



INTOSAI  
Working Group  
on Environmental  
Auditing

# MINUTES

## 12<sup>th</sup> Steering Committee Meeting of the INTOSAI Working Group on Environmental Auditing

3-6 October 2012

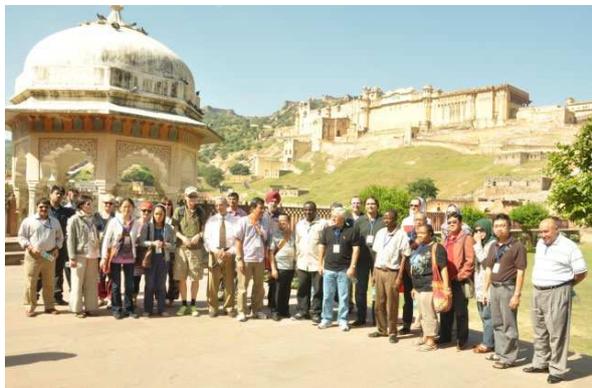
Jaipur, India



## Day 1

**Wednesday, 3 October 2012**

The participants went on an environmental excursion, visiting the Amber Fort and International Centre for Environmental Audit and Sustainable Development (iCED).



## Day 2

**Thursday, 4 October 2012**

**Welcome and Introduction**

*Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of SC12, Estonia*

Mr Saar greeted the members of the Steering Committee at the 12th meeting of the committee (SC12) in Jaipur, India. He invited Mr Vinod Rai, Comptroller and Auditor General of India to give the opening address.

### **Address by Mr Vinod Rai, Comptroller and Auditor General of India**



Mr Rai said it was a very proud privilege for him to welcome the SC formally to Jaipur, Rajasthan. He gave a brief overview of the history, heritage and natural conditions of the area. Mr Rai thanked the SC for accepting the invitation to hold its 12th meeting in India. He dwelt upon the tasks ahead of everyone globally and WGEA in particular: there is a need to prepare for the future and embark on a learning curve in order to maintain the environment. WGEA has undertaken tremendous work, efforts, and has acquired a lot of experience doing so. WGEA is a working group for the future. Our task is not only to ensure that money is well spent, but to

ensure that what our generation has inherited will not be degraded, but is left in a condition in which we inherited the world. Mr Rai spoke about climate change caused by man's interference with natural processes. He quoted Gandhi: the earth has enough for man's needs but not for man's greed.

Mr Rai pointed to some of the major problems with the greatest impact on the environment, e.g. conversion of forests to agricultural lands (ca 13 million hectares of forest were lost in the first 10 years of the millennium); dumping untreated human and industrial waste into water (a big problem for India as well). In 2011 India conducted a comprehensive study on fresh water and its findings were fairly damning. He hoped that action would follow this landmark audit, which had opened the eyes of many people, even if not those of the government but at least of citizens' groups.

Mr Rai pointed out that good decisions had been taken as well. Nations have come together to face the challenges, The Rio+20 is evidence of the collective responsibility that nations have agreed to take.

He emphasised the increasingly predominant role of public auditors. They cannot afford to be behind but must be ahead of the learning curve. It is necessary to build up capacity in institutions, start thinking, as the WGEA has been doing, for at least 20 years in advance. This is also true for India – corrective, remedial actions have to be taken right now, otherwise, 15-20 years later it will be too late, and much more expensive as well. The oversight functions of environmental auditors are increasing in importance, aiming at making the governments more accountable. SAI India has been actively engaged in the endeavour. In India everything has to be large scale, given its large population: 60 000 audits every year, 64 000 auditable entities, staff of 48 000 and still not enough.

Mr Rai spoke about the role of the WGEA, its past, present and future - to leave a positive legacy for the future. He also emphasised the responsibility of auditors to ensure accountability, develop simple and practical advice in the complex area of environmental auditing. A case in point is the Indian study of water, which utilised social audit and engaged NGOs to reach the areas which were not easily accessible otherwise. The NGOs used local information and thus contributed a lot to the outcome.

Mr Rai then spoke about the different skills needed to be able to cope with all the challenges. To this end SAI India is setting up the training facility. He gave a detailed overview of the plans: The location is ideal with 3.5 h driving from Delhi. There are plans to convert the desert around the facility into a green area with hopefully others following suit and helping maintain the ecological balance around it. The building that is being constructed aims to achieve a five star green rating. Mr Rai proudly dedicated the facility to the INTOSAI community and hoped it would be put into as much use as possible for training, research etc. He promised to give the needs of WGEA a priority. He also hoped that funding would be available to carry out the various activities. The training facility will be functional in June 2013.

On behalf of himself and his colleagues he welcomed the SC and wished it positive and constructive deliberations and a comfortable stay in Jaipur. He also invited everyone to make maximum use of their free time and enjoy what Jaipur has to offer.

Mr Rai also thanked his colleagues, SAI Estonia and the Rajasthan regional government for their efforts in preparing the meeting.

*The Chair:*

Mr Saar thanked on behalf of the WGEA and its SC Mr Rai and his colleagues from SAI India for their great support and warm welcome to Jaipur.

He reminisced on how the training centre had been a dream four years ago. It had begun as a relaxed discussion on how everybody agreed that training in environmental auditing was needed. Usually the meetings have 1-2 day training sessions attached, but that is not enough. A search started for what was available. India was found to deliver very good training sessions. This had been an inspiration. What followed was the rocky road of convincing people of creating an international training centre. Under the leadership of Mr Rai and the Indian colleagues the dream has become a reality. The building can have five stars but this is only sustainable if put into use. The responsibility of the WGEA community is to use the facility and share its knowledge in the format of training. Mr Saar thanked SAI India for this really valuable effort.

Mr Saar also thanked the Indian colleagues for sharing their own experience and making it possible for the others to learn from them. More and more information now comes from India about the good work done there. Also the scale of activities and outcomes in India is remarkable. Mr Saar noted how he always observed how auditors general across the world act proactively and sometimes contradict the public media and governments. This is true for the Indian colleagues as well. One also learns a lot from debates in the media – auditors always have to fight for their main values: independence etc. Sustainable development is only one topic on the plate but one of the most contradicting topics since it affects the people, their way of living and their safety, thus everybody wants a say in this.

Mr Saar then outlined the plan for the meeting: to adopt the ten draft documents. This is a lot, there are many pages and the SC's aim is to make the pages valuable. SC12 will also be discussing plans

for the next 3 years so that the upcoming work would be as useful as the past 20 years of working in this family and community.

With Estonia handing work over to Indonesia, it is important to remember that the family is still there and the values remain unchanged. And all must do their utmost to continue with the work.

*The Chair* outlined the work of the three days ahead. The SC meeting will follow the usual pattern, similar to previous times. The Chair will give a progress report. Project leaders will discuss their projects. The SC members will comment on the projects (table round). The countries not present have sent their comments in writing and those will be mentioned as well.

There will be a vision and strategy session, discussion of the work plan for the next period, presentations by regions and the WG15 agenda will be outlined.

## **Rio+20 Project and Information about the UNEP World Congress**

***George Stuetz, Canada***



On behalf of the project co-chairs of Brazil and Canada, Mr Stuetz gave a brief overview of WGEA work with respect to the Rio+20 (20-22 June 2012) and UNEP World Congress on Justice, Governance, and Law for Environmental Sustainability (17-20 June 2012).

The objective was to build awareness among the participants of the UN Conference on Sustainable Development on the important role that SAIs play in contributing to developing a more sustainable environment through auditing and reporting on our governments' performance and accountability and to enable our legislatures to hold them to account. He outlined the project aspirations: the international community can learn from our work – both from our audits and guidance materials; national governments can use the survey results and national audit reports, findings, and recommendations to improve their domestic policies and tools; the results of the survey and audits can provide national governments as well as multilateral environmental agreement secretariats with important feedback for evaluating the implementation of international commitments. He listed the statistics related to environmental audit work of 20 years - there were a lot of audits, including some great and interesting work.

Mr Stuetz spoke briefly of the project results:

- Following on from the suggestion made by India at the Marrakech meeting a paper was prepared (in English), based on the results of the 2011 SAI survey, which identified the ten most important observations that SAIs around the world consistently find.
- INTOSAI WGEA positions for consideration by conference delegates were drafted by SAI Estonia.
- An Enhanced Executive Summary was prepared (in English, French, Portuguese, & Spanish) and submitted as input for the conferences' preparatory processes.

The final paper was delivered as a side event at Rio+20 and during the session of the UNEP Congress.

The International Institute for Sustainable Development provided some interesting media coverage.

Mr Stuetz observed that the document prepared for the meetings should remain an evergreen paper, which should be morphed into an ongoing introduction to WGEA. He invited suggestions for next steps to be taken with this respect, in order to spread the information via other forums as well.

Mr Stuetz finished by thanking everyone who had participated in the project: the input of 52 SAIs (70% return rating); the WGEA members – Argentina, China, Finland, India, United Kingdom, and the United States; the Estonian members of the WGEA Secretariat; SAI Conference Presenters; the staff of the Brazilian and Canadian SAIs.

*The Chair:*

The Chair thanked Brazil for their efforts in the project. The Chair reflected on what had happened at the UNEP World Congress and Rio+20. During the run-up to the meeting there was a lot of political debate, finally a declaration was adopted.

The Chair dwelt on the importance of the two meetings for WGEA and the auditing community. It was important to be present - this was definitely achieved. The process had started in 2011 in Vienna when INTOSAI was asked to make an input to the Rio+20 congress.

The UNEP World Congress took place immediately before the Rio+20 meeting, bringing together attorneys general, chief justices, legal experts, and for the first time also auditors general. The aim was to provide input to Rio+20. The WGEA presented a special report at the World Congress. Out of the total 170 participants in the World Congress 32 represented different audit offices. That provided WGEA a strong negotiating position to influence the final outcome.

The Chair agreed with Mr Stuetz that the WGEA document was a living document, which listed the top 10 reasons why governments failed. These were also listed in a leaflet which turned out to be extremely popular. These 10 things are unique and universal and they are there to stay. In 10 years they are probably still there, but the auditors' aim should be to try and remove at least some items from the list. The Chair pointed out that the different groups had reported exactly the same reasons why governments failed and that would serve as a good reference point.

The World Congress adopted its own declaration, which was handed to the Rio+20 forum. It included four points that concern auditors. The Chair recounted how difficult it had been to get them into the declaration. Still people do not know what auditors are and what they do. They know supreme courts, but not supreme audit institutions. He concluded that a lot more effort was required to establish the audit community.

The Chair listed the four points included in the declaration:

- To acknowledge the crucial role Supreme Audit Institutions can play in achieving international sustainable development goals by identifying the gaps and building accountability;
- To acknowledge the necessity of improving national reporting by including in the annual reports of the governments to national legislatures information on how international environmental commitments are met along with the funding of these activities;
- To state that "generally accepted standard setting bodies of government reporting" should establish principles and standards for the development of environmental accounts and sustainable development accounts;
- To encourage all countries to develop and implement a sustainable development policy that is supported by a mid-term action plan, performance indicators and an external review process.

The same report and the outcome of the World Congress were presented at Rio+20. Brazil, Canada and Zambia contributed to that. The Chair thanked everyone who helped represent WGEA at the two events.

The Chair was sure that the document would serve its purpose in 20 years' time as well.

## **Discussion**

*Jill Goldsmith, UK* praised all concerned for their wonderful effort and really working very hard. She shared her personal disappointment about Rio+20 because its failure to deliver real change to the world. Ms Goldsmith supported the proposal made by Mr Stuetz to see to it that the Rio+20 project is kept alive longer.

*The Chair* contemplated about trying to get Rio+20 into the accountability framework of the countries. All governments talk about the Rio+20 outcome, but it is not clear what they mean by it. The Chair thought about developing a project on how to audit the Rio+20 outcome.

*Vivi Niemenmaa, Finland* praised the document that has served and would serve excellently in an international context, in getting the message out to the international community. She thought that the

document could have benefitted individual countries in preparing for Rio+20, even if working to a tight schedule.

*Helge Strand Østveiten, Norway* complimented SAI Canada and SAI Estonia for putting in a lot of good work. Still more needs to be done when it comes to telling the world what auditors and WGEA are doing, since it is not well known. He hoped that work would continue with external relations, as was the case during the current planning period. He recommended to put external relations on the agenda for the next planning period as well.

*Nameeta Prasad, India* invited the SC to keep the project alive. It would be very good to check every five or ten years what progress the governments have made in getting some of the points off the list.

## **Chair's Update on Progress Report**

***Tõnis Saar, Estonia***

Mr Saar first spoke about membership: WGEA currently has 72 members (71 countries and the European Court of Auditors). Kenya is the newest member. The SC has remained the same, but Argentina, New Zealand and the USA could not attend this meeting. The regional coordinators also remain the same for the time being. Ms Margit Lassi is back with the secretariat. Mr Saar himself has left the Estonian SAI, but will carry on with the secretariat until the handover to Indonesia in the capacity as part-time contractor.



Next Mr Saar gave a brief overview of the projects in the current work plan: the 5 research projects, 2 guidance materials, 3 training modules (the Climate Change module has been adopted already), the Global Training Facility on Environmental Auditing (the course content has to be provided so that the Indian colleagues can go on with the work). Also the trans-regional cooperative environmental audit project together with IDI has been completed. Sadly, the IDI could not attend SC12. The wrap-up meeting took place in a small South-Estonian town in June 2012. Mr Saar noted with satisfaction that the forestry guideline was used and implemented for the purposes of the project. The Chair thanked SAI Indonesia for that and Mr Simanjuntak for acting as a resource person for the project.

The 7<sup>th</sup> Survey is almost completed. There were 118 responses (4 more than last time). The final report still needs re-writing, but the main findings will be presented at SC12.

The Greenlines newsletter continues to be very popular. The Chair invited anyone who is not on the mailing list for the newsletter to let the secretariat know.

There are some updates on the web site: a new photo gallery area, web editing templates for the Greenlines newsletter to be produced from the distance; and some search engine functionalities have been changed.

Upon the invitation of the US GAO a special issue on environmental auditing was put together for the INTOSAI Journal. The Chair thanked all contributors (SAI India, Indonesia, USA and regional coordinators).

The Chair listed recent and upcoming meetings:

- WG14 and SC11, incl. training for beginners, in Buenos Aires, November 2011;
- Regional WGEA meetings: 7<sup>th</sup> PASAI in April 2012 in Sydney; 10<sup>th</sup> COMTEMA in April 2012 in Mexico City; 3<sup>rd</sup> ASOSAI in September 2012 in Malaysia;
- INTOSAI Knowledge Sharing Committee in Luxembourg in September 2012;
- 10<sup>th</sup> EUROSAI WGEA upcoming in Cyprus in October 2012
- 63<sup>rd</sup> INTOSAI Governing Board meeting upcoming in November 2012 in China. The Chair and Mr Oviir will be attending to report on the handover of the chairmanship next year.
- WG15 in Tallinn, 3-7 June, 2013:

The Chair invited everyone to participate in WG15 and promised to see to good weather. The meeting will be devoted to reporting on the final outcome of the project documents, and tutorials are also planned, as has been the case previously. The plans include assignment of new project leaders and teams for work to be undertaken in the next work plan period.

There will be the unofficial handover of chairmanship, as that will be the last meeting to be organised by Estonia. The Estonian AG Mr Oviir will retire in April and a new person will take over from him. WG15 will have the chance to bid Mr Oviir farewell and welcome the incoming AG.

The Chair spoke about preparations for the transition process: the Indonesian colleagues attended a meeting in Estonia to discuss working details. The Estonian side also plans to visit Indonesia, but the date has not been set yet. A lot needs attention about the handover, especially technical matters (handover of domains, servers, website etc). Mr Saar was very positive and assured the SC members that the handover would be smooth.

## **Process of Developing WGEA Guidance Materials and Research Papers**

*The Chair* explained the different procedure that was used to get comments for the guidance materials and research papers from the SC members. In the last work plan period the SC members commented on the projects during the SC meeting. Many project leaders were unhappy because they could not react properly to the comments and could not consult their teams at home.

Therefore in anticipation of SC12 meeting the documents had been submitted for comments before the summer and therefore the project leaders had sufficient time and came prepared to the meeting. Thus the Chair invited the project leaders to react to the comments, describe the status of the projects, the remaining timeline for finishing the projects and communication plans. There are some projects that might wish to communicate with a wider audience, thus the communication plans ought to reflect that. The Chair also pledged the help of the Secretariat in offering and advertising the materials at the relevant upcoming international meetings.

The presentations by the project leaders are to be followed by a table round for additional comments. Finally the SC will make a decision concerning every project.

## **Auditing Water Issues**

*Margit Lassi, Estonia* presented the project on behalf of *Steven Elstein, USA*, who unfortunately could not attend the meeting.

Ms Lassi forwarded the best greetings to the SC members from Mr Elstein and read out his letter:

8 SAIs sent feedback and suggestions. Most comments spoke well of the report. Several comments praised the auditor's toolbox in chapter 4 as adding value and being very useful in the auditors' work. The audit matrices in chapter 2 were also considered an effective approach and were well received as a useful format.

Five SAIs sent more detailed comments, which the project team tried to accommodate as much as possible. SAI Canada and SAI Norway suggested ways to more accurately capture the content of the documents in the report and in the chapter titles. Canada proposed ways to improve the characterisation of climate change: how it amplified other water challenges discussed in the paper. China thought that chapter 3 could show more clearly how SAIs have audited the marine environment, both independently and in coordination with other SAIs. New Zealand suggested that the impact of the audits highlighted in the matrices in chapter 3 could be shown as well. Canada, New Zealand and Norway suggested ways of how to further strengthen the discussion of the different audit methods in chapter 4.

The project team is thankful for all comments received, as well as for any future comments and feedback - all crucial in adding value to the material.

## Discussion

*The Chair* believed the project timeline to be on schedule as well, even if no mention of it was made in the presentation.

All speakers commented on the good work done and the usefulness of the material for future work. The following more specific comments were made:

*Jill Goldsmith, UK:* Exemplary work, will be very helpful for audit work.

*Michael Malabeja, Tanzania:* The comments were forwarded in Argentina, and have been accommodated.

*Helge Strand Østtveiten, Norway:* Norway's comments have been taken into account.

*Camilla Constance Fredriksen, Norway:* There are plans to organise a seminar on the issue next year, based on the guide.

*Mohammed Diyer, Morocco:* The document contains a lot of information and useful tools for SAIs to conduct audits.

*Mamahooana Leisanyane, Lesotho:* Lesotho has carried out two audits on the subject and the document will help improve future audits on the same issue.

*Nameeta Prasad, India:* The toolbox is especially useful and innovative.

*Airi Andresson, Estonia:* The matrices and toolbox really add value. One must remember that the matrices are there because of the immense efforts by other SAIs who helped the project leader in making the guidance document better. Maybe the matrices and toolbox could be made part of any future documents.

*Edward G.H. Simanjuntak, Indonesia:* The document will help many SAIs in their work. Indonesia's comments regarding chapters 2 and 3 have been accommodated.

*Vivi Niemenmaa, Finland:* The value of the toolbox reaches well beyond the document on auditing water issues.

*Sayed AbdelAzem Ahmad Atwa, Egypt:* Egypt cannot but agree with the previous speakers as regards the good work done.

*CHEN Jixiang, China:* Water was the first topic for INTOSAI WGEA more than 10 years ago and since then the auditing of water issues has developed considerably. Thus the need for a new water guidance material to encourage more SAIs to undertake water audits. WGEA should consider developing a training course for water on the basis of the material, given that water is important for environmental protection in many countries.

*The Chair* agreed that training was extremely valuable and reminded the SC that the current paper was an update of the existing water guidance. Water was also considered as a main theme for the last INCOSAI, adding prominence to the issue.

*George Stuetz, Canada:* The document is very clean and easy to understand, chapters 3 and 4 are outstanding. Using the same approach in subsequent guidance materials would make them easier to use.

*Mr Fernando Dorna Magalhães, Brazil:* Next year Brazil and Argentina and maybe other countries shall undertake a coordinated audit related to water resources and the guidance material will be very useful for that.

*Robert Cheyo, Tanzania:* Zambia wishes to start using the guidance material, hoping this can be done after SC12.

The Chair concluded that only positive comments had been made and that many SAIs were looking forward to putting the document into use (EUROSAI, the African countries) and hoping that the material would serve as a basis for developing training as well.

The SC approved the document by acclamation.

## **Fraud and Corruption**

**Helge Strand Østtveiten, Norway**



Mr Strand Østtveiten described the contents of the 3rd draft of the guide, since significant changes had been made after the 2nd draft was discussed in Argentina.

The introductory chapter 1 explains the role of INTOSAI and the SAIs with respect to fraud and corruption (F&C) - one of the five strategic priorities of INTOSAI of the current period. The mandates of SAIs vary, but INTOSAI expects all SAIs to concentrate on F&C. Fraud and corruption are unfortunately a major element in the environmental and natural resources sector, therefore environmental auditing should also focus on F&C. Chapter 1 also contains a brief user guide and explains the link with ISSAIs (to respond to a comment received in Argentina). This chapter also emphasises that the audit questions and procedures described in the guide are meant as guidance and are not mandatory (the mandatory requirements are in contained in ISSAI 1240).

Chapter 2 contains the background information. The focus is on the impact of F&C, especially the negative impacts on the public sector.

Chapters 3-5 are operative chapters, describing the different approaches to F&C in environmental auditing. Chapter 3 describes working with internal controls, aimed at seeking weaknesses and finding red flags. Chapter 4 is a more general approach to risk assessment, explaining how auditors find places to look for F&C, red flags, how to deal with the red flags, identifying some tools on how to prioritize between risk factors in the area. Chapter 5 also has examples. There are 5 scenarios that can be used as a starting point to suggest what kind of audit procedures can be used for those or similar scenarios.

In addition the paper has 6 appendices with more in-depth information that auditors working on F&C can use.

Mr Strand Østtveiten continued to discuss how comments received in and since Argentina meeting have been dealt with:

1. Several SAIs had asked how unique the environmental and natural resources sectors were when it came to F&C. Most of the methods etc are generic. The reason for the guide is that F&C are part of these sectors, therefore there is a need to have the relevant techniques in the environmental auditors' toolbox.
2. The mandates and national contexts of SAIs vary a lot. The 3rd draft emphasises this more, as well as the fact that the material does not contain binding requirements for SAIs, but serves as a guidance.
3. The relationship with the relevant ISSAIs has been clarified.
4. Comments regarding the style and length of the guide: the draft is too long and elaborate, too academic. This was true for the previous drafts. The text has been cut, especially as regards the background. The main focus is on practical needs and the appendices. Those who consider the material still too academic should read the extended executive summary and based on that pick the items which would be the most helpful.

In response to the comments regarding the too direct and normative language and the too stigmatizing cases the current draft uses more careful, suggestive language, and the cases have been anonymised.

The project team foresees no problems regarding the remaining timeline - the final draft will be ready by the end of October, ready for editing later.

## Discussion

*The Chair* asked thanks to be passed to Mr Dørum, who had been working for 2 years on the paper, but did not participate in SC12.

Many speakers congratulated the project team for successfully tackling such a complicated subject as F&C and for the many improvements in the new draft.

*Fernando Dorna Magalhães, Brazil:* Maybe a warning could be added to the document: sometimes public agencies can be so concerned about avoiding F&C as to demand so many documents and so much information that makes it difficult for the poor to access the money. Mr Magalhães spoke of his own prior experience in employment programmes and warned that similar developments could be true for environmental programmes, e.g. in forestry.

*George Stuetz, Canada:* This draft is crisper and clearer, more to the point, especially the appendices. Mr Stuetz suggested that phrases in Latin be translated into English.

*CHEN Jixiang, China:* This guidance is different from other environmental auditing guidances. The most important thing is to consider the special factors related to the environment and natural resource management. Chapter 5 includes some red flags, maybe as a next step they could be made more concrete.

*Sayed AbdelAzem Ahmad Atwa, Egypt:* Considered the draft very good and supported the comments of the previous speakers.

*Vivi Niemenmaa, Finland:* The document has developed a lot and Finland's main comments have been taken into account.

*Edward G.H. Simanjuntak, Indonesia:* Chapter 5 and the suggested audit scenarios are especially helpful for SAIs to start auditing F&C.

A question: if a very serious criminal offence is discovered what should the SAIs do? Send the case directly to the police or prosecutor? Maybe country examples could be provided here. Maybe some findings from the IDI pilot project for performance audit regarding forestry could serve as an example.

*Airi Andresson, Estonia:* The document has improved a lot and the language has become simpler. It helps bring forward the issue that F&C has to be addressed in environmental audits.

The main concern is whether maybe the document paints a picture that is too ambitious. On the one hand the question arises at what point the cases should be referred to the appropriate authorities (police, prosecutor), on the other had the document discusses at length risk assessment, scenarios and methods, e.g. tracking the use of finances by companies, shouldn't that be police work already? It is necessary to make a clear distinction - what is the work of the audit office and what is the realm of police and prosecutors. Ms Andresson supported the proposal made by Mr Simanjuntak to this effect.

Another concern: in the scenarios and risk assessment section there was an example which referred to political corruption. Should SAIs audit political corruption, given that most of them are accountable to the national parliaments. This is another reason for making a distinction between the tasks of SAIs and the police and prosecutor's office.

Though the language of the draft has become much simpler, it can still be improved (e.g. acronyms, the CDM scenario - need explaining). At the same time, in some places there is too much explanation.

*Margit Lassi, Estonia, on behalf of Steven Elstein, USA:* Almost all criteria and procedures related to F&C are generic. In the light of that reality the draft should be given for review to the INTOSAI working group on fight against fraud and corruption. Tangible examples should be added on how success was achieved, thus adding value to the material.

*Nameeta Prasad, India:* Chapter 5 has been developed very well and would serve as a good source of audit questions. Comments by India have been taken into account in the latest draft. The Ministry of the Environment and Forests of India has developed an action plan for mitigating potential areas of corruption. Ms Prasad offered to share it with the project team.

*Mamahooana Leisanyane, Lesotho:* The document describes what F&C involves, also makes a link with internal controls. The reference to ISSAIs is very good, thus auditors can link the problems and address them as ISSAIs prescribe.

*Mohammed Diyer, Morocco:* Morocco's earlier comments were taken into account, especially as regards the structure and length of the document. The SAIs have little experience in this field. It is difficult to develop a universal approach for F&C. SAIs who want to start to audit these topics will find the material very useful.

*Robert Cheyo, Tanzania:* The document should remove doubts about whether the SAIs are supposed to audit F&C. The auditors have to be sceptical about F&C, use the guide to the extent that they collect enough evidence and once this is done, the case should be handed over to the appropriate authority. In Tanzania the SAI has a forensic audit team and the environmental and forensic auditors team up and can use the document to pursue F&C cases. Given Tanzania's abundance of natural resources the guidance will be very useful.

*Jill Goldsmith, UK* supported Ms Andresson in that the role of SAIs vs. the police and prosecutor had to be made clear. Different SAIs have very different roles. The document could deal with this early on and throughout: the auditor needs to be clear what his role is. In the UK auditors have to identify the potential for F&C and then pass that on. Thus the most part of the guidance would not really be relevant for the UK auditors.

Ms Goldsmith was generally very pleased with the progress made with the draft: it is much easier to read, draws on existing INTOSAI work on this area. There is no more stigmatising. The UK's earlier comments have been taken into account. There are still some observations, which Ms Goldsmith will hand over separately. Her plan is to have the financial audit colleagues and other relevant people go over the draft, before she is "in a position to sign it off."

In Ms Goldsmith's opinion it was still not perhaps clear enough who the guide was for. In her opinion it is meant for performance auditors, not financial auditors. However, if it is intended for financial auditors, it must be stated so. But if it is intended for performance auditors, they should be made aware of what the financial auditors routinely do in order to have an understanding of their different roles. For example, a UK performance auditor conducting a performance audit can expect that the financial auditors have routinely already done a lot of the work suggested in the document.

Ms Goldsmith also found some of the language still too forceful, given that the material was intended as guidance, e.g. particularly the section about the risk audit team, which seemed quite prescriptive: the discussion concerning the different roles of the people implies that in any audit that might have a risk of F&C one would need a multi-disciplinary team. But auditors might be put off by that. On the one hand the document encourages people to look at F&C more and on the other hand discourages, implying that it is too complicated.

*George Stuetz, Canada:* The various SAIs could explain what their roles and responsibilities are with respect to F&C and the information thus collected could be made part of the guidance.

*The Chair:* There are two issues: first, nobody really doubts what to do with the guide, it is going to be useful; secondly, what to do with F&C as auditors. One thing is clear - every SAI has different approaches. It is important that WGEA had the courage to take the topic on and produce a guidance document.

*Helge Strand Østveiten* promised to convey the thanks to Mr Dørum, who could not be present. He gave the following immediate answers to the comments made by the SC:

As pointed out by Ms Goldsmith, the relationship between SAIs and the police and prosecutor's office varies, mandates vary, therefore, it must be clarified in the guide. Mention has been made of it in chapter 1 already, but maybe the description can be improved. In the same vein, it should be made clear, how individual auditors are expected to know what kind of mandate they have, so that they work in compliance with their mandate.

F&C is an area for all auditors, financial, performance (and any other kind of auditor existing in the world) alike. This is stated in several places in the text. Maybe even more emphasis should be put on the fact that F&C is not owned by specific types of auditors, but by all auditors.

Dealing with political corruption is difficult. Some of the issues related to political corruption are obviously a matter for the police. But in Norway the SAI has a mandate to see whether there are potential red flags in what the responsible minister is doing. However, care should be exercised in case of political corruption.

*Ms Goldsmith* wished to know if SAI Norway had a specific mandate for that.

*Mr Strand Østveiten* replied that that came as part of their general mandate.

Both agreed that that just served as a perfect illustration of the different mandates in the SAIs.

*Mr Strand Østveiten* was not sure if it was possible to find a generic recipe for the interface between the police and the SAIs as suggested by Mr Simanjuntak. A way out could be to emphasise even more the big variations between the mandates and advise the auditors to be aware of these differences and also their particular mandate.

*The Chair* invited the SC to approve the document, given that the promised changes would be made within the remaining 2 weeks.

The SC approved the document by acclamation.

*The Chair* recalled Mr Elstein's comments and opined that it did not matter if some questions discussed in relation to this project were not solved. They could be referred to the special INTOSAI working group for fighting money laundering, fraud and corruption, thus developing cooperation between the two working groups.

## Environment and Sustainability Reporting

*Vivi Niemenmaa, Finland*



Dr Niemenmaa explained that the aim of the document was to introduce the topic and discuss sustainability reporting from the viewpoint of SAIs. It is not laid out in the form of strong recommendations, but in the way to make SAIs aware of sustainability reporting.

In addition to SC members comments were sent by Sweden and Australia. Based on the comments received a new draft of the document has already been sent to the subcommittee. The main changes in comparison with the previous draft are the following:

Readability was improved. More text was added as introduction at the beginning of each chapter and the case studies. In order to make it easier to get the essentials tables were added, e.g. to illustrate the difference between financial and sustainability reporting; motives for reporting by organisations.

Efforts were made to point out the specific nature of the public sector in sustainability reporting. However, not many examples were found to illustrate the difference.

Some comments were contradictory, recommending the text either to be shorter or longer. As a result, the length stayed almost the same, with some cuts across the text.

Dr Niemenmaa thanked India for offering a new case study on sustainability issues in financial reporting. As a result there is better global coverage, with an example from an Asian country as well.

Work still to be completed includes a foreword and maybe an executive summary. The subcommittee is expected to make further comments concerning the latest draft.

The communication plan distinguishes between internal and external communication. Internally, the next assembly in Tallinn would serve as a main forum for environmental auditors. The plans include devoting a session to the subject, where the participants consider their own SAIs and sustainability practises in their own offices. Coverage in the Greenlines forms part of the internal communication as well.

To reach a wider group of auditors, incl. the financial auditors in SAIs an article in the INTOSAI journal is suggested.

The external communication would serve a public relations-like function. Dr Niemenmaa invited the SC to propose international organisations (e.g. Global Reporting Initiative, the GRI) which WGEA would like to reach.

No training in sustainability reporting is planned for the time being, it is considered too early. The objective altogether is raising awareness in SAIs. However, follow-up on further developments is necessary. A suggestion from the UK includes creating a web site for any updates and for keeping track of what has happened both in private and public sector sustainability reporting.

### Discussion

The Chair admitted to being a real fan of sustainability reporting and thanked Dr Niemenmaa for the good work. The speakers agreed with the Chair's assessment.

*Jill Goldsmith, UK:* The paper is important in helping keep SAIs abreast of what is going on. As the subject is fast developing, it is necessary to keep it as an ongoing activity, maybe in the form of a web site.

The document has good material to raise people's understanding of what goes on in the field.

There are some editorial suggestions, aimed at simplification, which will be passed on directly. There is a need to discuss recommendations, so as to make the auditors' voice clear on that point.

*Michael Malabeja, Tanzania:* The paper is informative, but in the African region sustainability reporting is not well advanced yet. First it is necessary that the governments develop action plans etc and the reporting will then follow.

*Camilla Constance Fredriksen, Norway:* The different developments in different places suggest different topics. This is an advanced topic and the document serves as a good introduction to the topic. Norway's comments are mainly aimed at making the importance of sustainability reporting for public auditors more visible. So far the material is very much about private reporting and private companies. It can be difficult for the auditors to see where their mandate starts. Some effort should be made to link the cases more with the general text: the cases cover public governance, but the text is much more focused on the private sector.

A comment on research papers in general, as opposed to guidance documents: they address the issues in a different way and it is not always easy to see why and how it is relevant for the reader. All research papers should first emphasise the relevance and then maybe take it back a notch at the next level.

*Hassan Namrani, Morocco:* The main objective of the paper is to make clear to SAIs what sustainability reporting is. Sustainability reporting is not well developed in all countries and it is not easy to undertake an audit on this topic. Thus the communication plan should focus more on the public sector, in order to improve their awareness of this field.

*Mamahooana Leisanyane, Lesotho* supported the views offered by Tanzania, and also praised the paper for being easy to follow and usefulness to the SAIs.

*Nameeta Prasad, India:* The paper consolidates the material into one document. There is a need to keep updating it, given the rapid developments.

*Airi Andresson, Estonia:* This is an easy to read document, which, most importantly raises the issue, making the auditors aware of the subject.

The document should be kept alive, keeping an eye on the rapid developments in the field and also keeping up the interest of auditors during the next meetings. It is a good idea to use the Tallinn meeting for the purpose and give the auditors a "teaser" on the subject.

Ms Andresson wanted to know if the forum set up as a web page for communication had worked. Dr Niemenmaa responded that it had been used to a certain extent at the beginning and after a while people had reverted back to sending e-mails. It was useful as a place to store all the relevant material, though.

*Ms Goldsmith* agreed: the same approach was used for working with the infrastructure paper. There was a lot of enthusiasm at the beginning but eventually the web based forum did not work as intended. This would be a challenge for Indonesia, taking over from Estonia, to make better use of the potential of such format.

*Edward G.H. Simanjuntak, Indonesia:* The paper is easy to understand, the information is very important and will be useful for all stakeholders.

*Sayed AbdelAzem Ahmad Atwa, Egypt* agreed in all points with Mr Simanjuntak.

*CHEN Jixiang, China:* Sustainability reporting is important, but it is difficult for governments to report their progress. The paper is useful for SAIs in helping them understand the reporting system.

*George Stuetz, Canada:* The original purpose of the paper, to introduce a new topic, has been achieved. It will be difficult to get the public sector on board, for governments are reluctant. They rely on elections, so why give the opposition additional ammunition.

It is important to keep the subject up to date and see where the discussion is heading, maybe revisiting the subject every couple of years, adding an addendum.

*The Chair* considered turning to Canada at one point, asking for more forward looking developments, given Canada's advanced record in sustainability reporting. Also Canada's former AG is in the board of the INTOSAI standard setting body.

*Mr Stuetz* also offered a small case study on the federal sustainable strategy in Canada.

*Fernando Dorna Magalhães, Brazil* had no other comments than to congratulate the project team on a well written and useful document.

*Jill Goldsmith, UK* invited the SC to think about the role of INTOSAI in sustainability reporting, in particular about what should be stated in the last part of the document (titled "Discussion") and suggested that a separate discussion be held on the subject. She also raised the question of whether INTOSAI should be represented more formally in the International Integrated Reporting Council (IIRC). There will be a meeting in London in the near future concerning integrated reporting.

*Robert Cheyo, Tanzania* added that INCOSAI in Johannesburg had also discussed integrated reporting and invited Ms Goldsmith to share any information concerning the upcoming London meeting.

*The Chair* thanked Dr Niemenmaa and noted that there was overwhelming support for the work accomplished.

The Chair asked what the SAIs' community can do to be more effective in the field in the future. He welcomed all the ideas outlined in the communication plan.

He shared some other ideas on the subject. There are many different forums, e.g. an accountability framework, etc, and the Integrated Reporting Council is just one of them. The reporting standards will eventually change both in the private and the public sector and a time will come when the environment and natural resources have to be accounted for and reported, the private sector will do that and the public sector does not have a choice but to follow suit.

What should be the INTOSAI approach? The issues were discussed at INCOSAI and the relevant wording was included in the accords. That ought to serve as an authorisation for WGEA to cooperate with other international organisations. However, the SAI community today does not understand exactly where they are and what they should do. It is good that this document will be ready and can be referred to when talking to other parties about sustainability reporting. The Chair promised to do his best to pursue the matter, but he also was convinced that the next chair, Indonesia will have to keep the issue on the agenda.

The SC approved the document by acclamation.

## Land Use and Management Practices

*Mohammed Diyer and Hassan Namrani, Morocco*



The project leaders emphasised that the document was a research project, not guidance material. A brief overview was given of how the work has progressed:

- The project plan was presented and approved by the SC at the Marrakech meeting in March 2011;
- A parallel session was held during WG14 in Buenos Aires in November 2011, and the material was presented to SC11;
- The 1<sup>st</sup> draft was sent for revision to Estonia, and thereafter to subcommittee members in April 2012 for comments (The Czech Republic, Indonesia and the UK sent comments);
- The 2<sup>nd</sup> draft was sent to SC members in July 2012 (Comments from Estonia, Indonesia, USA, Norway and New Zealand).

The presenter discussed the general comments received:

- The text has been shortened and various editorial changes have been made in light of the comments;
- The SC is requested to consider narrowing the scope of the

project, focusing more on rural land use and dealing with urban land use separately.

A more detailed discussion of the comments chapter by chapter was given:

Chapter 1: more clarification of some concepts (land, land management, sustainable land management) was suggested, but the team hopes the current version may be sufficient. Indonesia wished to see more information and statistics on spatial planning. The project team asked if Indonesia could help with this.

Chapter 2: Estonia suggested removing section 2.5 (degradation of air and atmosphere and global warning). Given that other countries invited the project team to develop the section and to give more details about climate change and its impact on land use, the team has not decided yet which way to go.

Another comment suggested extending section 2.8 to other environmental risks, but for the sake of keeping the text shorter the project leader suggests just a list of such risks.

Work is underway with the comment suggesting to provide a diagram that shows the flow of land use and the impact on the environment and tools to preserve land resources.

Chapter 3: In response to the comments a section on the use of technology (GIS, RS) will be added, as well as some language about the various roles (public or private) in land management and more examples to illustrate the statements.

Chapter 4: To react to comments more audit examples will be added, the relevant topics for SAIs for audit will be discussed, the descriptions of case studies will be shortened and the case studies will be moved to an annex.

A detailed outline of the paper was presented:

The research paper will have 4 chapters and 7 annexes.

Chapter 1 discusses definitions and concepts, broken down into 3 sections (land use, land degradation and land management)

Chapter 2 is the main chapter in this paper, devoted to the environmental issues - deforestation, soil erosion, loss of biodiversity etc.



Chapter 3 focuses on sustainable land use management, practices affecting land use management and tools, policies and methods to preserve land resources.

Chapter 4 deals with auditing. 98 audit cases on land use and management were identified in the WGEA audit database. The project team conducted a survey to which 36 countries responded and 23 indicated that they had undertaken audits with such topics.

Based on the case studies the following audit typology emerges:

1. Government policy on land use and management (Estonia, Finland, New Zealand);
2. Effectiveness of planning tools for land use (Brazil, Norway, The Netherlands);
3. Sustainable use of land resources (Estonia, Poland);
4. Protection, regeneration and rehabilitation of land resources (Mexico, Morocco, New Zealand).

## Discussion

*The Chair* thanked Morocco for undertaking the task of project leader for the first time and doing such a good job. He reminded the SC of the reasoning behind developing research papers when the decision was made 3 years ago - the guidance documents are very long, these papers should be shorter. But given the vast amount of collective knowledge that exists, the research papers are growing in size as well.

Many speakers thanked Morocco for excellent work, and for accommodating their comments.

*Fernando Dorna Magalhães, Brazil:* Chapter 3 might mention the importance of satellite images in controlling proper land use. Also, the government's role in fighting against illegal land change could be emphasised.

*George Stuetz, Canada:* The paper has come a long way, it has been restructured and shortened. Maybe more focus should be on rural rather than urban land use. Mention should be made of the fact that land use planning is subject to different levels of government in different countries (federal, provincial, state, municipal), therefore it could be hard for auditors to establish their roles and responsibilities.

The introduction needs a bit more meat in laying out the fact that how land use issues are audited in the world is highly dependent on who is responsible for managing the land and who for auditing.

To make the paper easier to use the sections within chapters could be more connected, to introduce the topics. They are good, but need a little more liaisons, some more definitions to make clear on what the focus is.

*CHEN Jixiang, China:* Regarding the title: the words "in environmental perspective" should be deleted, because there are other perspectives related to land use and management.

In chapter 4 maybe some general information about the audit of land use and management could be summarised, e.g. audit content, objectives, methodology and criteria.

*Sayed AbdelAzem Ahmad Atwa, Egypt:* The paper is good and clear and will be a fruitful addition to auditors' knowledge.

*Vivi Niemenmaa, Finland* thanked the project leaders for carefully considering all the comments and hoped that the Finnish comments had arrived as well. The division of the material into rural and urban issues is a good idea, but the focus ought to be more on rural aspects. Several issues are non-urban in nature (desertification, deforestation, mining). Neither are there too many urban cases and they are controlled often on the local level, whereas it is not always clear how much one can audit at the local level. Also the rural approach would be the most useful for many SAIs. The WGEA could at a later stage do a project on urban land issues.

Earlier comments from Finland concerned section 3.1.4: maybe the focus here is too narrow, social aspects could also include differences in land ownership and the impact such differences could have.

A suggestion about the title, it should not be promising to solve all the problems, but should refer better to the contents, e.g. also to rural land use.

*Arief Senjaya, Indonesia:* Given that land use management is related to government policy, maybe the paper could expand more on government planning and policy, as well as coordination between central government and other levels.

*Airi Andresson, Estonia:* Thanks go to the project team for a lot of work done on the important, extensive and challenging topic. Dr Niemenmaa's suggestion to narrow down the scope to rural land is a good idea.

The most important and valuable parts in the paper are sections 3.2. and 3.3, they are very good, especially the latter, in describing different policies, methods and tools that pertain to land use.

Some editing is still needed. For example in some of the sections in chapter 2 (e.g. 2.7) the title should be made to match the content.

A list of activities that cause land use change could be introduced (in section 3.2) to bring together the references scattered in the text (i.e. mining, logging).

The focus in section 3.1 is not very clear and could use some additional explaining.

*Nameeta Prasad, India:* In section 3.1. which deals with regulatory, institutional, economic and social aspects, policies could be added, as they will have a great impact on land use.

Ms Prasad agreed with Ms Andresson as regards section 3.2 about practices and factors having adverse effect on land use. These serve as a good source and starting point for auditors.

*Mamahooana Leisanyane, Lesotho* agreed with Dr Niemenmaa as regards the editorial changes in section 3.1. The paper will be useful for many countries. The Lesotho 2011 economic review has also picked up some of the issues mentioned in the paper.

*Helge Strand Østveiten, Norway:* The scope of the document could combine the integrated approach: given that land use planning happens in cities and rural areas, first the broad perspective should be given. This is already reflected in chapter 1. Then one of the areas could be looked in more depth.

Mr Strand Østveiten supported Canada's proposal to point out that management of land use varied by country and that auditors should be aware of the variation and can design the audit in a manner that is appropriate for the institutional setting of the country.

*Michael Malabeja, Tanzania* suggested shortening the document, e.g. limiting case studies to one page and adding a link to the relevant web site for reference.

Mr Malabeja agreed with Ms Andresson regarding the usefulness of sections 3.2 and 3.3 for auditors and suggested adding at the end of the document a one page matrix, based on those sections.

*Jill Goldsmith, UK:* With every draft the work has improved a lot. The paper helps the relevant people get started. Part 3.1. is crucial to be able to understand the problems identified subsequently.

Some material (especially in section 3.3.) could be re-arranged, for it is not clear whether the discussion is about good land use management or is this a response to the problems described in the next section after that.

Ms Goldsmith also commented on Dr Niemenmaa's observation about the choice of case examples and suggested having a good variety of the cases, irrespective of the country the cases are derived from.

Part 4, containing the themes from cases is very useful, this is where the paper really comes alive. The typology is very good.

Some work still needs to be done on the technical level. The relationship between some of the boxes and the rest of the text is not always clear.

*Mr Diyer and Mr Namrani* thanked the SC for the comments, which had helped clear the picture about the scope. The document should be shorter. As regards the subject, land use contains all issues of the environment. There is a dilemma, how to remain in the context of the research project, given the wide scope. The project team will try to take into account all the new comments and have the final document ready by the end of November.

*The Chair* said that he was looking forward to the new draft at the end of November. He saw a need to look together at the title, in order to make it more expressive and to leave the scoping to the executive summary and chapter 1. He thought that the title could contain something along the lines of "perspectives of land use and land management practices".

The response from the SC as regards the scope seems to prefer more focus on rural land management and less on urban land management. The Chair found the comments by Canada very relevant: on how land management practices differed in different countries. The Chair also recommended more liaison between the sections and chapters, in order to improve the structure and make things clearer (the proposed typology is a good example on how to achieve more clarity).

The Chair thanked the project leaders for having done such a good job on such a difficult task.

The SC approved the document by acclamation.

## **Environmental Data: Resources and Options for Supreme Audit Institutions** ***George Stuetz, Canada***

Mr Stuetz spoke on behalf of the co-chairs Canada and US and their leads. The project was accelerated, to be ready slightly sooner than the other projects.

Mr Stuetz reminded the SC of the project objectives:

- Describe the main ways that auditors use environmental data;
- Broadly identify key sources of environmental data available to SAIs and key considerations when using such data;
- Identify tools and methods SAIs may use when high-quality environmental data are lacking.

The project progressed as follows:

- Detailed analysis of case studies of use of environmental data by other SAIs (out of the 97 potential, 16 case studies were included in the final report), partly based on a questionnaire;
- Detailed analysis of 56 sources of environmental data, which the SAIs can use;
- A workshop was organised in Buenos Aires and the accelerated timeline (aiming to finish by the end of the summer of 2012) was also approved in Buenos Aires.

The report contents are the following:

- Using data in audits
- Data sources
- Options when high quality data are lacking
  - Using estimates and models
  - Using experts
  - Developing own data
  - Using absence of good data as audit message
- Appendices

Finally a summary of project status as of the current meeting was presented:

- Editorial review and internal quality reviews completed
- Sent for review by WGEA Steering Committee in April 2012
- Final draft with appendices sent to Secretariat on 11 June 2012, with disposition of all comments received
- Now with Secretariat to organize publication
- Project team is prepared to review laid out publication

Follow up actions:

- Draft report posted on WGEA website by Secretariat for RIO+20 meeting in June 2012
- Project team preparing to present results at WGEA EUROSAI meeting at end of October 2012

Mr Stuetz thanked the project team and the team members from the US Government Accountability Office and the Office of the Auditor General of Canada, the Subcommittee members Botswana, Estonia, Namibia, New Zealand, Poland and Tanzania, as well as the Secretariat for their contributions.

## Discussion

*The Chair* also thanked all the team members, especially Mr Morrison, for working very hard. The document has been up on the WGEA web site for quite some time. The Secretariat is ready to publish the paper in the form presented. Initially the paper had been scheduled for early publication as well, but is to follow now the same schedule as others. The Chair hoped that was not a problem.

*Jill Goldsmith, UK* suggested that a short explanation be added at the beginning to the effect that environmental audit was not financial audit and that environmental data was relevant for environmental audit and did not affect financial audit.

*Pingky Dezar Zulkarnain, Indonesia* suggested that the paper would be even more useful if it included the statistical profile of the respondents (e.g. the percentage of SAIs that used environmental data for compliance audits or performance audits, the percentage of SAIs that used social networks for collecting environmental data), such profiles could lead to innovative practices. He gave an example of how Indonesia used the information systems to achieve national synergies.

*Camilla Constance Fredriksen, Norway* was glad that an earlier suggestion made by Norway on how to make the paper shorter had been taken into account: by putting key sources on the web site. The relevant references are in appendix 1. She also suggested keeping the links live, as sometimes after a few years the files won't open etc.

The upcoming EUROSAI WGEA meeting will be implementing the paper.

*The Chair* agreed that it was a challenge to keep the links and databases alive, but that it was important to undertake the challenge all the same.

The Chair thanked New Zealand for once again undertaking to edit the papers as native speakers of English. The authors of the papers have to provide feedback and accept/refuse any changes to make sure that nothing got lost in translation.

Finally the Secretariat will give the documents a final makeover to achieve the same visual identity.

The SC approved the document by acclamation.

## Day 3

Friday, 5 October 2012

### Environmental Issues Associated with Infrastructure

*Jill Goldsmith, UK*

Ms Goldsmith discussed the comments received and the ways they have been accommodated:

There was a request for more in-depth treatment of the cost-benefit analysis. Given that it is a high level paper, one should not go too far. An idea has been floated about the cost-benefit theme being a topic for the next work plan period. Ms Goldsmith offered to try and address it a bit more fully.

Another comment asked for more clarity about risks. Ms Goldsmith promised to accommodate the request.

Another point raised concerned separating benefits from mitigation effects. Ms Goldsmith promised to make sure that the language was clearer.

A suggestion concerned clarifying the role of the government. This is difficult, since different governments have different roles. However, an attempt was made to separate direct government responsibilities and their facilitating roles.

Two extra case examples were submitted by the US and Estonia, they will have to find their places in the paper.

Some comments could be seen as being more debatable:

The title of the paper. The paper focuses on infrastructure development and at the development stage maintenance and disposal/decommissioning has to be considered. But really there is more focus on the development side, thus the title, according to some comments, should reflect that. Ms Goldsmith invited the SC to express their views on the title.

There should be more facts, e.g. quotes from international sources regarding impacts. Ms Goldsmith invited the SC to express their views on that.

Where does planning come into the paper? This is somewhat similar to the land use paper. Ms Goldsmith considered planning very important, as it is one way how governments can control infrastructure development. There is reference to planning in the paper. Ms Goldsmith invited the SC to express their views on that.

Timeline. Working with the new comments and making the paper print ready. Ms Goldsmith thought the paper would be ready in November, but certainly "this side of Christmas". Time can be saved on not having to undertake language editing.

### Discussion

All speakers praised the team and the quality and usefulness of the research paper.

*Michael Malabeja, Tanzania:* Most of the comments made in Buenos Aires have been taken onboard. As regards the title, given the very broad subject, it could be limited to infrastructure development.

*Camilla Constance Fredriksen, Norway* was satisfied with the way Norway's comments had been addressed.

The issues, for which the opinion of the SC was sought:



Norway had earlier suggested including more references, and this is more a general issue. Many of the research papers are based on the SAIs' own experiences and are good quality products, but maybe credibility could be increased if more references were included.

Speaking about adding more material on planning, Ms Fredriksen agreed that it would be good in the sense that some of the risks and problems were often caused by planning or bad planning or lack thereof. Maybe planning could be given brief mention, given the limited scope of the research paper.

*Mohammed Diyer, Morocco:* The paper is useful, innovative, easy to read. A suggestion: part 2 and 3 could be combined, since part 2 is about the life cycle of infrastructure projects and part 3 gives an environmental dimension to that. Consolidation of the two parts might highlight the environmental dimension even more.

*Mamahoana Leisanyane, Lesotho* praised the paper for its usefulness for the auditors back at home.

*Nameeta Prasad, India* considered the paper very useful, as it would open up a lot of issues, especially for SAI India. She suggested mentioning, maybe in chapter 1, that infrastructure projects could lead to short-term problems but in the long-term could still turn out to have beneficial consequences. Mathematical methods exist (even if complicated) for calculating short-term impacts versus long-term consequences.

*Airi Andresson, Estonia* had no further comments, as they had been taken into account earlier. She commented on the usefulness of the paper for Estonia, as an infrastructure audit was about to begin.

As regards the request for more facts or references, Ms Andresson did not feel the lack of facts, as the paper was well balanced: generic, at the same time not too vague.

*Edward G.H. Simanjuntak, Indonesia* suggested slightly more detailed approach to costs and benefits, especially on how to monetize the socio-economic impact.

He also proposed that in the case of very large and long-term infrastructure projects (a bridge, road or a dam), which involve several levels of government, the political aspect could be considered already in the planning phase.

*Vivi Niemenmaa, Finland* had had the infrastructure experts in SAI Finland read the paper and they had found that despite the very interesting case studies they remain slightly remote from the Nordic point of view. Another reminder is the fact that most of the money in infrastructure projects relates to maintenance and that this money usually is run through the local level. This is something that is often forgotten.

Dr Niemenmaa supported the change of title, to mention infrastructure development.

*Sayed AbdelAzem Ahmad Atwa, Egypt* wished to know, how a SAI could deal with all the different aspects, given the very wide scope of infrastructure projects.

Ms Goldsmith offered to add something to this effect in the part devoted to auditing.

*CHEN Jixiang, China* suggested mentioning the long-term environmental impacts (many years or even decades) of some infrastructure projects and the need for auditors to consider and evaluate those impacts.

*George Stuetz, Canada* was glad that all Canada's comments made in Argentina had been addressed and praised the paper for balancing detail with brevity.

Mr Stuetz spoke about countries (incl. Canada) which have infrastructure funding programmes. SAI Canada had audited the funding programmes. Mr Stuetz very kindly offered to write a short case study on the subject for the paper. The appropriate place to introduce the large-scale funding programmes would be in part 4 and the question the auditors could ask, would be whether the funding goals have been met.

*Fernando Dorna Magalhães, Brazil* regarded the paper very important for Brazil. There is also a need for some more specific documents, which concern environmental issues linked with some specific infrastructure works, e.g. road works, dams. Auditors need more material on how to identify environmental issues when civil engineering sites need to be audited (e.g. erosion, slopes etc.) Maybe some of this could be taken up when future work is considered.

*Ms Goldsmith* found the comments made very helpful. She thanked Egypt and Canada for suggestions regarding part 4. Some countries (UK, Australia, maybe Canada) have national infrastructure plans and the paper does not refer to them at all. She would need to add some material about the national plans, with the audit angle.

Ms Goldsmith also promised to revisit the issue of costs and benefits. There is a paper of environmental appraisal for a UK parliamentary committee that could serve as a basis.

*The Chair* expressed the hope that Christmas would be in November and that the research paper would arrive before Christmas. He also acknowledged the support that the SC gave for the change in title. He warned against making the document longer.

The Chair thanked Ms Goldsmith and her team for their efforts.

The SC approved the document by acclamation.

## **Impact of Tourism on Wildlife Conservation**

### ***Mamahooana Leisanyane, Lesotho***



In her presentation Ms Leisanyane gave the progress report of the project. She reminded the SC of the objective of the research project: to highlight the tourism impact and related risks on wildlife conservation. She then briefly discussed the structure of the paper:

- Ch. 1 introduces wildlife tourism, the importance of wildlife and tourism, expansion of tourism activities over the years and the reasons for expansion and international awareness.
- Ch. 2 describes background of tourism and wildlife activities, benefits of tourism, the associated environmental, social and cultural impacts, as well as human-wildlife conflicts.
- Ch. 3 is about national regulation of wildlife tourism and other government tools to respond to threats to biodiversity, contains a list of stakeholders in the wildlife and tourism sector as well as international and regional agreements (descriptions in Appendix 1).
- Ch. 4 deals with good practice on wildlife conservation and tourism management. Related to the chapter is Appendix 2 with audit questions for audit planning.
- Ch. 5 has case studies on wildlife and tourism related audits (Ethiopia, Georgia, Bulgaria, and the Czech Republic).

Progress since the WG14 Buenos Aires meeting:

Tanzania and Lesotho have had 2 meetings: in March to complete the document before sending it to the SC and in August to incorporate comments received from the SC (USA, Finland and India). The major changes concern statistical information in Ch. 1 and the shift of chapters 4 and 5 (suggested by the USA).

In July during RWGEA meeting in Cameroon, additional information in regard to international agreements was added and the document was shortened.

The additional comments from Norway, Indonesia and New Zealand received since will be taken aboard as well.

The project is within the stipulated timeline and the draft which takes into account the most recent SC comments will be sent to the secretariat by the end of October.

## Discussion

*Fernando Dorna Magalhães, Brazil* considered the document very informative in helping understand a hitherto not so familiar topic. He promised to send some minor comments by e-mail.

*George Stuetz, Canada* had written suggestions concerning some shortening and some additions to chapter 1, as well as the need for creating some liaison between certain sections.

Mr Stuetz liked some of the case studies, suggested adding some more and pointed to a dichotomy between tourism in Africa and the practice in Canada of watching polar bears.

*The Chair* remembered discussing the same issue at the Morocco meeting, namely, whether this paper should be a purely regional paper or wider in geographical scope. The decision was to go for wider scope and for that purpose some extra countries were added to the project team. However, nothing prevents the SC from reconsidering the scope.

*CHEN Jixiang, China* had no comments. The subject is new for most SAIs and more SAIs should be encouraged to undertake audits in this area.

*Sayed AbdelAzem Ahmad Atwa, Egypt* thanked Lesotho for their great effort in producing a very convincing document.

*Vivi Niemenmaa, Finland* suggested focusing on developing countries, or Africa. This would be justified, as this is where such tourism has the biggest economic importance.

Dr Niemenmaa doubted if the case studies from European national parks were interesting enough to be included.

She liked particularly chapter 5 and also offered the latest statistics from 2011.

*Arief Senjaya, Indonesia* suggested referring to the international agreements found in appendix 1 also in chapter 3, since auditors should be aware of those in addition to government regulation.

*Airi Andresson, Estonia* had three general comments:

1. At the beginning concepts should be defined and mention could be made of the fact that when speaking about wildlife, usually fauna is meant for the purposes of this document. That would narrow the scope in a good way.
2. Maybe the scope should be narrowed to make it a regional paper. It is not clear if such tourism forms an important part of the economy in Asia and South-America, as is the case with Africa.
3. The paper talks about ecotourism in the context of wildlife. Ecotourism means more than animal watching. In Estonia it includes also plants and trees, biodiversity. Maybe it is easier to leave all this out in this paper and focus on animal watching.

*Nameeta Prasad, India* considered the paper very important for India, as is the concept of tourism for the sake of watching animals. In Rajasthan a huge number of tourists are coming to watch the tiger. Ms Prasad disagreed with Ms Andresson's idea of leaving ecotourism out. Ecotourism also means how to make tourism more sustainable and keep the wildlife for future generations. Some mention should also be made of the various organisations, NGOs and local communities involved in this work, a short paragraph would suffice.

*Hassan Namrani, Morocco* offered some ideas regarding the structure of chapter 1 and also on how to identify some relevant audit topics that can emerge from the analysis of the case studies in chapter 5 and how to rearrange chapters 4 and 5.

*Camilla Constance Fredriksen, Norway* saw the topic as one that the Northern European and American countries are not very familiar with, but it is important nonetheless and very informative. Obviously input from very many countries is needed.

She raised the question of how to lift the introduction to a higher level. The paper starts out with the impact of tourism on wildlife. Maybe it is better to place this into a wider context, e.g. wildlife tourism is one threat to wildlife among other threats (change of land use etc) and then compare the impact of tourism as compared to other threats.

Ms Fredriksen praised the chapter devoted to good practices.

She further commented on the structure of the paper. Maybe some information from appendix 1 could go back to chapter 3.

The data should be updated, and statistical help is coming from Dr Niemenmaa.

Ms Fredriksen approved of the changes related to chapters 4 and 5 and hoped that more could be done about chapter 5 and the respective appendix 2 (by shortening the cases and putting them in text boxes and then elaborating some more the audit questions in appendix 2).

*Robert Cheyo, Tanzania*, given that Tanzania is part of the project any comments would mean a conflict of interests.

*Jill Goldsmith, UK* supported the others in points already raised. This is a difficult project to scope. The UK has no experience in this field. The paper was admirable and interesting to read. The European national parks are different, so this paper helps see the problems from the other side.

Ms Goldsmith found the section devoted to good practices very interesting. She suggested that the topic of ecotourism warranted a wider discussion.

Ms Goldsmith agreed with the previous speakers that international commitments should be given a more prominent place instead of appendices. For example, some Millennium Development Goals have a biodiversity target that maybe relevant. Some focus should be on the governments' response to international commitments. Like Ms Fredriksen, she hoped that more work could be done with appendix 2 and the issues therein could be given more prominence in the body of the document.

Ms Goldsmith also thought that a regional nature of the paper might make it easier to finalise.

*The Chair* admitted that scoping was always the issue. It is necessary to define what we mean by wildlife tourism, to figure out how to bring in ecotourism and how to integrate wildlife management and tourism management. The Chair offered help from an expert from Estonia, who could write something on integrated wildlife and tourism management.

The Chair also recommended shortening the case studies and taking only the relevant parts onboard. He mentioned an initiative that had been taken 2 years ago in the network of Nordic and Baltic countries regarding guidance material on how to manage national parks. There might be some overlap with the topic at hand.

*Ms Fredriksen* also mentioned cooperation between Poland and Lithuania that had just started and could be followed up later when the results come in.

*The project leader* thanked everyone who had provided comments, of which some had already been taken into account.

She promised to look into the structure of the paper in order to lift some of the important topics from the appendices into the body of the text.

*The Chair* thanked the AGs of Lesotho and Tanzania for their leadership in bringing the work ahead. He invited the SC to adopt the current draft and the project leader to present the next version as soon as possible, by the end of October.

The SC approved the document by acclamation.

## Training Modules

### Forestry

**Arief Senjaya, Indonesia**



Mr Senjaya spoke about how the project had progressed since the meeting in Argentina in 2011. He also thanked everyone who had sent comments. The plan is to finish the work on schedule, at the end of October. The material shall be presented at the EUROSAI 10th annual meeting in Cyprus in the form of a one-day training session.

He gave an overview of the training module:

The course runs 5 full days and can be customised, depending on the participants' knowledge and requirements.

All 8 chapters have been furnished with content, including exercises and a series of case studies:

- Chapter 1: introduction to auditing forests, types of audit, stages in performance audit (as the training module is based on performance audit);
- Chapter 2: understanding forests - definitions, categories, types, functions, ownership and management and the international forest initiative;
- Chapter 3: sustainable forest management;
- Chapter 4: audit topics, objectives, scope;
- Chapter 5: developing researchable questions and audit criteria;
- Chapter 6: audit evidence and methodology;
- Chapter 7: developing the audit design matrix;
- Chapter 8: audit report.

Any further input from the SC can be accommodated before the end of October.

Next steps include sending the final draft to the Secretariat in April and putting the training module to use in June.

### Discussion

All speakers congratulated Indonesia for the excellent project.

*Jill Goldsmith, UK:* this project exemplifies what WGEA does and does very well, leading to more collaboration and training.

*Michael Malabeja, Tanzania:* Tanzania has been closely involved in the work and has been offering many comments since work started within the framework of IDI. By now the document has reached a really advanced stage.

*Camilla Constance Fredriksen, Norway:* Norway has been sending quite extensive comments in preparation for the one-day training in Cyprus. The comments have been taken into account. Given that the material is so extensive, the project leaders have done a lot to tailor the material for a shorter course.

*Mohammed Diyer, Morocco* found the training module very clear and well presented and as such it will serve as very good INTOSAI material.

*Mamahoana Leisanyane, Lesotho:* Lesotho was involved in the project from the beginning, in developing the research paper and being the first group to be trained by IDI. As a result Lesotho will have very good forest auditors.

*Nameeta Prasad, India* praised the training module for including just the right amount of information for auditors.

*Airi Andresson, Estonia* liked the document for being so informative. An incredible amount - 2 to 3 years - of work, involving many countries, has been put in, the material has been tested and this adds value, since the project team really knows what the needs are.

It is also good that the module can be made longer or shorter as need be, the one-day training for EUROSAI WGEA being a case in point.

*Vivi Niemenmaa, Finland* was really impressed by the training module. Finland's comments regarding (private and state) forest ownership have been addressed, but maybe a short explanation could still be added to point out that even if there is a lot of private forest ownership, the state still has control through regulatory mechanisms.

*Sayed AbdelAzem Ahmad Atwa, Egypt* hoped to benefit from the training module in the future.

*CHEN Jixiang, China* praised the training module for being perfect.

*George Stuetz, Canada* was fascinated by the material, a colleague had reviewed the paper and sent many comments and suggestions for improvement. Mr Stuetz looks forward to seeing the delivery of training based on the module.

*Fernando Dorna Magalhães, Brazil* expressed their intention to translate the material into Portuguese so that it can be shared with the sub-national audit institutions in Brazil.

*The Chair:* The material should be shared with the regions and EUROSAI WGEA is another perfect example. He acknowledged the hard work undertaken by the project team to narrow down the module to fit into a shorter format.

The Chair was also very happy about the timeline. He invited the SC to think how to protect the valuable material (from international consultants and such). At present the modules are on the WGEA website, under password protection. It should not be hidden very deep and be available for the WGEA community.

*Mr Senjaya* thanked everyone who had given their input in the last 3-4 years (Lesotho, Canada, Brazil, Estonia, Tanzania and others). A total of 14 SAIs have undertaken the pilot audit.

The SC approved the document and the proposed timeline by acclamation.

## **Mining**

***Michael Malabeja, Tanzania***



Mr Malabeja introduced the contents of the training binder:

- Module/session 1 - background of the minerals and mining sector;
- Module/session 2 - basic principles of performance audit-mining;
- Module/session 3 - understanding mining activities and their impacts on environment;
- Module/session 4 - choosing and designing the environmental audit on mining.

Each session or module contains an Introductory Sheet and materials of the sessions (Participants' Notes, Session-at-a-glance, Instructor's Aids).

The Introductory Sheet is a one page document with an overview of the course topic and modules, general content of the sessions and an overall proposed timetable for carrying out the course.

Participants' Notes provide background information on the session at hand, presentation slides, examples and references to case studies, exercises. They contain information on basic issues of mining activities mainly retrieved from the INTOSAI WGEA Guidance: Auditing Mining as well as from other sources.

Session-at-a-glance sets out the learning objective, main key teaching points, teaching methods and estimated time.

Instructor's Aids consist of Instructor's Notes, i.e. the notes that guide the instructor on how to deliver the session, a list of questions and topics to help with discussions, case studies and exercises, presentation slides.

The training module on mining is not as advanced as the module on forests and a number of comments have been received from the SC members:

USA:

- Clarify precisely the audience and what they are expected to get out of the course;
- Clarify how the materials distributed fit together;
- Create one document that would address key issues, e.g. course objectives; the sequence of the course modules; the content and length of the modules; and how the modules build on each other.

The team has worked on these comments, but some further work is needed, since some contradicting comments were received.

Estonia:

- Notes for instructors are very short, more relevant information is needed. They should be more comprehensive, so that the instructor can have a picture about what is to be taught;
- A link should be created between the slides and participants' notes;
- A crucially important comment: as the training material on forests has been tested several times, it could serve as an example for mining as well.

The team will continue work in order to accommodate these comments.

Norway:

- The duration of the course must be made clear;
- The introductory sheet should contain the training course objective, prerequisites for both trainers and trainees, explanation of the build-up of the course;
- Participants' notes contain a lot of information that cannot be found in the sessions;
- Exercises should be divided into smaller parts with the question following each topic in the text to make it a more interactive exercise;
- Consider using more illustrations.

The project team's response as regards duration: there is also a need for flexibility - the duration could be anything between 2 and 5 days, depending on the training needs and the nature of the trainees. The other comments will be accommodated.

Indonesia:

- General suggestions concerning the composition of the training modules;
- Performance audits should not be described in detail in this training module, as they are not a key subject.

India:

- The module could also include the concept of sustainable mining;
- Case studies can be used for session 2.1 for participants to better grasp the idea of choosing and designing audits on mining

Timeline:

The project team is still working with the comments received, since they arrived mostly at the end of September. Serious work will go on until the last week of November. Thereafter the draft will be sent to the secretariat and the SC members, who are invited to send their comments between in December

and January. A 2-day pilot training is scheduled during the AFROSAI annual meeting in Cairo in April 2013. Other members of the INTOSAI community can attend as well. Based on the feedback (via evaluation forms) from the pilot training the training module is finalised and the final draft sent to the Secretariat.

## Discussion

*Jill Goldsmith, UK* considered such training courses very important and helpful and it would be especially good, if both teams could learn from one another, devoting one training day on mining and another day on forestry.

*Camilla Constance Fredriksen, Norway* thanked the team for taking into account the main comments from Norway, which were aiming at giving feedback on training in general, as there were no experts in mining. It is important to have consistency, break the parts down as much as possible so that the material can be adjusted to the participants' needs.

*Mohammed Diyer, Morocco* found the material clear and well presented. Morocco's general comments aimed at specifying and clarifying will be given directly to the project team.

*Mamahooana Leisanyane, Lesotho*: the module is very clear even for Lesotho, where no mining audits have been undertaken ever. After this training it will be possible to conduct such audits.

*Nameeta Prasad, India* had no other comments than to congratulate the project team on a well developed training module.

*Airi Andresson, Estonia* praised the team for a lot of work done on a very important topic, which will have a lot of impact in many countries. She invited the project team to take into account all Estonia's comments, in particular regarding the teacher's notes: the training materials are meant to be such that non-professionals can give this course, and the teacher has to be one step ahead of the pupils, therefore teacher's notes are important. Also more detail is needed in participants' notes.

*Edward G.H. Simanjuntak, Indonesia* had no other comments to add to those already sent.

*Vivi Niemenmaa, Finland* praised the team for great work done. Maybe add something about the economic impact of mining, some figures and economic consequences related to environmental problems.

*Sayed AbdelAzem Ahmad Atwa, Egypt* considered the training module very helpful for SAI Egypt.

*CHEN Jixiang, China* said that in comparison with other audits, mining audit needed more professional skills. SAI China has not conducted an audit in mining.

*George Stuetz, Canada*, as expert in mining, had a lot of suggestions concerning how everything linked together. He suggested that the handouts cover the four main steps: planning, construction, operation, reclamation. Each step could be linked with some audits undertaken under the particular step.

Handout 5 (decommissioning and closure) could also tackle the issue of insufficient funds which are set aside for reclamation and the environmental liabilities that are then placed on the shoulders of government, since the companies involved originally in mining may have gone bankrupt or disappeared. To prevent this from happening guarantees are used for the reclamation of old mines. Canada has had an audit on the topic and Mr Stuetz kindly offered to share it for the training module. He also suggested more details to be added to handout 2.

*Fernando Dorna Magalhães, Brazil*: In Brazil environmental issues related to mining come under the competence of the sub-national auditors and the material will be shared with them.

*Michael Malabeja, Tanzania* thanked everyone for the additional comments, pledged to continue working with all of them. Given the importance of the issue of abandoned mines, the project team is contemplating adding a separate module on the subject.

The Chair noted the support of the SC to the project despite the large number of comments given and the work that still needs to be completed. In his opinion the question of duration of the course is not such an issue, it is the content that is important.

The Chair also liked the idea of conducting test training at the regional meeting in Cairo, as it would be very useful for the team in putting finishing touches to the training module.

The Chair suggested clarifying any comments that had remained unclear with the authors so that the next version will be ideal.

The Chair invited the SC to acknowledge the work done so far, accept the material and wait for the next version by the end of April 2013.

The SC approved the document by acclamation.

## **Global Training Facility**

***Tuuli Rasso, Estonia***

***Rebecca Mathai, India***

Ms Rasso briefed the SC on progress regarding the Global Training Facility. The project sub-committee (Estonia, India, Finland, Norway) met on Monday, 1 October to review the material, make the necessary changes and specify the timeline.

Ms Rasso presented the course outline, which is also posted on the web site:

The course objective is to provide basic knowledge of auditing environmental issues.

The course will be based mostly on guides that WGEA has developed and is developing.

The sub-committee had discussed extensively the requirements to applicants – should the auditors have some performance audit experience or not at all. Countries differ: in some environmental auditors have good financial audit background, whereas other countries recruit environmental specialists with not much auditing background. This course should equalise the different backgrounds.

The applicants will have to have a good command of English, given the highly interactive nature of the course (50% lectures and 50% exercises, discussions etc). The original plan to have telephone interviews to test the English was dropped, but the sub-committee would still like to make calls to some of the applicants to establish their motives and interest.

The participants would be assigned pre-reading tasks in order to familiarise them with basic terminology and they have to write a pre-course paper about the environmental audit and performance audit situation in their SAI, as well as discuss the environmental problems in their country.

2 self-evaluation tests (at the beginning and end of the course) will be held to evaluate the progress of the participants. Also a course diary will have to be kept, to be discussed in small groups with tutors.

As a final paper the applicants will write a strategy for developing environmental auditing in their own SAIs.

Successful participants will get a certificate from WGEA and iCED. The existence of a certificate could make funding easier for many SAIs. Participants will have to cover direct costs - travel and living costs. There will be no course fee for tutors or participants.

The detailed course programme was presented:

Each day consists of 2 sessions. The programme was shortened from 19 days to 17 days (working also on Saturdays). The length may still be an issue, as it is not easy to let auditors leave for 3 weeks.



The last 2 days are set aside for individual work and consultation with tutors, who will be reviewing the final papers.

The programme has 3 modules: a 4-day introduction, followed by 2-day modules on specific topics (biodiversity, water, waste and climate change), field trips and wrap-up.

For each session detailed session-at-a-glance papers have been developed (lectures, discussion, exercises). There are no participants' notes or slides yet.

Next steps:

- Letters will be sent to SC members and other SAIs seeking commitment from them to get more involved in developing the course. Ms Rasso sought the opinion of the SC whether to approach only those who have indicated some readiness or all SC members. The letters are scheduled to be sent in November.
- January 2013: invitations to join the training course will be sent;
- June 2013: meeting in Estonia for finalising the material;
- September 2013: materials completed;
- November 2012: deliver of 1<sup>st</sup> course in Jaipur.

Expected contributions:

Experienced auditors or training specialists from SAIs are invited to help prepare the course material and/or become trainers. The session-at-a-glance materials need reviewing, participants' notes, instructor's notes, slides have to be written. Trainers are expected to focus on one session, not the whole programme. Ideally those who prepare the material would deliver as well. But it is also possible that some auditors are only preparing the material and join in the delivery later. The course is not a one-off event, but will be repeated every year.

For all the topic sessions there are guides and for climate change and biodiversity also training materials; a brand new guidance has been completed for water, whereas probably more work is needed with waste, since the guidance is not so new.

SAIs can also contribute by sending existing training materials (in English) and recent audit cases, or exercises that have been used. Some shorter materials could be translated as well.



*Ms Mathai* gave a synopsis of the infrastructure, which will be ready and available for the training course (training halls, meeting rooms, auditoria, sports facilities, gym, tennis courts, a pool, many green features, e.g. organic farming or the forest).

iCED was inspired by WGEA and its work. Ms Mathai invited all to consider how they can participate and what they can contribute for the common benefit of the WG.

### **Discussion**

*The Chair* pointed to the fact the ever since Estonia had taken the chairmanship over from Canada every single survey had ended by requesting more training. The 7<sup>th</sup> survey contained a special question concerning the Global Training Facility and the response was very enthusiastic, although many considered financing a problem. Despite that the Chair thought that the first course would fill up easily.

He referred to a discussion early on about what kind of course should be developed: a basic course, advanced course, more advanced course. He hoped the dream about courses for every level would come true some day and hoped he could be involved in the first course.

*Fernando Dorna Magalhães, Brazil* expressed interest but regretted that there was a shortage of staff, which prevented them getting more involved. He hoped that next year there would be more people and resources available that would allow them to participate more actively.

*George Stuetz, Canada* thought that 17 days would be sufficient for providing an auditor with no special background a good introduction. Additional training and refresher courses can be considered as well, they could also be web based courses (e.g. the one conducted on climate change).

He suggested bringing the accounting references up front of the course, as many participants will be accountants and thus they can see how environmental issues relate with financial matters.

The certificate to be awarded to successful participants should set out the duration of the course as well as the key topics.

As regards Canada's contribution: there is no shortage of highly experienced trainers, but finances have to be considered and the best time to pursue the matter would be in November or December.

Canada would like to help with preparation of the materials as well. Mr Stuetz suggested seeking SAIs' permission to allow their interesting audit cases and supporting materials to be loaded to the course web site.

*CHEN Jixiang, China* considered the 17-19 days too long. Also the focus is only on 4 areas of environmental auditing and several topics are not covered (e.g. forest, sustainable energy). She suggested designing the course in two parts: first - face to face introductory training and then elective courses to be conducted by e-mail or via the internet.

*Sayed AbdelAzem Ahmad Atwa, Egypt* proposed that all official INTOSAI languages be used for the training.

*The Chair* admitted spending a lot of time on discussions about the language issues. However, English is the working language of the WGEA. Hopefully in the future all the 5 official languages can be used.

*Pingky Dezar Zulkarnain, Indonesia* enquired after the possibility of building a laboratory of simulations.

*Edward G.H. Simanjuntak, Indonesia* agreed with China in the need to customise the programme, it should be possible to pick the sessions on an as needed basis. He also suggested field visits, to better visualise the topics. He wished to know if the existing WGEA products will be used for the training course or will there be new modules.

*The Chair* asked if Indonesia could provide the trainers to do the simulations.

*Mamahooana Leisanyane, Lesotho* asked if there would be follow-up about the proposals that the participants will take home. She promised to send participants to the course, although funds will have to be found for that. Lesotho also has IDI qualified trainers. It would be necessary to send a letter to the AG. She was hopeful about a positive outcome.

*Mohammed Diyer, Morocco*: as Morocco is chair of the INTOSAI Capacity Building Committee, their support could also be sought.

Mr Diyer suggested contacting the INTOSAI community for sharing any existing training programmes. Morocco has an integrated course on environmental auditing for new auditors that it can share. He also suggested cooperation with other centres or schools that have environmental studies.

*Camilla Constance Fredriksen, Norway* spoke in support of the course. This course is a start, based on material already adopted and agreed by WGEA. Customising the course would come in the next stage, after this course has been delivered and checked to see what works and what not. If other courses or themes are needed, perhaps through inter-regional



cooperation, plans should go ahead, even if there is no initiative as such on the INTOSAI level.

*Michael Malabeja, Tanzania* had had a discussion with Tanzania's AG in Argentina and he had been more than willing to send trainers. Tanzania has a number of trainers with different capabilities in performance audits, who have been involved with training in AFROSAI-E. Tanzania would also like to send trainees.

Mr Malabeja agreed with the Chair, that the beginning might be a challenge, but maybe in the future there will be basic, intermediate, advanced and even an executive course.

*Jill Goldsmith, UK* suggested considering the different level courses during the visioning session. She also agreed that some topics could be better dealt with at regional level. She also mentioned the training organised at the sidelines of the WGEA meetings.

Ms Goldsmith agreed with Mr Stuetz about presenting the accounting related themes upfront. She also recommended stressing that on the one hand environmental auditors can educate and support legislators in environmental matters (taking a more wider look at things) and on the other hand, they can help their colleagues in going in-depth in matters such as roads or other infrastructure, approaching them from various angles.

At this stage Ms Goldsmith could not make any promises regarding the UK's contribution, as further discussions were needed.

*The Chair* explained that Ms Prasad and Ms Rasso had been nominated course directors to look over the whole course.

The Chair agreed with the suggestion by Mr Stuetz and Ms Goldsmith to bring accounting themes upfront.

*Ms Mathai* confirmed that a demonstration laboratory existed for simulations, what they were looking for was trainers with the required experience and expertise.

*Ms Rasso* hoped that the sub-committee members would be able to continue working with the course but maintained that more support was required.

Commenting on the specific proposals, she agreed to look into rearranging the introduction to include more accounting and economic issues at the beginning.

The request for more topics, e.g. forestry or mining, will have to be tackled at a later stage. The current setup is manageable. Trying to develop a second course at the same time is not possible.

Training in regions is good as well, but should be looked at separately from developing the course for the training facility, and accomplished via direct contact.

Other languages could be considered at a later stage.

*Ms Prasad* invited everyone to contribute, since all support would be very welcome. The training will be very hands on and intense. She liked the idea of customising modules, as SAIs might be on different levels regarding environmental auditing.

*The Chair* thanked everyone for comments and support. He finished with the INTOSAI motto: mutual experience benefits all.

## Reflections from Regional WGEAs

### ACAG/PASAI

With Jonathan Keate not present the report was read out by Ms Rasso, who had also participated in the PASAI meeting in April 2012, in Sydney:

3 cooperative audits have been conducted in the region:

- 2010: solid waste management. The WGEA guidance on auditing waste was used and according to comments it turned out to be more useful in the planning phase.
- 2011: 10 Pacific SAIS engaged in a cooperative audit regarding access to safe drinking water.
- nearly finished in spring 2012 was a cooperative performance audit on managing sustainable fisheries. This was rather a challenging audit and took more time than the previous two, as it was not easy to study and analyse the fisheries' data. Also the fisheries guide was more useful for planning, not so much for auditing proper and reporting.

Quite a number of the small Pacific islands attended the meeting in April in Sydney. The regions within Australia were represented as well. There is a lot of environmental audit work going on in the Australian regions on a variety of topics, including mining, waste etc. The WGEA database fails to capture those reports, but should. The same applies to other states with a federal structure.

PASAI conducted a small study/survey to identify which environmental audit topics to pick for the next cooperative performance audit in the region. The first choice was climate change adaptation, combined with disaster risk reduction. The problems are not the same in the small islands - some have flooding, others droughts or thunderstorms. Many are at a severe risk, almost helpless in the long run and looking to buy land in Australia where to evacuate if disaster strikes. The new cooperative audit will have a more practical focus on extreme weather conditions. It is to be launched in November 2012 and completed in 2013. Ms Rasso presented the WGEA guide and the e-learning tool developed by Norway at the meeting. They earned much praise and will be used in preparing for the audit.

*The Chair* sent his thanks also to Mr Keate, and SAI New Zealand for supporting cooperative audits in the region together with Australia.

### AFROSAI

#### *Robert Cheyo, Tanzania*

The AFROSAI WGEA 2<sup>nd</sup> annual meeting was held in Jaoundé, 2-6 July 2012.

In addition to the SAIs other institutions were represented (WB, UNFCCC, IFAD, GIZ, UNEP, ADB).

Issues dealt with at the meeting:

- Coordinated environmental audits. It was agreed that an urgent need existed to conduct a joint or parallel audit of Lake Chad, so that the governments of the states around the lake can use the outcomes to help save the lake.
- Capacity building. A task force was established to organise an advanced course in environmental auditing. INTOSAI IDI and other stakeholders are to be involved to develop a course for training the trainers, who can conduct training to other SAIs in the region.
- Selection of a new chairman for AFROSAI WGEA. SAI Tanzania has been the chair since 2007 and its term ends in June 2013. SAI Cameroon was chosen unanimously to take over from Tanzania next summer.
- The venue of the 3<sup>rd</sup> annual meeting will be Egypt, in April or May 2013.



- Work is to continue with the AFROSAI WGEA web page – the environment should be used for sharing knowledge and experience. The SAIs were invited to post their work on the web page. The web page is currently operated by Morocco or Algeria.
- The governments were encouraged to include in their strategies environmental and sustainable development issues.
- In order to deal with environmental issues which do not recognise geographic or political borders SAIs should undertake parallel or coordinated audits.
- SAIs are encouraged to establish sustainable development units so that environmental auditors would not have to compete for scarce resources.

*The Chair* was sad to see Tanzania leaving chairmanship, although new countries are needed as well. He thanked the Tanzanian team led by the AG Mr Utouh for outstanding work in the region. There are regular meetings, strong cooperative audits and the whole AFROSAI community has gained a lot from the work led by Tanzania. He hoped that the Secretariat would be invited to participate in future meetings as well.

## **ARABOSAI**

***Salah El-Sayed Eid Al-Saadawi, Egypt***



The presenter gave an overview of the latest meetings and activities in ARABOSAI WGEA. The most important activities include translating the INTOSAI materials into Arabic, work with water-related themes and the proposed ARABOSAI work plan for 2013-2015.

*The Chair* thanked ARABOSAI in particular for undertaking the translations into Arabic, since this is very important for the region. He also thanked the region for supporting the next work plan period.

## **ASOSAI**

***CHEN Jixiang, China***



The membership of ASOSAI has grown to 32, after Iraq applied for membership and was accepted in July 2012.

Progress in cooperative environmental auditing:

A cooperative environmental audit on the Mekong river basin management was undertaken by Thailand, Laos, Vietnam, Myanmar and Cambodia, also involved were Indonesia and Malaysia, with SAI China sending an instructor for technical guidance. In March 2012 training was organised on cooperative environmental auditing and in September a workshop summarised the audit findings.

Malaysia and Indonesia undertook cooperative (parallel) audit on illegal, unreported and unregulated fishing, which is still underway.

The 4<sup>th</sup> ASOSAI environmental audit seminar and 3<sup>rd</sup> working meeting were held in September in Malaysia, bringing together 51 delegates from 21 countries. The seminar topics included audit of water and climate change, as well as cooperative environmental auditing. All

the seminar papers will be posted on the ASOSAI web site. The working meeting approved ASOSAI procedural rules and chose the time and place of the next meeting (Vietnam, 2014).

The WGEA Secretariat analysed environmental auditing in ASOSAI. The results showed that most SAIs have the authority to conduct environmental audits, many SAIs have environmental audit programmes, auditing now covers all major environmental topics and progress has been made in environmental performance auditing. The challenges include insufficient technologies and expertise, lack of regulations and standards and insufficient monitoring and reporting systems.

*The Chair* praised ASOSAI for undertaking two cooperative audits in the region. The feedback about the audits as well as the seminar in Malaysia had been very good.

## **EUROSAI**

***Camilla Constance Fredriksen, Norway***



Activities since the last meeting:

October 2011: 9<sup>th</sup> EUROSAI WGEA annual meeting in Stockholm, with 70 participants from 31 countries. The topics included transport and environment and the 3E-s. Also the regional strategy and work plan for 2012-2014 was adopted.

May 2012: the annual thematic seminar in Oslo was devoted to ecosystems and sustainability. A 1.5 day seminar on sustainable fisheries and sustainable forestry was held.

The cooperative audit on adaptation to climate change involved 9 SAIs. The report is almost ready. The results were also presented at the EUROSAI-OLACEFS meeting in Georgia. The feedback on WGEA activities was very positive and calls were made to keep up or even increase the level of activities.

Other activities include reporting at the EUROSAI Governing Board meeting in May, working together with the knowledge sharing committee in EUROSAI (a workshop will be held in Warsaw in December).

EUROSAI WGEA is continuously implementing the INTOSAI products, e.g. the forestry training course will be delivered at the upcoming annual meeting in Cyprus, next year's plans include the use of the water guide.

*The Chair* complimented EUROSAI WGEA for excellent regional work and for taking up the INTOSAI products. He also pledged the Secretariat's support to the annual meeting in Cyprus.

## **OLACEFS**

***Fernando Dorna Magalhães, Brazil***

The objectives for the work plan period of 2012-2015 were the following:

- Developing cooperative environmental auditing;
- Training activities;
- Strengthening knowledge exchange;
- Promoting technical and financial cooperation with external sources.

Results:

- Cooperative audit of the implementation of the UNFCCC, coordinated by Brazil. The audit report was released at the beginning of 2012. Copies were also available at Rio+20.



- OLACEFS 21<sup>st</sup> General Assembly at Caracas at the end of 2011. The main topic was use and preservation of water resources. It was agreed to improve the conceptual framework to address environmental audits on water issues, develop guidelines and case studies.
- COMTEMA meeting in Buenos Aires in November 2011. The highlights included presentation of the draft work plan for 2012-2015 and SAI Mexico offered to host the next meeting in May 2012.
- 10<sup>th</sup> COMTEMA Annual Meeting in Mexico, May 2012. The highlights included approval of the 2012-2015 work plan, approval of the general approach on coordinated audits on water resources, decision to establish a global budget for coordinated audit on water resources in order to approach GIZ (the German Agency for International Development) and Argentina was elected to hold the presidency for the next term.
- March 2012, a seminar in Quito, Ecuador, devoted to evaluating the MOU between OLACEFS and GIZ regarding financing training as part of coordinated audits of water resources and biodiversity.
- March 2012 a workshop in Panama for developing a network of institutions for strengthening external control.
- August 2012 a workshop in Lima for strategic planning of the regional training committee.
- The COMTEMA web site is being renewed and will be up and running in October 2012.
- Financial and technical cooperation agreements with GIZ are in progress.

Brazil will hold the OLACEFS presidency in the next term and is also leading two coordinated audits.

*The Chair* thanked Brazil and also Argentina for good work. He also pledged the support of the Secretariat in dealing with GIZ.

## **Work Plan 2014-2016 Reflection and Visioning**

*The Chair* invited the SC to look back and see if there was a need to do something different in the future. He reflected on the visioning exercise of 6 years ago. He hoped that the SC members had carried out the preparatory tasks sent to them in advance.

The Chair explained the procedure. The current session will be devoted to visioning in three groups, who will later present their ideas. This will be followed by brainstorming the next morning for potential activities and projects. They will be listed and then prioritised. The activities and projects should derive from the vision. At the Tallinn meeting the list of projects and project leaders will be finalised. The rules are the same - no leader no project. Last time a side rule emerged (which Indonesia may either wish to keep or not): if you take a project and lead the project, you will be part of the SC.

For the visioning exercise the Chair invited the SC members to think of what best characterised WGEA. Then the outcome will be discussed with the incoming chair Indonesia and the wording will be developed so as to be ready by the Tallinn meeting.

### **Results of the visioning exercise by groups:**

#### **Group 3**

##### ***George Stuetz, Canada***

WGEA is a fruit tree: like the tree we support each other and give fruit to all those in need, i.e. guidance. A fruit tree has roots everywhere (SAIs). Like a tree we want to become bigger and we are the greatest among the INTOSAI groups. The biggest strength is adaptability, like the tree can

withstand winds, we can withstand people leaving. Diversity is important – here 13 countries are represented and many more in the general assembly. Like a fruit tree we are protective, nurture each other. The tree has limitations – it takes awhile before it generates fruit, similarly we grew from humble beginnings into a large and proud working group.

However, if the fruit tree dies, without leaving any siblings it can take a long time to get going again. We need to keep the momentum going. We have to change things. But we are rooted like a tree in our countries, and cannot move. The seeds need dispersing.

Fruit trees are wise, their knowledge goes back centuries, with us it is not so long, but still considerable. The seeds have spread far and wide. Now there are more trees and more audits, the fruit has become better and there is a global demand for the fruit.

Major challenges exist as well: fruit trees and seeds require resources, efficiency, more people need to know about the tree. Trees need protecting, otherwise they wither and die, the fruit loses its taste.

The final message – the original tree may die, but it has been replaced by an orchard – thus the fruit and the knowledge has been spread.

**Group 2**  
**Mamahooana Leisanyane, Lesotho**

The following characteristic features came to mind: brave, visionary, nurturing, friendly, busy, problem solving, hardworking, good communicator, good memory and self-renewal.

Limitations included narrow thinking, limited influence, limited concentration.

Strengths were characterised by the following words: strong, flying higher, wise, calm, moving moderately, sometimes slow (in order to have a good vision).

Challenges included resources, to get to where we want to be, collaboration, more forecasts.

**Group 1**  
**Nameeta Prasad, India**

The species to which WGEA was likened included a lion, an ant, platypus, banyan tree.

The animal that best represents WGEA is the ant, or a flying ant, if such a creature existed.

Why an ant? They form an army of little things moving in one direction, they have to be very cooperative, have to agree about a task and carry it out with the best intentions. Ants are friendly and very professional – they will go out and finish the task. An ant reflects a strong spirit – it can carry almost double its bodyweight. They are hard working, do not give up and give their everything to accomplish a task. They are small, but can move mountains.



Their weaknesses also lie in their strength: one can crush them, by stepping on them. They cannot make an impact when working alone. Thus they all have to agree to a common goal.

If we cannot have a flying ant, a bee would be a good compromise. They are also hard working. A bee chooses good things and produces really good things, this really embodies the spirit of WGEA.

Challenges: small creatures, but need a big vision, like a bee with binoculars. Increased participation from all other member bees is necessary!

*The Chair* made a quick summary: no one doubted that we are strong and need to be high to have a broad view of things. At the same time we consist of small things, be it apples, ants or bees. That

diversity also makes us stronger. One should not forget communication, while we constantly work, we also need recognition of that. In the future, even if we have our limitations, we should still aim high. More thinking and better phrasing is needed to translate the ideas into a vision and mission statement.

The Chair particularly liked the reference to bees choosing the best things in order to produce the best things.

To finish the Chair left with the SC the current mandate and vision, goals and supporting goals.

## **Day 4**

### **Saturday, 6 October 2012**

#### **Work Plan 2014-2016 discussion continued**

*The Chair* launched the discussion for the next work plan by reminding the SC of the INTOSAI strategic plan and the need of WGEA to align its own plans with the strategic plan.

The INTOSAI strategic plan for 2011-2016 was adopted in October 2010. The plan states INTOSAI's mission, vision and core values.

WGEA was placed under Goal 3, devoted to knowledge sharing and knowledge services, which encouraged SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practice studies, producing audit guidance material, and performing research on issues of mutual interest and concern.

According to the Chair, WGEA is currently 100% in compliance with these aims.

In the INTOSAI organisational structure WGEA comes under the Knowledge Sharing Committee (chaired by India). But there are links to Goal 1 and the professional standards committee (chaired by Denmark) as well, since the latter has requested that WGEA consider developing (further) ISSAIs.

The INCOSAI accords adopted in South Africa should also be kept in mind for the purposes of planning WGEA work. Very fortunately INCOSAI chose under Theme II as one of the two main topics, environmental auditing and sustainable development. As a result the topics got a lot of prominence at the meeting, also thanks to China doing such a good job in chairing the Theme II. As a result INCOSAI gave recommendations that are relevant for WGEA:

- *SAIs to set priority on auditing EA&SD issues and do it in all government sectors;*

The Chair pointed to the focus on all government sectors, i.e. the work has to be cross-sectoral.

- *SAIs, WGEA, RWGs to increase awareness of the importance of EA, natural resource accounting among key international and regional organizations, and build working relationships with them;*

For first time ever INCOSAI accords mentioned regional working groups. The section on natural resource accounting was re-introduced in the text with the vote on the plenary. Reference to international and regional organisations grants WGEA a clear mandate for cooperation as well.

- *WGEA to build high level and independent summary of SAIs findings on implementation of MEAs and make it available to international organizations;*

Many INCOSAI delegates had had doubts about how to treat MEAs, e.g. are they sources for audit criteria? On Argentina's proposal WGEA was given the task of giving an overview of how countries are complying with the Multilateral Environmental Agreements (MEAs). The mandate and the task are clear and the work will be huge, given the more than 2000 MEAs in existence. Some steps have been taken towards the goal already with the Primer for auditing MEAs and the RIO+20 compendium. The approach to be taken would be to ask countries themselves to evaluate MEAs. A cooperative project

with UNEP is being planned to undertake country level assessment of the key MEAs. 5 countries have volunteered to finance the project. WGEA has already helped UNEP write the methodology. The new chair, Indonesia will inherit this project.

- *WGEA to promote and actively participate in the development of sustainability reporting frameworks for public sector and develop guidance on how to audit them;*

This is in the WGEA work plan, but the task is wider than writing a research paper. Given the emphasis on the words “actively participate” and “develop guidance” WGEA should seriously consider more work to be undertaken in this area.

- *SAls, to improve impact, focus their audit activities in the following areas:*
  - *Accuracy, reliability and completeness of E&SD information;*
  - *Implementation of commitments in MEAs;*
  - *Coordinated audits;*
- *SAls to increase their capacity and make full use of WGEA guidance and lessons learned;*
- *WGEA should*
  - *Further improve methodologies and techniques;*
  - *Support knowledge sharing and training;*
  - *Identify and promote the application of modern information technologies;*

The Chair concluded: the INCOSAI recommendations are very encouraging on the one hand and create extremely high expectations on the other. WGEA has a lot of work ahead and for a lot longer than the next three years.

## **7th Survey on Environmental Auditing**

***Kaire Kesküla, Estonia***



Ms Kesküla presented the preliminary results of the survey, the final version would be finalized by the end of 2012.

The survey was sent to all members in February 2012; the period covered January 2009 to December 2011. The survey was translated into 4 INTOSAI languages (German excluded). Responses could be sent either on paper, by fax, e-mail or via online-survey. 99% responded electronically.

112 responses were received with a further 6 SAls stating that they had not conducted nor were planning to conduct environmental audits. The overall response rate of 62% was slightly higher than the previous time.

Ms Kesküla gave a detailed overview of the results (please refer to the presentation in the document “New Work Plan Inputs”, posted on web site under the meeting materials):

For conducting environmental audits, the awareness of SAls of how to use their mandate seems to be more important than adjustments in SAls’ legislation to this end: results point to a trend of „demystification of environmental audit“ as for 95% of the respondents the mandate has not changed, but increasingly more environmental audits of varying methods have been conducted.

The number of environmental audits has increased and 2/3 of respondents plan to undertake more environmental audits.

The five most important environmental issues for SAls were drinking water, waste, forestry, minerals and climate change mitigation.

The main audit topics for the next 3 years: protected areas and natural parks, forestry and general waste.

75% SAIs had audited or were planning to audit MEAs (UNFCCC and the Kyoto protocol were the most audited MEAs).

28% have audited some or all aspects of sustainable development (mostly water, waste and forestry).

A question on innovative audit methods was included for the first time and produced a wide array of methods ranging from geospatial technologies to external expertise and best practice guidelines.

Necessary developments in environmental auditing listed by SAIs included training in environmental issues and environmental auditing, exchange of knowledge with other SAIs. A comparison of the necessary developments with the actual plans of SAIs resulted in a notable gap, especially in case of training.

More SAIs are also considering the impact of their audits, despite it being difficult to measure. The main tools for assessing audit impact are government response to recommendations and follow-up audits. Challenges include lack of high-quality data, failure to implement recommendations and lack of know-how. 73% felt that their audits had had a medium or high impact in helping government departments improve the functioning of policies and programmes; approximately 80% thought that the publication of audit results had helped increase the impact.

Cooperation and mutual contacts between SAIs are on the rise (66% have cooperation experience), especially in the ARABOSAI, OLACEFS and PASAI regions. Nearly all SAIs regarded cooperation useful. SAIs with less experience in cooperation cited the lack of resources, skills and partners as barriers to cooperation.

The use of WGEA products: the web page has been used by 76% of SAIs. The top 3 guidance materials are the waste management guide, the paper on cooperation between SAIs and auditing government response to climate change.

The SAIs were also invited to suggest topics for the next work plan. Climate change, water, energy, sustainable development, training, natural disasters management came out on top. SAIs wish guidances to be developed on waste, water and natural resources.

## **Web Statistics**

*The Chair* compared the WGEA web site statistics today vs. 3 years ago, looking at a 6-month timeframe. The number of visits is up from 7397 to 9858 (20-25%). The number of visits by the countries who made the top of the list has doubled.

The most visited sites have changed: 3 years ago the most visited site was the audit collection, now it is the guidances and research papers.

The Chair encouraged WGEA to continue to actively use the web page.

## **Regional Inputs for the work plan**

*Camilla Constance Fredriksen, Norway* gave the EUROSAI WGEA input for the next work plan period: it is necessary first to consider what there is by way of topics and see what can be renewed and developed. Sometimes one has to take a step back and look at what one has got in order to know where to go. Also resources are limited, thus better make the most of what there is already and renew, maybe using the products in a different way (e.g. the research papers could be developed into something else).

The 7th Survey showed more awareness about environmental auditing. In the technology savvy society there is a lot of potential, e.g. the web site has not yet reached its full potential. The future lies in web-based communication and this can be used to convey the message to a broader audience.

EUROSAI WGEA proposes an update of the waste guide, and Norway is interested in undertaking the task.

*Robert Cheyo, Tanzania* proposed associating the training modules with the available guidance materials to increase awareness and build the capacity of the auditors.

*The Chair* listed the proposals for the next work plan that the Secretariat had received earlier:

- The Czech Republic: industrial pollution (see meeting materials for the specific proposal);
- PASAI: updated guidance on auditing waste;
- PASAI: follow-up on the RIO+20 topics – green growth and governance;
- Research paper on environmental practices – ecosystem approach, integrated planning;
- PASAI: marine issues – oceans, coastal areas, harbours;
- Air;
- Sanitation;
- Effectiveness of donor funding for environmental programmes. *The Chair's* personal view: the topic is very relevant and complicated, it could be taken up as a research issue. One of the ways to look at the subject is from the angle of sufficiency of funds to maintain a project after it has been launched with donor money. Sometimes the donor funds are taxpayers' money from another country. The subject was discussed at INCOSAI but was left out due to complexity;
- Finland: environmental risks and state liabilities;
- Argentina: auditing environmental liabilities;
- Sustainability reporting – follow-up;
- China, Tanzania: training for water.

The Chair discussed at length the enquiry from the professional standards committee and the knowledge sharing committee concerning the development of new documents as ISSAIs and the status of the 4 existing ISSAIs.

The Chair explained the due process for creating ISSAIs. It takes time, the document needs to be translated into the 5 official languages, an exposure draft has to be put up for 1 year for comments. Following any changes the document is offered to INCOSAI for adoption. When something needs to be changed in an adopted ISSAI, the same rigorous process has to be undertaken.

So far WGEA has decided against creating new ISSAIs, because of the need to update the rapidly changing information and because the documents can be managed more easily as WGEA documents.

As member of the Knowledge Sharing Committee Jagbans Singh, India confirmed that the process of creating ISSAIs was as the Chair had explained. In addition ISSAIs would have to comply with the fundamental auditing standards, which themselves are currently being updated and are expected to be in place by next year.

The Chair proposed to discuss the approach to ISSAIs in the group sessions. The groups should mark as being of high importance any WGEA documents that in their opinion should become ISSAIs.

In the Chair's view WGEA would ideally need one ISSAI, which explains what environmental auditing is. All valuable information should be combined into one short "environmental auditing standards" document, which would serve as a reference book, and would not require changes in the upcoming years.

The SC broke into groups for more brainstorming. Their task was to consider topics for future work. To help with the work the Secretariat had prepared an electronic template, already pre-filled with the WGEA usual products, to which additional ideas could be added. The next step would be to combine the lists into one single list and start rating the proposals.

The Chair's parting shot: Crazy ideas are good as well.

## Work Plan 2014-2016: Outcome of brainstorming session

The three groups reconvened to present the themes and ideas for the next work plan they had come up with. *The Chair and Edward G.H. Simanjuntak, Indonesia* took turns presenting the whole list of proposals. Explanations were sought for any items that had remained unclear. The proposals concerned research papers and guidances, coordinated audits, meetings, training, various tools and international cooperation.



The Chair commented on how 6 years ago Canada had proposed to include work with social media (e.g. Facebook and other social networking media) and the SC had not been very enthusiastic about the sustainability of such media. The idea had been how to create a forum without additional passwords, where environmental auditors can ask questions and get good answers. More thought must be given to how better to use the possibilities of such media. A case of point: why didn't the sustainability reporting forum take off?

Another session in groups followed, where the listed proposals were to be given ratings as to their priority, as follows:

- 0 - not needed
- 1 - good to have
- 2 - needed
- 3 - must have

### Outcome of the Rating of Topics and Actions

The rating exercise produced the following results:

Update of "Towards Auditing Waste Management"	9
Renewable Energy - more focused, Sustainable Energy Guide, develop further	9
Update of "Sustainable Energy Guideline - Emphasis on Renewable Energy)	9
Coordinated audit on river Nile, project leader Egypt (Ethiopia, Sudan, Southern Sudan, Uganda, Kenya, Tanzania)	9
Global Training Facility: Environmental Audit Training for Beginners	9
Training on water	9
Training on forest audit (based on the training module)	9
Course on energy issues	9
Training on water	9
Encourage regional training	9
Forestry training (in Indonesia?)	9
Training on mining	9
UNDP, WHO, World Bank, ADB, UNEP	9
Greenlines	9
Website	9
8th Survey	9
Environmental audits collection	9
Secondment/attachment of staff between SAIs	9
WGEA forum for discussing audit ideas	9
Translate training modules in other languages, provide training in other languages	9
Secondment/exchange programme	9
Marine environment/oceans/coastal/harbours	8
Environmental risks and state liabilities	8
Auditing environmental liabilities	8
Environmental impacts of agriculture (e.g. use of fertilisers, water)	8
Environmental impacts of use of fertilisers in agriculture	8
Study on oil and gas	8
Update the roles and responsibilities paper to specify the role of project sub-committees	8

Develop outside marketing papers (incl articles in journals, newspapers)	8
WGEA in social media (Facebook, LinkedIn)	8
Greening the SAIs	8
Food security	7
Green Procurement	7
Impact of environmental pollution on public health	7
Environmental pollution due to transport	7
Urban planning and environmental protection	7
Environmental impacts of use of water in agriculture	7
Environmental aspects of urban transportation	7
Green procurement (doing business with global companies)	7
Parallel audit on agriculture	7
Course on fraud and corruption on regional level	7
Delivery of presentations at general assemblies via internet in real time (ensure possibility to ask questions, questions also online incl. social media)	7
Environmental health	6
Natural disaster (policies, how to mitigate)	6
Energy access and sustainability	6
Natural disaster management (e.g. landslides, floods etc)	6
Environmental taxes and charges	6
Integrated coastal zone management	6
Effectiveness of Environmental impact assessment	6
Protected areas and natural parks	6
Urban sprawl	6
Environmental impacts on health (air pollution, toxic subsidies, changes in climate)	6
Review of environmental taxation	6
Regional coordinators to have audit on one of the existing guidelines	6
Basel convention (shipment of hazardous waste, maritime law)	6
WG16	6
WG17	6
Training on fisheries	6
Training on waste issues (e-learning modules)	6
Development of additional online training modules (e.g. forestry)	6
Sustainability reporting follow-up	6
Developing SAI maturity model on environmental audit to assess SAI profile	6
ISSAI 5110, 5120, 5130, 5140 - review of usage by SAIs	6
Develop further the environmental audit database (think through the keywords)	6
Audit summaries in the database in 5 INTOSAI languages	6
Air quality	5
Sanitation	5
Effectiveness of donor funding for environmental programmes	5
Waste water re-use	5
Impact of energy production	5
Environmental assessment	5
Guidelines on auditing multinational river systems (e.g. Nile, Danube, Amazon)	5
Associations of private industries	5
Industrial pollution	4
Rio+20 – consider the outcomes of the 2 theme areas (green growth and governance)	
– do the Rio outcomes lend themselves to research papers, e.g. “green growth”; what is it and how SAIs might approach auditing it	4
Leading/best practice environmental practices – ecosystem approach, integrated/spatial planning, the precautionary principle in operation – and audit approaches	4
Environmental subsidies and investments	4
Demining (land mines)	4
Environmental decision making (how do governments makes environmental policies and assessment)	4
Environmental audit criteria to evaluate polices, programs	4
Energy saving and Industrial development	4
Hazardous medical waste (e.g. radioactive, biological)	4
Hazardous waste (disposal and transportation)	4

Development aid/climate finance/green finance	4
Effectiveness of international cooperation on environmental protection in frames of bilateral/multilateral agreements	4
Specific infrastructure issues (e.g. roads, dams, railways)	4
Marine pollution	4
Short guidelines (audit matrix) on auditing specific MEAs (e.g. Basel, CITES)	4
Conservation of heritage sites/archaeological sites	3
Effectiveness of Strategic Environmental Assessment	3
Mapping of financing mechanism for climate change	3
Environmental impacts of Genetically Modified Organisms (animal/plants)	3
Environmental subsidies	3
How to adapt INTOSAI WGEA guideline for regional or local use	3
Effectiveness of Environmental Impact Assessment	3
Environmental liabilities	3
Revise the ISSAs through due process in 2013-16	3
Protection of traditional knowledge associated with biodiversity	2
Protection of grassland	2
Mining and quarry (aggregates, rock extraction)	2
Study on illegal fishing	2
How to use external experts	1
Public awareness and participation in decision making and enforcing env. regulations	1
Environmental investments	1
Effectiveness of Strategic Environmental Assessment	1
Guidelines on auditing global commons (far seas, air space etc)	1

*The Chair* promised to post the rated list on the WGEA web site under the meeting materials. He and Mr Simanjuntak will review the individual group ratings once again. He also emphasised that the list was not closed. If a definite project leader existed, a project with a lower rating may be chosen as well.

## Greenlines

The message and greetings from *GAO US, Steve Elstein* were delivered by *Ms Lassi*.

Mr Elstein invited ideas from the SC on how to make the newsletter better, so that it would best serve the needs of the WGEA community. He thanked all contributors and asked the attendees of SC12 to send their suggestions to him directly.

The Chair thanked GAO US for providing support for editing and distributing the Greenlines. He encouraged the participants to consider feature stories and case studies that could be published in the newsletter and send them both to Mr Elstein and to the Secretariat.

## WG15 Agenda

The Chair described the WG15 agenda, which will be quite traditional: discussing the guidance materials, research papers and tutorials; defining the work plan for the new period; searching for project leaders and discussing the need for any additional projects.

At present no specific topics have been decided and no keynote speakers have been invited. He encouraged the SC to give ideas for the WG15 agenda, both as regards the topics and key note speakers.

*Vivi Niemenmaa, Finland* proposed to invite the former President of Finland Tarja Halonen, to speak about sustainability. She is very much engaged with sustainability issues. She is also a big fan of Estonia and speaks Estonian. Given her no doubt busy schedule, contact should be made fairly soon.

*The Chair* agreed that a speaker of such standing would be excellent for WG15.

The Chair asked if the project leaders would be ready to present tutorials at WG15, and all agreed to undertake the commitment.

## Action Items

*The Chair* summed up the actions at SC12 and those to be taken after SC12:

The research papers and guidances were discussed and approved by the SC. Final drafts to be sent to the Secretariat by the end of October. The deadline for drafts concerning wildlife/tourism, land use management and infrastructure projects is the end of November.

Dec 2012-March 2013: Language editing organised by Secretariat;

April-May 2013: Layout of all documents organised Secretariat;

March-April 2013: Approval of the projects by WGEA (no comment means approval);

June 2013: WG15;

November 2012: Final version of forestry training module, will also be posted on the web site;

First quarter 2013: Training module on mining, pilot training in Cairo;

April 2013: Mining training materials finalised and sent to Secretariat;

November 2012: Training on environmental auditing: letters to SC members seeking commitments (UK and Canada to be consulted beforehand regarding wording and timing);

June 2013: Drafting meeting for the training course on environmental training, in Tallinn;

November 2013: First course delivered in Jaipur

## Work plan 2014-2016

The draft will to be sent to the WGEA members ahead of WG15, with additional ideas invited during the WG15. Project leaders and sub-committee members can volunteer during WG15 or any time between SC12 and WG15.

WG15 will approve the final draft of the work plan, thereafter it will be presented to the Knowledge Sharing Committee and the INTOSAI Governing Board and XXI INCOSAI.

The Chair invited everyone to participate in the Tallinn meeting and promised the help of the Secretariat in making sure that everybody could come.

The Chair thanked the Indian team and especially Mr Singh, Ms Mathai and Ms Prasad for arranging the meeting and supporting the SC throughout the 12th meeting. Everything was smooth and seamless and functioned perfectly.

The Chair also thanked the project leaders, all participants and the team of the Secretariat: Ms Rasso, Ms Lassi and Ms Kesküla.

Several other SC members (Mr Sherman, Brazil, Dr Musa, Indonesia) expressed their appreciation and thanks to India and the Secretariat for organising an excellent meeting.

Mr Singh spoke on behalf of the hosting Indian team and quoted a saying in Sanskrit: "Guests are like gods". Now 27 more gods have been added to the millions of gods in India.

Thus the meeting was adjourned.

