditing.

Goal 1 was made more specific and research studies were added. Research studies are going to be smaller documents (20-30 pages), they do not give guidance or explain how to audit. They may be developed into guidance materials at a later stage. The 6th Survey reflected the need for updating existing guidance materials, in particular that on water. Guidance materials are flexible, they can be tailored to the needs of different SAIs.

The Chair also mentioned the Guide for Guidances developed by Norway and the relevant subcommittee. He proposed that along the same lines a guide might be worked out for the research studies.

Goal 2: Facilitate concurrent, joint, and coordinated audits.

Goal 3: Enhance information dissemination, exchange, and training.

Goal 4: Increase cooperation between the WGEA, international organizations and other INTOSAI bodies.

The new element under goal 4 is "cooperation with other INTOSAI bodies", a need that clearly emerged in SC9 discussions.

The Chair described the capacity needed to achieve the goals, explaining the tasks and duties of the different actors: project leaders, subcommittee members, chair, SC, lead, co-lead, audit coordinator. The activities expected from the respective parties are described in the Roles and Responsibilities of the INTOSAI WGEA Working Bodies document in more detail.

The Chair gave an overview of the activities planned under each goal:

Goal 1:

- Research study on land use and land management practices. The need emerged from the 6th Survey and SC discussion. The Chair gave some indication as to how to develop the scope for this and other research studies.
- Research study on environmental data. The subject is seen as a key challenge for environmental auditors as to the existence, reliability and access to such data.
- Research study on environment and sustainability reporting. This is a cutting edge, future-looking project. Many developed countries are developing financial statements in both public and private sectors and include sustainability issues in the statements. The aim is to study what countries have such experience, focusing on how to audit the statements.
- Research study on environmental issues associated with infrastructure – the whole life cycle.
- Research study on Open to suggestions from WG13. The Chair invited the RWGEAs to discuss and propose subjects at their meetings scheduled for the same day.
- Guidance material on auditing water issues, an update of the 2004 document, urgently requested and needed by many countries.

- Guidance material on fraud and corruption in environmental auditing, proposed by Norway. There is a clear need for studying the subject, especially on how to audit for fraud and corruption. The work will be linked to existing INTOSAI guidelines / working group documents.

Goal 2:

- Regional cooperative audits are most important, being also rather unique, limited to the area of the environment, since not many cooperative audits are undertaken in other fields by INTOSAI.
- Multi-region concurrent or coordinated audit on adaptation in climate change.
- Multi-region concurrent or coordinated audit on energy, focusing on renewables.

Goal 3:

- WG14 (2011) and WG15 (2013), host sought for WG14, Estonia is proposing to host WG15.
- Regional coordinators urged to organise at least one meeting during work plan period and deliver at least one training course.
- Distribute training module and develop an e-learning tool on climate change. Norway has taken the lead for these activities. Training is expensive, ways should be found to cut expenses. Work is already underway on how to accomplish this. The Chair was convinced of a successful outcome.
- Develop a training module on forestry. Indonesia has kindly volunteered.
- Find a partner to provide a global training facility on environmental auditing. This item was the subject of much dispute and doubt. However, a clear need emerged from the 6th Survey. Many materials exist already, these should be collected. A partner is needed, i.e. potential countries who would be able to provide the facilities. The Chair was convinced that the exercise would be worth the effort.
- Work is to continue on developing the web site.
- Undertake the 7th survey on environmental auditing. Earlier questions had been raised about the need for another survey, but the conclusion was that a survey continues to be relevant.
- Annual collection of environmental audits worldwide, to be posted on the web site. This is the section of the web site, which is visited most often.
- Publishing the Greenlines newsletter. After the web site the newsletter is the next most used source. The Chair thanked USA and Mr Elstein for their efforts and readiness to continue the work.

Goal 4:

- Cooperation with the INTOSAI community and external organisations, in order to introduce and distribute guidance materials and other publications. Continued work with UNEP, UNFCCC (incl. COPs), Rio+20 Earth Summit. The latter has no agenda yet, just general topics have emerged. The Chair is in contact with the Rio secretariat. The main aim is for WGEA to participate and make itself visible at the Rio+20 Summit.
- Develop a compendium of country papers for RIO+20 from the SAls' perspective.
- Introduce and distribute the primer on auditing multilateral environmental agreements in cooperation with UNEP.
- Cooperation with IDI regarding the capacity building programme. The issue will be dealt under a separate agenda item.

Next steps:

The Chair explained what was expected of the WG members as regards the work plan. The draft work plan has been put up on the wall at the meeting venue. Potential project leaders and subcommittee members are invited to sign up for the projects. Some volunteers have already come forward. The Chair invited any potential project leaders to consult him first in order to avoid competition and confusion.

The Chair also reminded the regional groups to propose one last theme for a research study at their subsequent meetings.

The work plan will be put up for approval on the last day of WG13.

INTOSAI Development Initiative Programmes – Transregional Capacity Building Programme on Environmental Auditing

Ms Else Karin Kristensen, Deputy Director General, IDI

Mr Bernardus Dwita Pradana, Programme Manager, IDI

Ms Kristensen introduced the large global programme (transregional) that has an extended focus beyond training, and is rather a capacity building programme, focused on the performance audit of forestry.

The two year programme is launched at WG13. Ms Kristensen touched upon the history of the programme: the first planning meeting has been held with the participation of representatives from the WGEA Secretariat and Indonesia.

To date information has been sent out to 30 English speaking SAIs. The programme is designed for 12 SAIs. Anyone interested is invited to proactively approach IDI.

The Programme Manager Bernardus Dwita Pradana explained the programme in more detail. After a greeting in Chinese he thanked the Auditor General of Estonia and Auditor General of China for the invitation to participate at WG13. He then briefly spoke about the background of the programme – it had taken two years of preparation, work in cooperation, finding the common interest and how IDI and WGEA could together achieve the knowledge sharing goals.

Mr Pradana explained how IDI had evolved from the INTOSAI community training arm into its capacity building arm.

He mentioned earlier cooperation with WGEA, regional efforts in AFROSAI, PASAI (waste management 2009-2010) and future plans.

Mr Pradana described the current programme: the participating SAIs will be selected from three regions: ASOSAI, AFROSAI and CAROSAI.

The objective is capacity building of the people and the organisation as a whole in order to maintain sustainability.

Outputs:

- (a) Related to people: real life experience via planning and conducting a pilot audit, drafting the audit report, coupled with peer review;
- (b) Related to organisations: distribution and dissemination of the WGEA audit guidelines on forests, feedback on the guidelines, development of forest audit case studies, preparation of a compendium of findings, recommendations, common challenges.

The most important outcome of the programme is institutionalising the system so that the SAIs can later carry out similar audits regularly.

Next steps

- The letters including the programme proposal and a survey have been sent to SAIs. The survey is a tool for IDI to get to know the profile of SAIs in performance audit and forestry, so as to best tailor the programme to the needs of the SAIs.

Special criteria will be applied to selecting applicants in case more than 12 SAIs would be interested in joining the programme.

- Responses and answers to the survey are expected by 30 June 2010 from interested SAIs. Participating SAIs will need to sign an agreement and a commitment.

- In August and September 2010 the online platform will be developed. A lot of work will be conducted online.

- The participants are offered 11 audit topics from which to choose 2-3 more relevant topics for the particular SAI.

With help from mentors the SAIs develop the draft audit plan and calendar, working online during August and September 2010.

- In October 2010 a face-to-face audit planning meeting will be held, hosted kindly by Indonesia.

- November 2010-September 2011 – pilot audits conducted by SAIs.

- October 2011 – review meeting for finalisation of audit reports.

- Wrap-up meeting 2012.

Finally Mr Pradana thanked the SAls of Estonia, Indonesia and the Secretariat for their strong commitment to date. He explained that all funding and the experts will come from IDI, whereas WGEA will provide guidance and reference materials.

Mr Pradana finished by referring to the relevant materials on the IDI and WGEA websites.

The Chair thanked IDI and the donor community. The project is very important for two reasons – to put the existing guidance material into practice and to keep it alive, as there will be feedback and recommendations for improving the guidance material.

Cameroon wanted to know why only English speaking SAls had been selected.

Ms Kristensen replied that it was a pilot programme, and at the current stage could only be run in one language. However, that did not mean that IDI would not repeat the programme again in French. It had been easier to start with English, as the IDI working language. She promised that if the current programme was a success, IDI would conduct it in other languages as well.

Regional meetings in parallel sessions

The Chair explained the practicalities of the parallel sessions and emphasised that the aim of the regional meetings was to provide the regional leaders with a possibility to contact the participating countries. The Chair asked all regions to discuss the following items at the meetings:

1. Propose a theme for one additional research study in the next work plan – feedback expected by later in the evening or the next day.
2. Discuss cooperative audits / activities in the region (no feedback expected).
3. Discuss reconvening the regional meetings.

The results of the parallel sessions can be combined into RWGEA progress reports on Friday.

Day 3

Wednesday, 9 June 2010

The Chair thanked the hosts for a wonderful dinner the night before.

He also shared a piece of very good news with the audience, namely, Argentina had decided to host a meeting in 2011. The Chair cordially thanked the Auditor General of Argentina Dr Horacio Pernasetti, who was present among the audience.

Environment and Social Assessment – Current Challenges

Mr Peter Leonard, World Bank Beijing Office

Mr Leonard is the World Bank representative in China, advising the Chinese Government and other partners on environmental and social compliance issues.

Mr Leonard introduced the subject, explaining what environmental and social assessment (ESA) was and discussing first its current state. Most investment projects today are subject ESA. Most countries have introduced the relevant legislation by now. Also international conventions increasingly mention ESA, e.g. the Biodiversity Convention, UNFCCC and others.

ESA has also entered policy and planning – covering the whole cycle.

Mr Leonard then introduced the new developments concerning ESA:

- Has become part of the planning process, in the form of a set of tools for decision-making;
- Transition from “Do no harm” to “Do good” approach;
- IT and GIS have become simpler and more accessible over the past 5-6 years, can be put to more use in developing countries, e.g. google maps used in a practical way;
- Use of adaptive management approaches;
- Global environmental issues – biodiversity, payment for ecological services;

- Integration of EAS with climate change adaptation and mitigation;
- Expansion of socially related effects;
- Accountability of project proponents –EMS, Corporate Social Responsibility, legal liability;
- Sustainability assessments: Triple bottom line;
- International Environmental, Health and Safety Guidelines –Good practice;
- Expanded use of framework approaches: both for environment and social aspects;
- Participatory assessments: during planning and implementation/third party & community monitoring;
- Use of country borrower systems;
- Use of international standards for Environmental and Social Assessments.

Mr Leonard continued with what was new about EAS:

- Evaluates potential risks and impacts of activities;
- Examines alternatives;
- Project siting, planning, design, implementation;
- Prevents, minimizes, mitigates, or compensates for adverse impacts and enhances positive impacts;
- Includes human health & safety, social, transboundary and global environment aspects;
- Considers natural and social aspects in integrated manner.

He then tackled the challenges ahead:

- Policy bridge - Strategic Environmental (and Social) Assessment – mixed results, no clear methodologies;
- Addressing Global Environmental Issues;
- Processes and tools adapted to different scales: from global, to regional to local;
- Climate change: the missing dimension in the making;
- Improving Implementation of ESA, especially in developing countries;
- Decentralization of ESA;
- Developing a Profession of Practitioners –a lot of debate, move from quantitative to qualitative.

Mr Leonard finished by describing the ESA challenges in China.

China is the most successful developing country economically, but this comes with high environmental cost. Global environmental challenges, climate change, ozone layer, biodiversity, acid rain, pollution of waters – these are the major problems in China.

The challenges at country level include air pollution, water pollution, land degradation, ground water, toxic waste, urbanisation (will double in the next decade).

How has China responded? There is some good news. Urban waste water treatment is a success in China, as is reforestation, SO₂ pollution reduction, CFC phase-out. The legislation, procedures and expertise are in place. ESA is used by China from 2003. Despite the efforts there are still huge challenges, with China being the greatest emitter of greenhouse gases in the world.

As regards ESA there is a need for capacity building in China. Much work is project specific, but there is a need to go beyond that. Paradoxically some environmental standards in China are higher than in many other countries, whereas some are so much lower. They also differ by region inside the country. China also needs to improve public consultation requirements, techniques and participatory processes during project preparation and implementation.

Much challenge remains on provincial level – capacity differs tremendously, the huge challenge is to ensure that environmental assessments are being implemented.

Finally, Mr Leonard spoke about the World Bank programme in China – 64 projects are being currently implemented, 9 billion USD are committed etc. Most World Bank activities require ESA, using a range of EA instruments. Environment is mainstreamed into the World Bank projects.

The Chair thanked Mr Leonard for an honest and awakening presentation. He also emphasised that cooperation with the World Bank was very important for WGEA.

Representatives from Canada started a short discussion concerning links between climate change and environmental assessment and the World Bank's activities in this respect.

Mr Leonard reflected that in the World Bank climate change had become clearly an important part of the agenda. More resources are shifted towards these measures. Three international workshops will be held in 2010 to these matters. In general, he admitted there were many more questions than answers. Methodology and approaches diverge by sector and area. In some areas consensus was achieved quickly, but in climate change matters it is going to be much more difficult to establish a consensus.

Policies and Actions to Address Climate Change in China

Prof Guo Yuan, Energy Research Institute, National Development and Reform Commission, China

Professor Guo Yuan described what China has done and is doing concerning climate change. She first gave some background information about China's economy and energy. China is the 2nd largest economy in the world and belongs to the lower middle income group. Energy consumption per capita is low, although totals are huge. Energy consumption is dominated by the industrial sector (70%). Coal production and consumption in China constitutes 46% of the world total, again, per capita use is very low. Also CO₂ emissions per capita are very low.

The challenges China faces derive from the huge population – thus the government's priority is economic development and better standard of living for the people. In the next ten years 500 million people are expected to move to towns and cities.

High quality energy resources are lacking in China, mainly coal, given the huge scope China cannot import energy and must use local resources.

Professor Guo Yuan explained China's position on climate change:

- Common but differentiated responsibilities should be insisted, recognizing historical responsibility, current emission and socioeconomic capabilities;
- Addressing climate change should within the framework of sustainable development give equal emphasis on mitigation and adaptation;
- Climate change policy should integrate with sustainable development policies: energy saving and energy efficiency, non carbon and low carbon energy development, ecological system improvement and etc;
- As a responsible country, China has made, and will continue to make great efforts to address climate change.

The measures to combat climate change are the following:

- Legislative promotion. In 2006, the National People Congress ratified the bending targets of 11th Five Year Plan:

a) Reduce energy consumption per unit GDP output 20% and pollutant emission 10%;

b) control GHG emission effectively.

- Administrative arrangement;

- Guidance documents;

- Responsibility system – government at all levels must include climate change into all economic and social plans, this is required by law. State-owned companies have specific energy saving targets.

The second part of Professor Guo Yuan's presentation was devoted to the activities and policies for energy efficiency improvement. The measures range from laws and administrative responsibilities, e.g. energy efficiency labelling system, forcible retirement of inefficient old equipment etc.

Concrete measures:

- Key energy saving projects (e.g. retrofitting, co-generation);
- Thousand Enterprises' Energy Saving Action;
- Energy saving in buildings: special legislation and targets, obligatory energy saving certification for all new buildings and energy audits for public buildings;
- Shut down of low efficiency installations, mainly in the heavy industrial sector, resulting in considerable energy savings.

Promotion of renewable energy:

- Special renewable energy legislation, tariff increases to collect funds for renewable energy generation, financial incentives (investment, price and product subsidies). Results: wind and solar energy develop fast.
- Renewable energy is used for buildings;
- Biogas in rural areas, funded by government debt.

Targets to increase the non or low fossil energy development:

- Put into use domestic natural gas resources;
- Increase nuclear generation capacity;
- Increase hydropower capacity.

Other measures:

- Use high efficiency technology for generation of energy;
- Carbon capture and storage projects underway;
- Land use sector: promoting ecological agriculture, reducing chemical fertilizer use, improving irrigation techniques for rice fields, forestation and reforestation to create carbon sinks.

The Chair thanked the speaker and invited questions.

Mr Robert Cheyo, Tanzania, wished to know, what proportion of the fund for phasing out inefficient installations goes for public cooperation investment and how much for private investors?

The answer was that in China the standard was the same for public and private enterprises, if they meet the standard, each can get funding on the same grounds.

Global Coordinated Audit of Climate Change

Ms Kimberley Leach, Director, Canada

Ms Leach explained that she had not been directly involved in the project but in preparation for the presentation had talked to many who had been and also who had not been involved themselves and they invariably had said what a success that project was. She thanked the Canadian Commissioner of the Environment and Auditor General for supporting the project and passed on greetings from John Reed, who had been the project manager.

The project was initiated in 2007, a year when climate change as well as coordinated audits were made priorities for WGEA.

This project, which is first of its kind, combines both priorities.

Project objectives have all been achieved:

- To encourage and support national audits of climate change by supreme audit institutions;
- To coordinate auditing and reporting to benefit from the collective power and insights of participating SAIs;
- To build strategic relationships with key international organizations.

There were 14 participating countries, representing a mix of auditing mandates and experience in auditing climate change: Australia, Austria, Brazil, Canada, Estonia, Finland, Greece, Indonesia, Norway, Poland, Slovenia, South Africa, United States of America, United Kingdom.

Support was offered by UNFCCC, WB, the International Institute for Sustainable Development (IISD).

For project management and approach the WGEA Guidance as well as Tips and Examples for Cooperative Audits served as a basis. The overall audit approach was based on a menu of common objectives, researchable questions and criteria concerning mitigation and adaptation. Flexibility was important, given the different needs and working cycles of SAIs.

Important synergies developed from the Guidance for Auditing Climate Change, where the work was led by Norway.

Project timeline:

2008 – planning;

2009 – audits conducted;

2010 – reports and joint summary report (the latter will be finalized in Athens the following week).

The purpose of the joint summary report is to raise awareness, make governments take action or improve their actions, help legislators etc. The joint report will contain observations organized by themes, high-level matters for consideration aimed at policy-makers, parliamentarians, auditors. There will also be an annex with abstracts of national audits.

Ms Leach described some preliminary (stress, preliminary! results, given the work still ahead in Athens):

- Most countries have strategies and plans in place to meet the Kyoto commitment period, but not beyond that;
- Targets are not always measurable, specific, timebound etc (e.g. implementation plans without timelines);
- A wide spectrum of instruments is used (most common – emissions trading, followed by regulatory measures);
- Countries are compiling inventories according to the UNFCCC and IPCC guidelines;
- All Annex I countries are meeting their reporting obligations;
- Only a few countries have a system in place to address the performance of individual actions and measures;
- Most countries have no system in place for tracking costs and revenue of mitigation measures;
- Half of the countries say that roles and responsibilities are not clear;
- The existence of reliable data is critical;
- In adaptation the governments' response falls behind; only two countries had national strategies, others were just starting work on the strategy;
- Importance of risk assessments, also should be conducted at an early stage, etc

As lessons learned Ms Leach listed the following: the commitment of the Auditor General is vital, SAIs worked as partners, not as participants, guidelines are important, a flexible approach is essential, the partners must be ready to commit time, resources, share the workload, submit materials on time. Front end planning is key and communication essential. In general: an excellent opportunity for capacity building, with the process and product equally important.

By way of summary Ms Leach read out a passage from the final report, "As advocates of good management, effective governance and accountability, auditors are compelled to treat Climate Change as a highly material topic."

She briefly went over the next steps: final drafting of report, communication plan and release planned for XX INCOSAI in November 2010.

The Chair thanked Ms Leach, Mr Reed and others who had worked very hard on the project.

European Coordinated Audit of Climate Change

Ms Katarzyna Papińska, Technical Advisor, Poland

Introducing the item of the agenda the Chair pointed out that the results of the European Coordinated Audit of Climate Change had been presented at COP15 as well.

Ms Papińska gave a brief overview of the project and its results. In comparison with the global coordinated audit, presented under the previous agenda item, the European audit was smaller in geographical scale. The participants were Azerbaijan, Cyprus, Denmark, Estonia, Israel, the Former Yugoslav Republic of Macedonia (FYROM), Poland, Russia, Switzerland, Ukraine, with Poland acting as coordinator. Ms Papińska noted that geographical location played a role on the GHG emissions level as well. The status of the 10 participating states varied with respect to the Kyoto Protocol and the EU Directive 2003/87/EC (ETS Directive) - 7 states were Kyoto Protocol Annex B countries, 4 states were EU Member States, 3 states were neither Kyoto Protocol annex B countries nor EU Member States.

The audit was conducted in 2009, covered the period 2006-2008 and was based on the Common Position on Cooperation for Coordinated Parallel EUROSAI Audit on Climate Change.

The aim of the audit was to assess the actions taken in the States of the Cooperating SAIs to implement the provisions of the United Nations Framework Convention on Climate Change, the Kyoto Protocol to this Convention, ETS Directive establishing a scheme for greenhouse gas emission allowance trading within the Community and the requirements of the national legislation.

The audit scope varied due to differences in SAIs – e.g. Estonia did not audit climate change observations, FYROM – audited only mitigation actions. Different methods were used for auditing. Commitments under the UNFCCC were fulfilled in different ways and to varying degrees. Ms Papińska illustrated the statements with various examples by country.

It emerged that in all the States of the Cooperating SAIs climate change observations were performed, covering climate variables and including analysis and interpretation of the research results. The scope and frequency of the research carried out in the individual States was different, but in all of them the basic climate variables were tested. The observation results were published in the reports of government agencies and statistical reports and they were also placed on the websites of the competent government institutions or meteorological services. All the States were involved in international cooperation in the scope of research and an exchange of observation data, e.g. through their participation in international networks and research projects, their work at the technical commissions of the World Meteorological Organisation and training courses.

In all the States of the Cooperating SAIs, measures were taken to mitigate climate change through the limitation of their greenhouse gas emissions and the enhancement of the capacity of the sinks and reservoirs of these gases. Per capita figures showed that the highest emissions levels were in Estonia, the lowest in FYROM. In 8 countries GHG reduction strategies existed. In some countries there were no clear indicators to measure emission reduction targets.

As regards the implementation of the ETS Directive, national emission allowance allocation plans were developed, an emission allowance trading scheme was established and the required registries were kept by all participating EU Member States. The practical implementation of the directive varies by country.

The Clean Development Mechanism (CDM), § 12 of the Kyoto Protocol was used by 6 SAIs, and 5 SAIs participated in Joint Implementation (JI) projects.

All countries monitor the effect of actions taken to mitigate climate change. Some reports are submitted with a delay. In some countries indicators for results achieved are not clear and uniform.

A Joint Final Report was also prepared. The report concluded that the benefits of the audit were observed mostly on national level. Of the recommendations given to national authorities the most recurrent was: improve national legislation, establish one central authority for overall control of implementation of the convention and the national commitments.

Contents of Joint Final Report:

Part I contains general information on the audit, climate change in Europe, the related international regulations and presentations of the States of the Cooperating SAIs;

Part II contains the main audit findings in the four audited areas (observation, mitigation, monitoring and financing);

Part III contains summaries of national reports on audit findings, along with the assessments from the national audits, prepared by the Cooperating SAIs and provided in this Part as originally submitted.

Part III also includes the Communiqué on the Results of the Coordinated Audit of Air and Ozone Layer Protection and Implementation of Related International Agreements, and summaries of the national reports on audits, performed by the Supreme Audit Office of the Slovak Republic, the Court of Audit of the Republic of Slovenia, the Supreme Audit Office of the Czech Republic and the Austrian Court of Audit.

The Joint Final Report was approved by all participating SAIs in December 2009.

Ms Papińska invited the participants of the meeting to further study the detailed Joint Final Report, as it had been distributed as a handout in the morning. The material is also accessible via the EUROSAI web site.

The Chair thanked the project coordinators and participants for the extensive, fruitful exercise, which provided a lot of insight into the subject matter and also served as a perfect example of knowledge sharing.

Presentation of the Climate Change Guide and E-learning Tool

Kristine Lien Skog, Senior Audit Adviser, Norway

Ms Skog thanked the organizers for a very beautiful tour in the very beautiful country on the first day of the meeting.

She explained that the main objective of the presentation was to convince the audience that climate change was relevant to all and that climate change was definitely auditable and that hopefully the guidance materials will be of help.

Ms Skog gave a detailed and amply illustrated introduction to the background of climate change, explaining what it was, the impact of climate, the causes of climate change and why it was important to reduce GHG. She quoted the UNFCCC: "Warming of the climate is unequivocal", on which the UNFCCC is based. Evidence: temperature rise over the last 25 years, increase of the global sea level, melting of snow and ice, changes in weather. Climate change affects globally the environment, economy and social systems, this is reflected in more diseases, impact to the agriculture, food supply, forests, water supply, ecosystems etc. Climate changes translate into increased GHG emissions. Ms Skog also explained the mechanism of the greenhouse effect.

She then explained the causes of climate change: most global average temperatures increases since 1950 are very likely due to increase in anthropogenic GHG concentrations, i.e. humans are responsible. There will be temperature rise and climate change anyway, the earlier we act, the less costly it will be.

Conclusion: substantial global Climate Change action is needed – both mitigation and adaptation!

Next Ms Skog went over the governments' response to climate change, both international and national.

UNFCCC sets out the responsibilities: everybody is responsible for mitigation and adaptation, but developed countries are more responsible. The precautionary principle is vital: there is a need to act now, even if not all future consequences are known yet. Help must be given to developing countries.

The challenge of UNFCCC: the obligations are not time bound and not country specific.

The main mitigation objective under the UNFCCC and the Kyoto Protocol is to set binding mitigation targets for each developed country, plus put in place a mechanism for developing countries. The Kyoto Protocol is much more specific and thus serves as a good basis for auditors' work, in particular the system of reporting to the UNFCCC is a valuable source of information for auditors.

The UNFCCC also reviewed the guidance material, putting a lot of emphasis on the Copenhagen accord agreed at COP15. It had been difficult to reach agreement in Copenhagen, but a consensus was achieved, which is not committing parties yet: to work to limit global warming to two degrees Celsius, with no deadlines set.

Conclusion: climate change impacts all of us; mitigation and adaptation are material; commitments can be set and can serve as audit criteria, funding is needed; the measures are crossing borders – thus coordinated audits are very valuable for knowledge sharing.

Ms Skog introduced the guidance materials next.

The objectives are to inspire and support SAIs to conduct climate change audits (mitigation and adaptation) and to contribute to well designed audits that lead to good governance.

The subcommittee members' (16 in total) contribution was invaluable, as was close cooperation with the INTOSAI global audit team. Also close links were forged with other guidances, referring to them whenever appropriate.

The products of the work were the following: the guidance material proper (paper version), face-to-face training course materials (ready to be delivered to the regions after the summer), e-learning tool.

Ms Skog described the content of the guidance material, it follows in general the same items as described above, in the introduction. The guidance explains how to audit climate change, with adaptation and mitigation discussed in separate chapters, due to the difference between the two. The guidance also contains a section on lessons learned, mainly derived from the global audit project. There are also case studies from across the world, and sources for more information.

The face-to-face course consists of two one-day courses. They are based on the same structure as the biodiversity course developed by Brazil and Canada. The course was tested at COP15 in Copenhagen and will also be tested at the current WG13. Bulgaria will have the courses delivered as a pilot project in June 2010.

The face-to-face course will be linked to the e-learning tool: it is best to take the e-learning course first in order to be better prepared for the face-to-face training.

The E-learning tool was developed in order to save time and money needed for face-to-face training courses. The tool will be available very soon, by summer 2010.

The E-learning tool consists of six modules:

1. Introduction – follows the background chapter of the guidance, plus exercises included;
2. Adaptation;
3. Mitigation;
- 4-5. Narrower scope in one sector;

6. A planning tool, which is directly related to the questions of the guide and helps create a matrix for audit. Not ready yet, as is the hardest to prepare.

There is a user interface for modules 2-5, which Ms Skog demonstrated: it is very near to life and well illustrated.

Ms Skog invited the participants to test the e-learning tool and give feedback by 16 June. Testing is possible on the meeting venue, via special computers or via the web site.

The last part of the presentation was devoted to how to put all the information into practice by auditing climate change. Ms Skog described the 4-step process (same structure in all guidances) of how to design the audit:

1. Climate change: overview of problems and impacts;
2. What governments are doing to handle the threats;
3. Choose the topics where the government's response is the weakest to add the most value;
4. Design/scope the audit in the form of a design matrix, which also helps make decisions and communicate the auditors' actions to others.

Conclusion:

- Climate change is material, and both adaptation and mitigation efforts are needed;
- Climate Change auditing is very relevant and has a wide range of impacts;
- Broad cooperation is very useful when auditing mitigation and adaptation issues;
- The guide, the e-learning programme and the face-to-face courses will hopefully enable the auditors to succeed!

The Chair thanked the project team for the tremendous effort, for in addition to developing the guidance the products also include the training course and e-learning tool. To respect the efforts, the Chair invited all to test the e-learning tool and give feedback.

The Chair explained about parallel sessions in the afternoon: mitigation led by Estonia, and adaptation by Norway. Late afternoon is set aside for reporting back on the parallel sessions.

Outcome of Parallel Sessions on Climate Change: Mitigation and Adaptation

Mitigation

Tuuli Rasso, Audit Manager, Estonia

The Mitigation Group broke into further three subgroups to facilitate discussion. Each group came up with specific results, some were common to all three, others not.

Discussions focused on three questions:

1. What are the countries' problems: on the one hand the challenges for SAIs for auditing mitigation of climate change and on the other hand, the mitigation problems for the country in general.

All three groups came to the conclusion that mitigation was an auditable and important theme. Different types of audit are possible – compliance, performance, financial. This mostly depends on the mandate of the SAI. Several SAIs do not have a specific mandate for environmental audit and that is why they have to focus on financial audit.

The challenges for the SAIs were similar – lack of (clear) policy. Many countries have joined the UNFCCC and the Kyoto Protocol, but have not established clear roles and responsibilities to implement. Not all countries have ratified the Kyoto Protocol.

Also audit offices suffer from a lack of resources, sometimes the countries themselves have a lack of resources, and in this case it is difficult to take any measures with such limited resources.

Lack of knowledge is also a problem - both in SAIs and on country level.

Lack of reliable data is a critical problem. Even if some data exists, making the data reliable costs money. However certain data can be collected with smaller efforts.

The transport and industrial sectors were identified as problem areas.

Often costs are not determined or the calculations are not reliable, cost/benefit analyses are rare.

2. What are the information sources for planning the audit – what other institutions might have already done some work on mitigation

Data (even if not always reliable) exist, there are many sources for data: from previous analyses, government ministries, statistical offices, universities, focal points, NGOs, international organisations (e.g. inventories and reports to the UN).

3. Audit approaches that could be taken for mitigation.

SAIs can assist governments to address climate change by highlighting problems. In some countries climate change is not even publicly known to everybody.

The assistance can take the form of good audits and recommendations, production of quality information, thus contributing to policymaking.

The groups also discussed whether WGEA should send some message to XX INCOSAI that would be easily understandable but important. The group agreed that it was necessary to stress the importance of climate change and came up with the following, rather general wording, "The SAIs need to assist in addressing the current concerns about climate change by auditing the activities of governments".

Adaptation

Ragnar Brevik, Audit Advisor, Norway

Mr Brevik thanked all participants for their work, and gave special thanks to the persons who did case presentations: Rafael Lopes Torres from Brazil, Akis Kikas from Cyprus, Robert Cheyo from Tanzania and Amanda Simpson from the UK.

The adaptation group organized the outcome messages as follows:

Vulnerabilities:

- Climate change has a world wide impact on the environment, society and economy;
- Key vulnerabilities exist in several sectors, which are affected by climate change.

Risk areas:

- There is a lack of overall strategies;
- Insufficient assessment of vulnerabilities incl. impact;
- Poor monitoring of the weather and climate situation both in the atmosphere and on the ground;
- Policies for climate change exist but are often poorly implemented;
- Governments have not addressed the need for adaptation in vulnerable sectors;
- Several risk areas have already been identified in several countries with regard to climate (e.g. water supply, flooding) and these are expected to worsen with climate change in the future.

Audit objectives:

- Several audit objectives and researchable questions have been identified;
- Coordinated audits could address common challenges, provide access to expertise etc;
- The added value from coordinated audit: facilitating acceptance in one's own audit office.

The Chair thanked the adaptation group for good work. He concluded: climate change is happening and is real – this a clear message that emerged from both groups and SAIs should pay attention and climate change must remain on the agenda. He also said that work was already underway putting together final

conclusions of the meeting and the results of the parallel sessions and the next days' work will be fed into the process – he was convinced that the message will be clear, sound and good.

Day 4

Thursday 10 June 2010

Parallel sessions on Mining, Sustainable Energy, Forestry, Fisheries and Environmental Accounting

Morning:

The Chair introduced the parallel sessions.

He also reported back on the “homework” assigned to the participants the day before: the land use research study has a potential leader and potential co-leads.

RWGEAs proposals for work plan yielded two more projects, which will be added to the work plan for the next period:

- 1) Emergency preparedness;
- 2) Research project on wildlife protection and tourism.

The Chair invited project leaders and subcommittee members to come forward and sign up for the new themes.

Then the meeting broke out for the morning parallel sessions on mining and sustainable energy.

Afternoon:

The Chair announced that Argentina had officially confirmed by letter that they would be willing to host the 14th meeting of the INTOSAI WGEA (WG14).

The Chair also repeated the invitation for project leaders and subcommittee members for the two new projects and subcommittee members were also invited to sign up for other projects.

The Chair reminded the participants that still some waste related case studies were expected, especially from Africa, to be added to the cooperation project with the UNEP on the Primer on Auditing Multilateral Environmental Agreements.

The meeting then broke up for three parallel sessions for the afternoon: forestry, fisheries and environmental accounting.

Outcome of Parallel Sessions

Mining

Robert Cheyo, Principle, Tanzania

Mr Cheyo summed up the work of the session on mining by identifying the most important lessons learned:

- Inadequate oversight by the government of the mining sector;
- Lack of reliable data and information and reporting on the scope of the audit;
- Inadequate financial security and guarantees and underestimation of restoration costs;
- High risk to have economic, biophysical and social impacts due to mining activities;

The main message to INCOSAI should be:

Governments of the world should put effective systems in place to address the above lessons learned.

Sustainable Energy

Sylva Müllerová, Director of the International Relations Department, the Czech Republic

Thanks are due to all subcommittee members for their efforts: Australia, Canada, Estonia, Morocco, Norway, Poland, and the UK.

The parallel session included the presentation on how to audit sustainable energy, accompanied by practical tips. There were also presentations by the European Court of Auditors and SAIs of Estonia, Norway and the UK on how to audit sustainable energy. Thanks to everybody for interesting and productive contributions.

All participants found that sustainable energy was a challenging issue.

The most important conclusions and recommendations are the following:

- Auditing sustainable energy as part of sustainable development audits;
- A significant topic for SAIs' audit activities;
- Strengthen international funding for renewable energy resources, especially for less developed countries;
- Dedicate finances not only for existing renewable energy resources but also to research and development, innovation and new technologies;
- Focus on education and training of the general public on energy saving issues;
- Acknowledge the efficiency, economy, and effectiveness of funds spent in support of this area in the long-term period as a goal for SAIs.

Fisheries

Jonathan Keate, Senior Solicitor/Sector Manager, New Zealand

Mr Keate first commented on the photo shown on the screen: it was taken at SC9 in Dar es Salaam in February 2010 at the fish market at 6 am as the boats came in and the fish was sold at the market. It illustrates very nicely the economic and social aspects of fisheries and the human aspect and the need for good management of the resource.

At the current session the tutorial was presented as well as very good presentations were made by Botswana, Canada, and jointly by Norway and Russia.

The conclusions were the following:

- Fisheries is a vitally important natural resource that needs to be sustainably managed for both current and future generations;
- Fisheries is a very good topic to test how/whether governments are taking the sustainable development approach in managing the resource;
- Fisheries lends itself very well to joint, parallel, regionally based audits, something to be pursued further in the future;
- There is a need for good information and data, this was revealed by the presentations;
- There is a need for proper enforcement and sanctions.

The general opinion of the group concerning the guidance material was very positive and considered very useful for audits planned.

As a very encouraging development Ghana, Vietnam and Russia, plus another five African countries (Tanzania, Kenya, Uganda, Rwanda and Burundi) are planning fisheries audits (the latter five on the management of Lake Victoria).

The guidance material contains a lot of material about fisheries that can save a lot of research effort by SAIs. Canada put a lot of effort into developing the annexes and the step-by-step approach, which is very useful for planning and scoping audits in this area.

The Chair thanked the subcommittee of this project since unfortunately the South African colleagues who wrote the main parts of the guidance could not participate in this meeting and Canada, New Zealand and Norway very kindly helped bring this project to fruition.

Forestry

Edward Simanjuntak, Audit Director, Indonesia

At the tutorial session just finished the group learned about the contents of the guidance material and how to use it as a tool for audits. There were also three country presentations: Brazil, India and Malaysia. A lot of information and many tools that can be used for auditing could be gleaned from the presentations; e.g. in Malaysia they use special technology in their audits to measure the quality of water resulting from deforestation. India is already using statistical random sampling in auditing. The SAI of Indonesia explained how to use GIS and GPS technology for audit purposes.

The following conclusions were made:

- All parties, e.g. the government, licensed companies, NGOs, the media are responsible for managing the forests sustainably;
- In auditing the forest performance, financial and compliance audits can be used.

What is the role of SAIs in ensuring that the government manages forest sustainably?

Via recommendations SAIs can promote accountability and good governance in the forestry sector and improve the forest management systems. SAIs can also help with research in forestry matters.

What is the role of WGEA in assisting the governments in managing the forests sustainably via the SAIs?

WGEA can act as advisor, also via the guidance materials, training research etc.

WGEA should promote cooperative regional or international audits in forestry.

Environmental Accounting

Steven Elstein, Assistant Director, Natural Resources and Environment, USA

Mr Elstein liked the discussion for supporting the concept of environmental audit and for being realistic.

The discussion started from the premise that critical environmental data is often unavailable for decision-makers and also for auditors to evaluate the programmes. Thus often instead of evaluating the programme auditors end up evaluating why the data is so poor. That is the reality that many auditors face.

There was a lot of support for the concept to provide better data for all. The report contains some empirical evidence that the state-of-the-art of environmental accounting has made great progress. But many had a healthy scepticism, stating that the data have to be verified. This could be the one of the role of the SAIs.

Environmental accounting adds value for climate change issues as well. While this serves its purpose, one again has to be sceptical about the quality of data, especially for adaptation, as there is no hard data concerning the future.

In summary, the group came to a mixed message – environmental accounting is a discipline with a lot of potential and is developing, but the discipline is subject to the sceptical auditor's eye.

The Chair thanked the last speaker and all other contributors. Such parallel sessions were organized for the first time on this scale, giving all participants active opportunities to participate and speak, and listen to the many country presentation. The plan is to make stenographic records of the sessions, gather the slide presentations and notes to produce some conclusions that will be distributed later.

The Chair declared that the work plan discussions for the next period will be closed by midnight. He once again he pointed out the principle: no project leader, no project. He invited subcommittee members to sign up before midnight.

The Chair thanked everybody for a hard day's work.

Day 5
Friday, 11 June 2010
RWGEA Progress Reports

The Chair introduced the last day's programme. He also pointed to the evaluation sheets that have been distributed and encouraged everyone to give feedback, since it is absolutely necessary and will be used to improve the activities and shape future meetings.

He then introduced the first item of the day's agenda by saying that regional reports were very useful, since it was always good to learn from each other.

ACAG/PASAI

Jonathan Keate, Senior Solicitor/Sector Manager, New Zealand

Mr Keate regretted that not too many representatives were present from the Pacific region and he forwarded greetings from those back home, especially to the hosts.

He presented the recent developments in the region:

1) A capacity building initiative, the Pacific Regional Audit Initiative was funded by donors (Asian Development Bank, IDI, Australian and New Zealand Governments, the EU). The project was a long time in development. The aim was to address capability issues, raise public auditing to uniformly high standards, increase capability via cooperative audits.

Specific projects included:

- Building a stronger secretariat;
- Raising financial audit capability in smaller islands, e.g. Nauru, Tuvalu, Kiribati;
- Undertaking cooperative performance audits;
- Developing better policies and practices in SAIs.

2) Cooperative performance audit on solid waste management

The decision was taken in July 2009. Ten SAIs participated, audits have been conducted, individual reports are drafted but not yet adopted by national parliaments, the overall report will be presented at the PASAI congress in July in Kiribati.

The map of participating islands (Palau, Guam, Micronesia, Papua New Guinea, Marshall Islands, Tuvalu, Fiji, Samoa, Cook Islands and Tonga) illustrates the geographical challenges (the great distances, expensive travel between islands); the data about their Exclusive Economic Zones, land area, population numbers and density give further insight into the special nature of the work in the region.

The audit objectives were to increase the organizational and individual performance audit capabilities by learning from each other. For five participants it was the first performance audit and the first environmental audit at the same time.

The project was supported by IDI (planning and reporting meetings), Asian Development Bank (an expert), PASAI Secretariat and regional WGEA Coordinator.

The WGEA guidance materials proved very useful for designing the audit and working together.

Mr Keate listed the successes (Auditors' General support, peer review) and challenges (report writing, internet connection, staff turnover, different audit programmes and approaches).

The draft overall report is ready. The audit question was: Is there effective waste management in the Pacific countries? The answer: there is good progress in getting legislation in place, but not fully implemented, there are some good practices but also bad practices (hospital waste). The strategy for the Pacific region is to make the islands self-sufficient but for the time being they continue to need donor support.

3) Next topic for cooperative audit: fresh water. This is an issue for many Pacific countries.

The audit will follow the same pattern as the previous cooperative exercise. Therefore the Pacific region is looking forward to the updated WGEA water guidance.

Approval of the audit is expected at the PASAI Congress in Kiribati. Hopefully those who participated in the earlier audit will do it again, but new SAIs are encouraged to join in.

The Chair thanked Mr Keate for the presentation and also for always travelling to the meetings, given the amazing distance between New Zealand and the meeting places. The Chair also thanked PASAI for using the WGEA guidances and giving feedback thereon.

AFROSAI

Edwin Rweyemamu, Assistant to the Controller and Auditor General, Tanzania

Mr Rweyemamu presented the AFROSAI progress report for the period January 2009–June 2010 on behalf the Auditor General of Tanzania.

He listed the AFROSAI members (19), next discussed the strategic goals (introduce, facilitate and organize regional joint and coordinated audits; build regional capacity via training and exchange of expertise; increase cooperation between AFROSAI- RWGEA and international organizations, e.g. UNEP, UNDP, IDI, UNFCCC).

He then shared the recent experience in joint coordinated audits:

1. Accountability: audit of solid waste management (Ghana, Kenya, Ethiopia, Mauritius, South Africa);
2. Parallel audit of the maintenance of infrastructure in the supply of water to urban areas (Botswana, Lesotho, Zimbabwe)
3. Upcoming: 5 SAIs proposing a joint environmental audit on Lake Victoria (Tanzania, Kenya, Uganda, Rwanda, Burundi).

Under the regional capacity building objective training on approaches to environmental audit was conducted for the French speaking SAIs with the assistance from IDI and Canada.

The efforts in 2009-2010 to increase cooperation with international organizations and between SAIs within the region included Tanzania's activities as regional coordinator, communication with all SAIs of the region, working with the AFROSAI Technical Capacity Committee to make environmental auditing one of its agenda etc.

Tanzania presented the work plan for 2011-2012 for environmental audit for AFROSAI:

The focus area: training and audits on wildlife conservation and tourism.

Other subjects for the future include water supply and management, solid waste management, fisheries, biodiversity, mining, air pollution and climate change.

Mr Rweyemamu finished with this uplifting slogan, "It can be done let every one of us play his/her part!"

Then Mr Ludovick Utouh, Controller and Auditor General of Tanzania continued with the report on the results of the regional meetings held on 8 and 10 June within the framework of WG13.

The following was decided:

- To propose as the topic for the research study for the WGEA next work plan wildlife and tourism. The topic was accepted by WGEA;
- To organize an advanced Environmental Audit course in the region during the WGEA 3 year work plan;
- To organize AFROSAI Regional Meetings once per year;
- To carry out a joint environmental audit on wildlife conservation and tourism;
- To organise joint audits by grouping the SAIs concurrently by regions (east, west, north, south, centre) and by topics of common interest;
- Lesotho/Swaziland agreed to be the project leaders of the research proposal on wildlife conservation and tourism, also the subcommittee was formed.

- Ethiopia agreed to be the coordinator of the joint Environmental Audit to be conducted by AFROSAI on wildlife conservation and tourism;
- Tanzania agreed to be the coordinator of the Environmental Audit on Lake Victoria basin.

The Auditor General thanked colleagues, the AFROSAI members for participating and hoped that all will go back home with the spirit of what has been agreed to be accomplished, is going to be fully accomplished.

The Chair was convinced that with such leadership and spirit the aims surely would be accomplished. He also commented on the smooth transition of regional coordinatorship from South Africa to Tanzania. According to the Chair statements like the ones just heard demonstrate what is meant by leadership. He thanked the Auditor General for that.

ARABOSAI

Mr Ezzat Saleh Mohamed, Head of Section, Egypt

Mr Mohamed discussed the progress report the 2nd meeting of the ARABOSAI Working Team on Environmental Auditing (AWTEA) held in May 2010 (the 1st meeting was held in May 2009).

Mr Mohamed explained that the Committee of ARABOSAI had been cancelled in 2006, but refrained from going into the reasons of that.

The participants of the 2nd meeting were Egypt, Kuwait, Palestine, Jordan, Iraq, and Oman.

He continued by introducing the region's work plan for 2010-2012: there are three main projects:

- Solid waste and sanitation and industrial drainage – coordinated audit;
- First questionnaire about environmental auditing 2010-2012
- Translation of the WGEA guidances into Arabic (the training material on biodiversity auditing has already been translated by Iraq, Jordan and Kuwait).

The ARABOSAI Capacity Building Committee was asked to implement the course on biodiversity auditing, since there is a lack of awareness about the issue.

The Working Team has started a web site, the first meeting materials have been posted already, to be shortly followed by the materials of the 2nd meeting.

Further plans include work on environmental performance evaluation indicators in auditing sustainable development, as well as in auditing solid waste.

Mr Mohamed thanked Mr Saar for being an active member in the team and also for presenting a paper on sustainable development.

He went on to describe the group's participation in WGEA work under the WGEA 2011-2013 work plan:

- Translation of guidance materials into Arabic;
- The SAI of Egypt, upon the request of SAI of Norway, will participate (as chair of INTOSAI Working Group on the Fight Against Corruption and Money Laundering) in the subcommittee that will develop guidance material on integrating fraud and corruption issues in environmental auditing;
- ARABOSAI RWGEA proposed participating in developing and updating guidance on water issues;
- RWGEA proposed participating in the project international training course on environmental auditing.

Mr Mohamed explained that there was a great need for a basic course in environmental auditing in the region and invited IDI representatives to cooperate in this field.

He finished by expressing the hope that there was now a new start for the working team.

The Chair agreed that there was a new and very promising beginning for ARABOSAI and offered full WGEA support for that. He also thanked the working team for coordinating Arabic translations and promised to forward the documents needed to undertake the work. He was also very happy that the biodiversity training course developed by Brazil and Canada has also been used in Arabic.

ASOSAI

Dr Dong Dasheng, Deputy Auditor General, China

Dr Dong Dasheng introduced the main activities of ASOSAI since January 2009:

1. Cooperative audits and research work

- The cooperative audit of forests conducted by Indonesia and Malaysia has been completed;
- Guidelines on Environmental Auditing of ASOSAI were published. This was the topic of the 8th research project of ASOSAI. In two years China, Pakistan, India, Saudi Arabia and Malaysia drafted the guidelines, which consist of basic concepts of environmental auditing, fundamental knowledge on air, water, solid waste and biodiversity, major issues to be addressed in the audits of air, water, solid waste and biodiversity, and a list of environmental audit projects in Asia.

2. Active international exchanges on environmental auditing:

- May 2009, participation in 6th EUROSAL-OLACEFS Conference with a presentation of ASOSAI;
- October 2009 participation in 7th EUROSAL meeting;
- August 2009, February 2010 participation in SC8 and SC9, also participating in the work on forestry and sustainable energy guidelines;
- China's duties with respect to XX INCOSAI Theme II
 - June 2009 Principal Paper;
 - March 2010 42 country papers received;
 - Discussion paper drafted, based on country papers.

3. Future work plan

- Pursuing active measures to promote cooperative audits in Asia;
- Preparing ASOSAI work plan for 2011-2013;
- Completing the duties related to XX INCOSAI Theme II.

Dr Dong Dasheng emphasised that the Chinese Government and SAI of China attached great importance to environmental protection and environmental auditing. He also thanked other SAIs, including Poland, Estonia, Canada, South Africa for their various kinds of help to ASOSAI.

Dr Dong Dasheng wished everyone a pleasant stay in Guilin, China.

The Chair thanked the presenter, acknowledging China's strong leadership in the region. Given Asia's impact on environmental, economic and social matters, environmental auditing is crucial for the region. The Chair also thanked China for bringing the Theme II discussions to WG13.

EUROSAL

Herdis Laupsa, Senior Audit Adviser, Norway

Ms Laupsa thanked the Chair and the Chinese colleagues for organizing such a successful meeting.

She summarized the activities of EUROSAL since WG12 in Qatar in 2009:

EUROSAL has a 3-year work plan 2008-2011.

There are five goals related to facilitating coordinated environmental audits, communication, cooperation, governance and climate change.

Currently EUROSAL has 44 members (Iceland has left), 9 SAIs are EUROSAL SC members.

There have been three EUROSAL SC meetings since January 2009, one telephone meeting.

The work plan is reviewed annually, and the process for the new period planning will commence in the autumn.

Audit Statistics (from INTOSAL database)

2008:

- 80 environmental audits, most common themes were governance, water and waste;
- 7 cooperative or coordinated audits

2009:

- The INTOSAI statistics for 2009 were not available yet;
- EUROSAI coordinated audit on climate change;
- Upon the initiative of the of SAI of Ukraine a cooperative audit is underway concerning the protection of the Black Sea from pollution, with almost all countries around the Black Sea participating. The report is due at the 2011 EUROSAI Congress.

The WGEA Secretariat has been exploring interest in participating in a global or multiregional audit on adaptation to climate change and some EUROSAI members have already responded.

The Netherlands Court of Audits has proposed a joint effort on EU transport legislation, focusing on enforcement in different countries, cooperation between countries, in the form of an European audit. Contact details: Jan Willem van de Wardt (j.vandewardt@rekenkamer.nl)

The EUROSAI Annual Meeting was held in October 2009 in Bulgaria. The main topics were water management and use of external experts. Speakers were invited from the WWF, European Environment Agency (EEA) and the European Commission DG Environment. The biodiversity training course was conducted within the framework of the Congress (trainers from Norway and Estonia). There were 30 attendees who gave very good feedback.

Also based on feedback from SAIs a 1.5- day climate change training seminar was organized in March 2010 in Copenhagen, devoted to lessons learned and best practice. Abstracts of the training course materials were compiled into a report and will be posted on the EUROSAI web site. Another outcome of the training seminar was a message that could be useful when preparing for XX INCOSAI, namely the roles of SAIs related to the future challenges arising from the results of the UNFCCC's Conference of Parties (COP15).

Other meetings and seminars:

- Participation in EUROSAI-OLACEFS seminar 2009;
- Heads of Baltic and Nordic SAIs in Poland 2009, topic: how to increase the impact and relevance of environmental audits;
- EURORAI (regional scale audit institution) in Spain, 2009.

EUROSAI has a new web site and visual identity, some content is password-protected.

Information has been disseminated via the EUROSAI newsletters, Greenlines etc.

Communication and cooperation partners come from European Commission DG Environment, EEA, European Environmental Bureau (EEB), WWF, International Energy Agency. Communication and cooperation is always a two-way street – on the one hand experts are expected from these organizations, on the other hand they can spread the information concerning the work of EUROSAI.

Other activities:

How to find independent experts is always a concern. EUROSAI has started to put together a list of expert institutions and is trying to identify what SAIs have used external experts and on what topics. As a way of sharing knowledge among SAIs, a topic based list concerning expertise among the SAIs is also being prepared.

Upcoming activities

The next EUROSAI Annual Meeting - 1st week of October 2010 in the Netherlands, the topic is sustainable energy and impact of environmental audits. The Czech Republic will conduct a one-day seminar on sustainable energy during the meeting.

At the Regional meeting on 8 June the discussions included some proposals for the research topic for WGEA next work plan, and also information about planned activities within the region.

The Chair thanked EUROSAI and the presenter. The Chair saw EUROSAI as a region of its own, due to its size. He thanked EUROSAI for very fruitful work. On a more serious note the Chair said that everyone was looking very much forward to getting the information about collected knowledge, once the task is accomplished on EUROSAI level, the WGEA can proceed globally.

OLACEFS

Rafael Lopes Torres, Head of the Department of Environmental Auditing, Brazil

Mr Torres thanked China and Estonia for organizing so successfully such a big event. He makes the presentation on behalf of the regional coordinator Argentina, upon the request of the Auditor General of Argentina Dr Horacio Pernasetti.

OLACEFS was created in 1998, the first chair was Brazil, from 2009 SAI Argentina took over. There are 11 members in the regional organisation: Argentina, Brazil, Bolivia, Colombia, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Venezuela.

The last meeting was held in April 2009 in Buenos Aires. The work plan for 2009-2011 was approved at the meeting.

The main activities of the last year:

- Coordinated audit on climate change. SAI Brazil was the coordinator, the methodology of WGEA coordinated audit on climate change was used, as was the guidance material on climate change, which was extremely useful.

The original participating countries were Brazil, Argentina, Colombia, Paraguay, Peru, with Honduras, Panama, El Salvador and Costa Rica joining later. The first meeting was held in August 2009 in Brazil. The design matrix and schedule of main activities were defined. The 2nd meeting took place in March 2010 in Buenos Aires, where information was exchanged about the audits and the report structure was defined.

The coordinated audit for the Amazon area followed the same structure as that of climate change audit. The participating countries are Brazil, Peru, Ecuador and Venezuela, but sadly the latter had to discontinue. But Ecuador, who is not member of OLACEFS joined the audit (and will hopefully eventually join the organization as well). The same goes for Chile.

The first meeting was in Colombia, the 2nd in Ecuador. Individual reports are to be concluded by the end of June 2010.

Other activities include translation and dissemination of WGEA materials and training.

In March 2010 seminar on Observatories on Fiscal Control for the sustainability of Guarany Aquiferous System and Amazonia was conducted in Bogotá-Colombia.

The next meeting is scheduled for July, 2010 in Bogota, Colombia.

The Chair thanked SAI Argentina, and the Argentine Auditor General, as well as the presenter. Also he thanked for the invitation to participate in the upcoming meeting in Colombia. The Chair emphasized the leadership of SAI Brazil and Colombia in organizing the coordinated audits. He was especially pleased that Brazil had been so eagerly looking forward to having access to the relevant WGEA guidance material that they had sought to translate into Portuguese its draft version.

The Chair concluded the session by emphasising the importance of regional work, since some topics might not be interesting globally, but could be very important for regions.

Work Plan 2011-2013 Conclusions

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG13

The Chair thanked everyone for the cooperative spirit in signing up for upcoming work in a show of great interest. Great cooperation opportunities lie ahead for the next 3 years.

He went over the proposed plan, mentioning the project leaders and subcommittee members who had signed up and pointing to any additions or changes in comparison with the proposal introduced on 8 June.

Goal 1:

- Research study on land use and land management practices. Project leader Morocco, large subcommittee.
- Research study on environmental data. Project leaders USA and Canada.
- Research study on environment and sustainability reporting. This will be one of the topics to be emphasised by INCOSAI, a big topic globally with many initiatives all around the world. Project leader Finland.
- Research study on environmental issues associated with infrastructure – Project leader UK and very many subcommittee members.
- New additional topic: Research study on wildlife conservation and tourism. Project leader Lesotho, supported by Swaziland, Tanzania.
- Guidance material on auditing water issues, an update of the 2004 document. Project leader USA and a large subcommittee.
- Guidance material on fraud and corruption in environmental auditing. Project leader Norway and a large subcommittee.

Goal 2:

- Encourage regions to design and carry out a regional cooperative audit in every region. Lead – regional coordinators.
- No support was given for multi-region concurrent or coordinated audit on adaptation in climate change.
- No support was given for multi-region concurrent or coordinated audit on energy, focusing on renewables.

These two subjects dropped out of the work plan.

Goal 3:

- WG14 (2011) Argentina and WG15 (2013) Estonia.
- Regional coordinators urged to reconvene the meetings.
- Distribute training module and develop an e-learning tool on climate change. Project leader Norway- The Chair invited once again the participants to test the e-learning tool and give feedback to Norway.
- Develop a training module on forestry. Project leader Indonesia.
- Find a partner to provide a global training facility on environmental auditing. Many developing countries identified the need for basic and advanced training. Project leader Estonia, plus Steering Committee.
- Publishing the Greenlines newsletter. USA and Steve Elstein continue the work. The Chair gave the floor to Mr Elstein:

Mr Elstein said it was a pleasure and a privilege to work together. The next issue is to come out late September or early October. This issue will reflect the particular circumstances of this period: WG13 and the XX INCOSAI focus on environmental issues. Also there is a need to highlight the issuance of the guidance documents and the new 3-year plan. However input from SAIs is crucial. Mr Elstein called for newsbriefs by late August, early September.

Mr Elstein also took the opportunity express his and the US delegation's appreciation to the Chinese hosts for their hospitality, and professionalism in organising the meeting. He also praised the Estonia for their role, speaking with 15 years' of experience, he considered that probably the best managed committee of WGEA. Estonia as Chair has done everything to maintain the tradition started by The

Netherlands and Canada, although with fewer resources. He hoped they will keep up the good work of the past three years also during the next three.

The Chair thanked Mr Elstein for the kind words, and promised to do their best to serve and continue to serve the WGEA family, as that is what WGEA is - a family. The Chair supported Mr Elstein's call for contributions, given that the Greenlines was one of the most popular WGEA products.

- Work is to continue on developing the web site. Lead: Estonia.
- Undertake the 7th survey on environmental auditing. This will continue every 3 years, even if it is a very costly exercise, but the response is good and useful. Lead: Estonia.
- Annual collection of environmental audits worldwide continues as well. Web statistics show great interest. Lead: Estonia.

Goal 4:

- Cooperation with the INTOSAI community and external organisations. The WGEA wants a bigger role to show everyone the hard and useful work done, both in INTOSAI and outside. Lead: Estonia, plus project leaders, working group.
- Rio+20 Earth Summit. Compendium for RIO+20 of SAIs country papers. Lead: Brazil and Canada. The WGEA has 18 years of experience in collecting materials and the WGEA role in environmental governance must be demonstrated.
- Introduce and distribute the primer on auditing multilateral environmental agreements in cooperation with UNEP. – draft exists, finalise within this year. Lead: UNEP and Estonia.
- Cooperation with IDI regarding the capacity building programme. The Chair praised IDI for their support to cooperative and multi-regional cooperative audits, especially because of using the WGEA guidance materials and giving feedback. Lead: IDI, support Estonia, Indonesia.

No support was given for the research project on response and preparedness on environmental disasters. Thus the project was dropped.

The Chair continued by explaining what the expectations were of project leaders and subcommittee members. He invited everyone who had signed up, but needed confirmation back home to send it in within the next 2 weeks by letter. Additional subcommittee members are welcome to sign up during June and July. The project leaders are expected to start working.

Timeline:

- First Steering Committee approves the project plans in the beginning of 2011.
- Drafts of the projects to be approved by the Steering Committee in the end of 2011.
- Final drafts to be approved by the Steering Committee in 2012.
- Documents to be approved by the Working Group in mid-2013.

The Chair also reminded the participants that there was a need to look for a new WGEA Chair after 2013. He asked if the work plan could be approved and the participants approved the plan by acclamation. The Chair promised to distribute the work plan as soon as possible and to post meeting materials on the web site the following week.

XX INCOSAI Theme II Environmental Auditing and Sustainable Development Discussion Paper

The SAI of China

The Chair once again expressed thanks for the opportunity to be able to discuss the Theme II paper at WG13.

The speaker thanked Estonian Auditor General Mr Oviir and the Estonian Chair for agreeing to squeeze the item into a very tight agenda of WG13.

The speaker quoted Mr Oviir's opening speech, "With our presence and discussions, we are all paying tribute, and with our thoughts contributing, to the elaboration of the important conclusions of the INCOSAI this autumn in South Africa."

The speaker invited everybody to comment, so that the final paper would be of a better quality and more inclusive and representative.

He then introduced the members of the task force for Theme II.

Wang Ting, Project Officer, China

Ms Wang Ting introduced the discussion paper, the draft of which had already been distributed the day before.

She first gave some background information: XX INCOSAI actually has two themes. Theme I: the value and benefits of SAIs; Theme II: environmental auditing and sustainable development.

Theme I is pursued by South Africa and Theme II by a team of SAIs – China, Poland, Denmark, Philippines, Mexico, Algeria, Switzerland and South Africa

Theme II will have 4 outcomes:

- The principal paper – general overview, which also served as a basis for country papers;
- Country papers (42 submitted);
- Discussion paper – based on the principal paper and country papers, serves as a basis for discussion at XX INCOSAI
- A final theme report will be compiled after the theme plenary session at XX INCOSAI in November 2010.

The discussion paper is based on the principal paper and country papers, also on the results of the 6th survey and on WGEA guidelines on sustainable development.

The targets for the discussion paper are the following: to summarise the practical experience and results of SAIs on environmental auditing and how to advance sustainable development; and to make recommendations on how to give better play of the SAIs' roles in the field of sustainable development.

Theme analysis:

- Sustainable Development Reconciles Three Areas of Concerns: Economic Development, Social Progress and Environmental Protection;
- Key to promote sustainable development is to establish sustainable development strategies and policies;
- Monitoring and reporting the implementation of sustainable development strategies and policies;
- Brief overview of the development of environmental auditing;
- 26% SAIs have conducted or are conducting audits of sustainable development (6th Survey);
- The various roles of SAIs in promoting sustainable development.

International cooperation is very important for SAIs, it takes the form of conducting international cooperative audits but also

SAIs cooperate in various other ways with international organisations IDI, UNDP, the World Bank etc.

Information and experience exchange occurs in many ways: environmental cooperative audits, via INTOSAI and its regional organisations, and direct contacts between SAIs.

The section on challenges and visions was modified on the basis of some feedback from the day before:

Challenges:

- Limited SAI mandate;
- Insufficient and unreliable environmental data;
- Increasing need for environmental audit guidelines, standards, expertise and techniques;
- SAIs' role in international environmental governance etc

The section on future expectations is going to be revised, by formulating the themes as questions:
How can SAIs expand the scope to cover new topics, e.g. climate change
How could SAIs further improve the methodologies etc

The speaker wished to emphasise that on the basis of the country papers they had summarized the common grounds expressed therein, but could not provide details, given the constraints regarding the length of the paper. The discussion paper followed the logic of the principal paper and tried to reflect the excellent points of country papers. The discussion paper is attempting to highlight the future of environmental auditing for the next decade.

The Chair thanked the speakers and invited comments and questions from the group.

Wynand Wentzel, South Africa thanked the speakers for a very interesting and informative presentation and feedback. In his opinion the key was where we wanted SAIs to go in environmental auditing – do they have a bigger role in standardising environmental accounting? He saw that as a general problem – what frameworks are in place for environmental accounting.

He also commented on capacity building and on integration of environmental auditing as part of financial auditing. He asked, if there was enough focus on environmental matters as part of the normal processes of SAIs.

In response China thanked South Africa for already sending in some comments, which have been accommodated and promised to follow up the matter by e-mail.

Jonathan Keate, New Zealand commented on the challenges section: the issue of mandate is an issue for the Pacific region. But much can be done within the existing financial and performance audit as regards environmental matters. Maybe the mandate is not an obstacle any longer, it was, maybe 15 years ago. A lot of work has been done about it by WGEA since.

He also wished to know if the New Zealand country paper was included, since submission was late.

In response China promised to follow it up and e-mail the attachments after the meeting or print them out in the afternoon, so that the contents would be made available to the participants.

The Chair summed the question up: New Zealand would like to have its country paper included in the appendix, but apparently it is not included currently.

Ewa Borkowska-Domańska, Poland commented on page 2 of the discussion paper, which listed as an aim of the paper recommendations. She thought the aim should be to facilitate discussion and any recommendations would have to be formulated afterwards, as resulting from the discussion. Instead there should be a list of key questions to be discussed.

In response China said that they had received the comments the day before and that work was being done to restructure the last part of the paper.

Amanda Simpson, UK thanked the Chinese colleagues for hard work, especially on the country papers – a formidable task. She was also grateful for having her comments taken on board. She stressed the importance of putting good questions into the final section, since they must lead to fruitful results in the discussion at INCOSAI.

In response China thanked Ms Simpson for helping rewrite the last section of the discussion paper.

Kimberley Leach, Canada thanked China for the hard work, especially for consolidating all the country papers. She asked if it would be possible to summarise the contents of the country papers in a very concise manner, as South Africa had apparently done in a short document.

In response China said that the help from SAI Canada some work was being done on the matter.

Chair thanked the Chinese colleagues for their work and for the support given by the group to the Chinese colleagues. He also thanked those who had helped refine the wording of the document during the past days.

Conclusions

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG13

The Chair started by commenting on the ample coverage of WG13 by the media, the whole event was very well publicised by various media channels. He also promised to seek permission to put the TV clips up on the WGEA web site.

The Chair then went over the past five days:

The excursion on the first day was an excellent start and served as a suitable backdrop for the days of work that followed.

The Chair briefly touched upon the items of the agenda starting from the opening ceremony and listed the results of the meeting. Among the approved documents are the guidance materials and guide on environmental accounting, the Chair's progress report and the work plan for 2011-2013.

The Chair mentioned the key note speakers from China and the World Bank, commented on the very enjoyable RWGEA meetings which produced tangible and real outcomes. He spoke about the active parallel sessions, pointing to the main conclusions:

The environment is a going concern for the whole WGEA community, it recognises the challenges of the governments and those facing the environmental auditors (more resources needed and more interesting cooperative work to be undertaken).

One the one hand it is necessary to recognise the impacts that the governments are subjected to, but on the other hand, it is necessary to keep in mind the main aim of making the planet a better place and here speed is of essence, the response cannot fall behind the challenges as they keep coming up. The auditors must make the governments' reactions more efficient. *Climate change* is happening, it is real and does have an impact. Both mitigation and adaptation need serious attention. The challenges include a lack of regional and global strategies, impact assessments and enforcement. There is also a need for more cooperative work and audits.

The problems in *mining* include lack of oversight, lack of data and reporting. Mining is one of the riskiest areas for human health, concluded the parallel session. Auditors must seek to strengthen the government measures, pursuing governance in that field.

Sustainable energy should be high on the agenda of SAIs, more funds are needed for the area. Attention has to be paid to renewable energy, there is a need for new technologies and new training. Sustainable energy is a complex area and capacity building is needed for SAIs.

A wider range of actors should be responsible for *forestry*: the government, but also NGOs and media. More cooperative work is needed. Also more can be accomplished via the usual kinds of auditing (financial, performance and compliance audits). Good governance and research are needed as well. The WGEA can support, advise and provide training in forestry related matters.

Fisheries are of vital importance, it is also a field for the governments to fully exercise their sustainable development activities. There is a lot of potential and need for cooperation. The parallel session concluded that the fisheries guidance material is very useful. The challenges include poor data and enforcement.

Environmental accounting is widely used, there are challenges regarding the data, there is confusion over whether to trust the accounts presented. A common global methodology is badly needed. Also the INTOSAI role in this area needs defining. There is also the issue of incorporating environmental accounts into government reports.

Speaking about the XX INCOSAI Theme II discussion the Chair generalised as follows: over the past 15 years or so the issues on this field have grown more complex both regionally and globally, the issues appear increasingly in political and government agendas and thus call for more complex work on the side of auditors. Consequently there is always a need for capacity building. The past five days' work is an excellent example of capacity building.

The Chair also mentioned the need to clearly define the WGEA role with respect to multilateral environmental agreements. This leads to a more general question, what is the role of INTOSAI in global environmental governance. This is a relevant question with the XX INCOSAI coming up.

With regard to XX INCOSAI the Chair reminded the participants of the WGEA side event and also asked them to take the message to their auditors general that they are all invited to the side event.

The Chair thanked the Steering Committee, regional coordinators and project leaders for very hard work during and before meeting. He expressed his gratitude to the IDI, World Bank, keynote speakers, all the facilitators of parallel sessions, all presenters and speakers - everyone for having taking an active part in the work of WG13.

The Chair thanked from the bottom of his heart the Chinese hosts for a perfect meeting. It had been really easy to run a meeting thanks to excellent organisation.

The Chair was also thankful to the Estonian Auditor General Mr Oviir, for placing his trust in him. The Chair's thanks also went to his own team Ms Lassi and Ms Raudsepp for very good support.

Closing Address

Dr Dong Dasheng, Deputy Auditor General, China

Dr Dong Dasheng spoke on behalf of the Auditor General of China.

The week-long meeting was devoted discussions and exchange of information on matters of common concern for environmental auditors. The benefits include new ideas and shared experience about environmental auditing, which help develop environmental auditing in the respective SAIs. China was also very glad to host the meeting, as a good chance to learn from others.

The speaker thanked Chairman of WGEA Mihkel Oviir, for agreeing to include the discussion of XX INCOSAI Theme II on the agenda. The session was very important for China and the contributions, comments and inputs were extremely useful and meaningful.

Dr Dong Dasheng praised Estonia for making the meeting very successful due to diligent preparation and excellent leadership of Mr Oviir. The commended all participants for their devotion and contributions.

The speaker also thanked all the parties on the Chinese side whose devoted help contributed to the success of the meeting: the regional and city authorities, the SAI of China, the hotel, liaison officers, interpreters, tour guides and logistical service providers.

He hoped that everyone gained not only a better understanding about environmental auditing at the meeting, but also about the Chinese culture and history.

Dr Dong Dasheng reminded the participants that in 2013 SAI China would be hosting XXI INCOSAI in Beijing and welcomed them back on that occasion.

He wished everyone a safe journey back home.

Closing Address

Address by Mr Mihkel Oviir, Auditor General of Estonia

Mr Oviir hoped that the long days and hard discussions had been useful. Face-to-face meetings are needed in addition to reading papers. He quoted an old Chinese proverb, „tell me and I'll forget; show me and I may remember; involve me and I'll understand“. The involvement of all the participants was extremely important. As a result the guidance materials and next work plan were adopted. This also means new challenges and interesting work for the next three years.

Mr Oviir gave the following key messages as a summary of WG13 (reproduced verbatim):

1. Environmental auditing is a constantly growing trend and the continuation of working group activities with the aim of disseminating knowledge and experience in this area is necessary.

The states and their policies will more and more be focusing on solving environmental issues and SAIs can but contribute to it on their part.

Our role is to evaluate the success of states in implementing their internal and international obligations, in bringing forward problems for general public and referring to the possibilities of sustainable management of our common environment.

2. The Working Group is continuously a strong and motivated network to exchange knowledge and to develop best audit practice in the area of environment.

We emphasise the necessity of global cooperation, but it is especially important to cooperate on a regional level.

Many environmental and sustainability problems can be better solved regionally, such as development of sustainable policies of forestry, fishery, mining and energy.

That is why regional environmental auditing working groups and exchange of experience in all INTOSAI regions are especially important.

The INTOSAI Working Group on Environmental Auditing supports this kind of cooperation and encourages everybody to use all the guidelines and training materials in order to initiate discussions, seminars and exchange of audit experience on these topics. Up to now 19 guidance materials have been developed by the working group.

3. The problem that worries us today is that the accountability and performance measurement of governments do not include too many environmental sustainability indicators.

We measure GDP, gross debt of governments, budget deficit, currency rates and financial reserves – however, in many cases we cannot find in our governments' reports how many natural resources we have and how sustainably we have used them.

We all know the simple truth „You get what you measure“ or „you cannot control what you cannot measure“ and the same applies to environmental sustainability. Accrual method of accounting as well as annual accounting of budget revenues and expenditures are extremely necessary, however, they are certainly not sufficient to evaluate the sustainability of the governments' activities.

Mr Oviir next dwelt on the subjects of the work plan for 2011-2013, which are a reflection of the above conclusions and gave the following recommendations:

- More emphasis should be laid on regional cooperation;
- Climate change continues to be a topical global problem and adaptation needs our keen attention;
- SAIs have an important role to remind their governments of the importance of implementing their international obligations
- Joint and parallel audits are an important basis for the exchange of experience;
- Training of environmental auditors is a need that deserves our attention and care. It is important to focus on the improvement of knowledge on specific areas for example fishery, forestry, biological diversity, water, etc;
- SAIs could undertake the task to recommend reforming of government accountability

Mr Oviir thanked the participants and speakers, organisers, the friendly hosts of SAI China, he also thanked his own team from SAI Estonia and Mr Saar for chairing WG13.

Mr Oviir finished by expressing readiness to gladly take on the challenge of chairing WGEA in the next working period up to 2013, and to hand the work over thereafter.

He wished everyone a safe journey home and hoped to meet again soon, in 2011 in Buenos Aires, if not sooner.

The meeting thus stood adjourned.