



INTOSAI  
Working Group  
on Environmental  
Auditing

# MINUTES 9<sup>th</sup> Meeting of the Steering Committee

## INTOSAI WGEA

15-18 February 2010

Dar es Salaam, Tanzania



## **Day 1**

### **Monday, 15 February 2010**

The participants went on an environmental excursion, visiting Zanzibar. The SAI of Tanzania hosted the welcoming reception in the evening.

## **Day 2**

### **Tuesday, 16 February 2010**

#### **1<sup>st</sup> Morning Session**

#### **Welcome and Introductions**

The host Mr Edwin Rweyemamu welcomed everyone to SC9 and introduced the guests Mr Ludovick S. L. Utouh, Controller and Auditor General of Tanzania and his counterpart from Estonia, Mr Mihkel Oviir.

All participating countries were introduced: Argentina, Brazil, Cameroon, Canada, China, Czech Republic, Estonia, Fiji, Indonesia, Morocco, New Zealand, Norway, Poland, UK, USA, South Africa, and Tanzania.

#### **Address by Auditor General of Tanzania Mr Ludovick S. L. Utouh**

Mr Utouh started by mentioning that the meeting of the Drafting Committee on Climate Change had taken place at the same venue from 11 to 13 February 2010.

He then briefly outlined the work undertaken by the SAI of Tanzania since assuming the role of AFROSAI WGEA regional chair in 2007.

A regional environmental audit work plan had been created, setting out the main objectives and causes of action for the region for 2008-2011. SAI Tanzania is also going to conduct a joint environmental audit with Kenya, Uganda, Rwanda and Burundi (the East African Community) on environmental pollution of Lake Victoria. Mr Utouh appealed to the Tanzanian government and other stakeholders for funding of the joint audit. Mr Utouh also described the activities of SAI Tanzania in improving the quality of auditing over the last 3 years, by organising training at home and overseas, and fostering cooperation with the other relevant institutions in Tanzania.

The Auditor General gave a short overview of the issues to be dealt with during the coming 3 days of meetings by going over the agenda.

Turning once again to the Guest of Honour, Mr Utouh praised the Tanzanian government for its environmental policy which brought together all citizens of the country through environmental committees in the regions and localities of Tanzania. Such approach serves the auditing purposes well, enabling the auditors to audit and report on how environmental policies are being implemented.

Mr Utouh finished by reminding the participants that environmental policy would have to serve not only the current but also future generations. He outlined the tasks of the auditors and invited the auditors to share their experience globally.

#### **Address by Auditor General of Estonia Mr Mihkel Oviir**

Mr Oviir started by thanking the distinguished hosts, the SAI of Tanzania for their hard preparatory work. He then outlined the reasons for convening SC9. The meeting has two main purposes: first, to review all new guidance materials and other documents to ensure absolute quality. These documents must be such that can be used for years to come, i.e. excellent in quality and practical. Mr Oviir thanked everyone working on the documents for their personal efforts and time contributed. The second main objective is to start working on the agenda of the next work plan. Even if the current three-year period is not over yet and much remains to be accomplished it is necessary to start thinking about the new period. Mr Oviir listed three reasons for it being a good time to start planning: first, interesting trends have been observed in the attempts to reach solid global agreements, e.g. as regards climate change and it is necessary to consider the implications of these trends for SAIs. Secondly, INCOSAI has chosen environmental auditing and sustainable development as one of its themes, and SAIs should know how that affects their activities. Thirdly, a set of important documents are about to be finalised and SAIs should contemplate on whether to continue in the same manner, by developing new guidance materials or to concentrate their capacity building on other types of

activities. Mr Oviir invited the participants to focus on the above issues when considering plans for the next three years.

Mr Oviir wished the Steering Committee a productive meeting with creative ideas, so that the next work plan would help forward environmental auditing worldwide.

### **Address by Minister of Environment of Tanzania Dr Batilda Salha Burian**

Dr Burian started by explaining that she spoke on behalf of H.E. Dr Ali Mohamed Shein, Vice President of Tanzania. Dr Shein had wished very much to participate, but he was not able to. On Dr Shein's behalf, Dr Burian wished everyone a very warm welcome. She continued by explaining that in Tanzania the environmental portfolio came under the Vice President's office, this being an indication of the importance given to the environment, placing it on a very high level to enhance coordination.

Dr Burian said that it was both a great pleasure and an honour to host the SC9 meeting in Dar es Salaam. In the local tongue Dar es Salaam means the Port of Peace. She hoped that the city would live up to its name, by providing a friendly environment and fostering a fruitful meeting. She hoped that the visit to Zanzibar the day before had set the pace for the meeting.

On behalf of the government and the people of Tanzania she welcomed all the delegates, many of whom had travelled great distances to get to Tanzania. She hoped that the visit to Zanzibar had been proof of Tanzania's many natural attractions, which are not limited to Zanzibar only. There is also Mt Kilimanjaro, Serengeti, to name but a few.

Dr Burian continued by thanking the Secretariat and SAI Tanzania for organising and hosting SC9 and welcomed all participants by naming their home countries. The global range of participants shows the great importance attached to the event.

She touched upon the items to be discussed during the meeting, mentioning the guidance documents and the work plan for the new period and hoped that the attention, commitment and determination given by the participants to the issues would help make a difference.

The importance of environmental protection and sustainable development cannot be overestimated. Tanzania invests a significant part of its resources to this end. The modern world is highly inter-connected and environmental stakes are really high. Growing population and consumption raise the stakes even higher. The task of governments is to see that climate change is taken on board as well. The solution lies in sustainable development, but this requires a global effort – of governments, non-governmental bodies, professionals and the general public.

Tanzania has experienced the impact of climate change in many ways – the melting of snow from Mt Kilimanjaro is but one of them.

The Tanzanian government is aware of the challenges lying ahead and has taken various initiatives. The Constitution was revised making it the duty of each and every person to protect the natural resources of Tanzania. There are various bodies involved in this work, the National Environmental Council, Dr Burian's own office, the Ministry of Natural Resources etc.

The Tanzanian government has recently taken a bold decision, making agriculture its first priority. However, making agriculture the engine of growth for Tanzania has some risks as well. Therefore the government is promoting environmentally sound practices in agriculture.

Tanzania is not alone in working with environmental challenges. Tanzania is party to many international environmental agreements, e.g. the Basel Convention on the Control of Transboundary Movement of Hazardous Waste, the Convention on Biodiversity, International Convention on Whaling, the UN Convention of the Law of the Sea, the UN Convention on Combating Desertification, to name but a few.

The world is facing many environmental challenges. Tanzania is no exception. Land degradation, air pollution, more than 50% of Tanzanian people have no access to good quality water. Luckily, the impact of air pollution in rural areas still remains negligible. The forests are reduced due to human activities – both because of the need to increase farmland and to cut firewood. The mining sector also faces complex challenges, with better environmental planning techniques required.

Dr Burian asked WGEA and all countries in the world to take urgent action to prevent the impact of climate change. The melting of snow from mountain tops, recent volcano eruptions, floods etc - all are vivid

examples of climate change. If action is not taken, the common objective of making the world a good place to live for our own and future generations may not come true.

Dr Burian wished all a successful meeting and declared SC9 officially open.

## **2nd Morning Session**

### **Chair's Progress Report**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

Mr Saar introduced the agenda and the aims to be accomplished during the three days of meetings.

He then proceeded to discuss the activities undertaken between August 2009 and January 2010.

There are currently 71 WGEA members with Argentina the most recent arrival. Austria left the SC, Morocco and Argentina joined. The regional coordinators have remained the same.

Mr Saar gave an overview of the status of projects under way; most of them are on schedule:

- All new guidance materials and the Study on Environmental Accounting are under preparation
- Regional cooperative audits are in the process in four out of six regions at the moment
- Biodiversity training course has been developed and sent to the regional coordinators
- Biodiversity web page is under preparation. Ms Elaine Ferreira Souza, from Brazil commented on the progress made regarding the web page. The work was done in cooperation with Ms Carolle Mathieu from Canada. The revised material was sent to the Secretariat on 25 January. The page is expected to be ready by WG13 in China. Ms Souza invited the Secretariat to send the link of the web page to the SC members for commenting. The Chair responded that the Secretariat has been reviewing the web page, but has not had the time yet to proceed to the next step of building the actual site.
- WGEA-IDI environmental auditing training course for French-speaking SAIs within AFROSAI was delivered in February 2010 in Senegal
- Annual collection of audits will be sent out in the coming months
- The Sixth Survey analyses have been completed and the report is ready
- Greenlines
- Communication strategy
- Web enhancements, as agreed in Bali (RSS feed, e-mail updates)

One project is under observation:

- Identify and label audits based on international environmental agreements in the Environmental Audits Worldwide database project

The Chair explained that it was very difficult to go back and check all the existing more than 2000 entries in the database, given that it was not always clear from the abstract provided, whether the audit had been based upon an international environmental agreement. In the case of new audits such agreements have to be identified in the abstract from the start, so the problem only concerns audits entered earlier. The Chair was of the opinion that the task of reviewing the old cases should most probably dropped.

The Chair also listed other past and current activities: cooperation with the UNEP (will be discussed under a separate agenda item), cooperation with RWGEAs (EUROSAI in Sophia in October 2009), publication of articles (INTOSAI Journal, EUROSAI Newsletter, Greenlines). Upcoming regional events include PASAI in April and possibly OLACEFS in May.

The Chair also described the side event undertaken by WGEA at the COP15 in Copenhagen. The side event constituted a 1.5 h presentation on INTOSAI WGEA, environmental auditing, the guidance materials and auditing climate change (EUROSAI and the global coordinated audits). The Chair thanked Canada, Poland and Norway for helping organise the side event. The task was not easy, with more than 40 000 people in the venue and the slot not on the agenda. Despite that a rather decent audience was present, with some colleagues (Brazil, Cyprus, and Denmark) and many representatives of NGOs. The questions asked gave an indication as to how much still needed to be done by way of promoting the WGEA activities.

As another important outcome of COP15, INTOSAI was recognised as an observer. Most probably this means more and better access to information in the future. The new status can be tested and put to a good use in next year's COP16.

The Chair finished the progress report by outlining future activities. The preparations for WG13 in China are well underway, the invitations have been sent, dates set, and the agenda will be discussed later during SC9.

The Secretariat will also coordinate desktop publication of the guidance materials, putting them into templates, to make things easier to read and print, but not changing any text or graphics.

### **General Issues Related to New Guidance Materials**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair outlined the general issues related to the guidance materials. He thanked New Zealand and Mr Jonathan Keate for undertaking the task of editing all the guidance documents.

The guidance papers were discussed in Bali, the drafts are being reviewed for the second time now and the aim is to approve them at this meeting.

The Chair proposed that no country-by-country discussion be undertaken, but he invited anyone to speak up, who was not happy about things or wished changes to be made. Also he encouraged appreciation and thanks, whenever due. Mr Saar proposed not to go into details ('a la ... line 3 of para 6) this time round. Any detailed recommendations should be given later to project leaders. It is also very important to discuss with project leaders how and when to implement the changes, because four guidance materials are already being edited in New Zealand, and the climate change material is to follow soon. Even if the Chair did not expect too many changes, he urged caution about possible changes, so as to be quite sure that they were made in the correct version.

The upcoming deadlines were discussed next. The final drafts should be ready by the end of March at the latest. March and April will be devoted to editing and tidying up the texts. The guidance materials will be sent to the WG for comments at the end of April, May 1 at the latest. The plan is to approve the documents finally in China, but no discussion is intended, what with the 100-150 delegates present. It would be mission impossible to discuss the total of 500 pages of material. The Secretariat follows the earlier example of Canada - no comments means acceptance. In addition to approval of the guidance materials, the tutorials are also to be planned in China.

The Chair invited comments from the SC as regards the proposed process and Ms Kimberley Leach, Canada sought more explanation about what kind of comments were expected at this juncture.

The Chair proposed that any general comments were made during this discussion and the detailed comments left to project leaders, who will then decide whether to take them on board or not.

Examples of general comments listed by the Chair: does the material meet our standards, maybe the scope needs better definition. Since the topics can be fairly wide, it is necessary to name what is covered and what will be left over for future work. The response from the SC indicated that the proposal was acceptable.

The Chair also raised the question of what would happen at the INCOSAI meeting with the guidance materials. Project leaders have been asked to prepare their communication plans, and so they have done. The important question is how to communicate what has been accomplished at that meeting. Some paper copies will be distributed, but the Chair encouraged the participants to come up with innovative ideas of communicating the rest.

Once again the Chair touched upon the matter of translating the guidance materials into the five INTOSAI languages and invited volunteers to come forward.

The Chair listed future activities as regards the guidance documents: the guidelines have to become web-based, training and tutorials need to be developed. He made special reference to the issue of updating – people have been asking, whether the guidance materials can be updated. His response was that they can and actually need to be updated, it is just that things change with time. This is also a topic to be remembered when discussing the work plan of the next period.

The Chair then offered the audience a sneak preview of the proposed layout of the guidance materials.

## **Guidance Material on Auditing Minerals and Mining Activities**

*Robert Cheyo, Principal Auditor, Tanzania*

*Michael Malabeja, Environmental Engineer, Tanzania*

Mr Cheyo gave an update of what was agreed in Bali concerning this guidance material and how the recommendations had been taken on board.

Actions taken so far include:

- The modification of the title into “Guidance Material on Auditing Minerals and Mining Activities”.
- Exclusion of oil and gas from the scope.
- Reorganisation of the chapter on good audit practices into chapters one and two.
- Engagement of two experts, one from the Ardhi University in Tanzania and the other from the National Environmental Management Council. Their work concerning the mining cycle has already been incorporated into the document.
- The project team had found it difficult to accommodate the recommendation to link the mining stages and audit cases in chapter four, given their different focuses. As a solution the cases are presented topic wise (e.g. existence of mining policy, compliance with national environmental policy etc).
- A section on socio-economic aspects of mining was included as well.

The final draft shall be sent to the Secretariat in March 2010.

Mr Cheyo proceeded to introduce the communication plan next. The plan is divided into two sections: activities to be undertaken inside INTOSAI and outside the organisation. Within INTOSAI use shall be made of the INCOSAI meeting in 2010, WG13 in China in June 2010 and RWGEAs, as well as the INTOSAI publications (incl. Greenlines) to communicate the new guidance material. Outside INTOSAI the guidance material will be introduced to the other UN organisations, national governments, academic circles and libraries.

## **Discussion**

The Chair thanked the presenters and invited the SC's *views on the document* itself and separately *on the communication plan* with the eventual aim of adopting the guidance material by the Steering Committee.

## **Communication plan**

Several speakers (Brazil et al) proposed that the discussion of communication plans for all guidance materials were held together and the Chair agreed.

The Chair also said that items found in the communication plans would probably have to be considered when discussing the work plan for the next period.

## **Views on the document**

The speakers congratulated the project team on excellent progress made with the document.

Canada thanked the team for making a major difference in comparison with the previous version and was happy about the way recommendations had been taken into account: the paper is now well organised, the sources and references well used and case studies suitably integrated. Maybe some compressing is needed. Canada found a really interesting case in the text, which included 8 questions for the auditor to ask and thought maybe for consistency's sake the same questions could apply to all cases or else should be left out altogether.

Canada further commented on small scale and artisanal mining (Section 1.5): the issue is well covered, however there is not much about how to actually audit that sector. Maybe mention should be made about the importance of the sector (given that it employs more people than large-scale mining), and that the sector cannot be easily audited, given the abundance of regulation.

Canada's comment about sustainable development (Section 1.6): the issue is raised but there is no explanation in the design of audit section, how to audit sustainable development. Canada admitted though, that nobody probably had a good solution yet.

Norway found that the whole guidance material was very useful for conducting the audits and considered chapter 4 especially relevant.

The UK had comments that would be relevant for other guidance materials as well:

- Scope limitation should be brought up to the front.
- The issue of the mandate of auditors should be moved up to the front.
- Raising the issue of auditability – the existence of the guide means that we think it is auditable, thus no mixed messages should be sent out.
- Ordinary audit guidance and its connection with these guidance materials.
- Care should be taken about the language used about financial audit.

As a response to the first question put by the project leader, the UK thought that no more work was needed.

Morocco made a general comment about public-private-partnership and the sector of mining. The speaker has participated in the INTOSAI working group on auditing privatisation and it would be a good idea to use the experience gained from that work for the purposes of this guidance material as well.

Some speakers (Canada, Norway, Indonesia etc) had detailed comments that they proposed to forward directly to the project leader.

The Chair asked Mr Keate, New Zealand, if the proposed general changes aimed towards making the guidance documents more consistent could be made by editing, how much could be covered by editing and how much had to be left with the project leader.

Mr Keate responded that the editors had not really been clear themselves about how far they could go and editing so far had been limited to removing some duplication and providing clarification of wording where needed. Four edited versions exist already. Mr Keate has been taking careful note of all editing proposals made during this discussion and will be talking to the project leaders about them. How far the editors can go is up to the SC and project leaders to decide.

The Chair recommended that the edited versions start to be used from now on for the four guidance materials. He also proposed that the editing team and the project leaders decide between themselves, how exactly any new changes are to be made.

The US recommendation concerning any proposed changes: in order to facilitate matters all proposals should be made with surgical precision, any fuzzy comments should be avoided, since they are difficult to accommodate at this late stage.

The Chair summarized the timeline and procedure for further steps: Edited versions of all guidance documents (except climate change) should be ready by the end of February. The first two weeks of March will be devoted to making the changes, so any detailed comments mentioned today should be forwarded to the project leaders (with a CC to the Secretariat) in the next two weeks. And importantly, changes shall go into edited documents, not into two versions of documents.

The Chair also proposed to organise a special meeting with all the project leaders during the stay in Dar es Salaam.

The Chair asked if the SC can approve the document with the recommendations proposed.

The Steering Committee unanimously adopted the Guidance Material for Auditing Minerals and Mining Activities.

The Chair thanked the project team and Mr Utouh, Auditor General of Tanzania for all the efforts and resources made available for this work.

## **Guidance Material on Auditing the Sustainable Management of Fisheries**

*Marthinus Wessel Pretorius, Executive Officer, South Africa*

*Louis Heunis, Manager, South Africa*

The Chair thanked Mr Pretorius and Mr Heunis for attending the meeting and continuing to contribute, despite the fact that South Africa had left the SC.

Mr Pretorius got the audience into suitable mood by demonstrating a photo of barracudas.

He then presented the guidance material of auditing the sustainable management of fisheries, by first looking into the history and background and objectives of the guidance material. He listed the committee members of Canada, Bahamas, Botswana, The Netherlands, New Zealand and Norway that had worked under the coordinatorship of South Africa and thanked them for their efforts and contribution. Mr Pretorius then dwelt in more detail on progress made since SC8:

- Inputs received from committee members and incorporated in latest draft
- Food and Agriculture Organization (FAO) reviewed the latest draft and provided comments on 21 December 2009
- FAO comfortable with statements. Comments will be incorporated
- Paper edited by NZ during December 2009

Thereafter Mr Pretorius gave an overview of the layout of the document itself. At first a lot of information had been gathered and then the need to reduce the volume became apparent. Chapter 1 contains introduction, scope and background, chapter 2 is devoted to choosing and designing audits of fisheries, following a step-by-step approach. In some parts the guidance material is similar to the mining guidance (e.g. the use of questions). Chapter 3 has examples of audits.

According to Mr Pretorius the annexes containing a methodological tool of data gathering and analyses and an audit design matrix should be really helpful practical tools for auditors.

The presenter then gave an outline of the proposed Communication Plan – here more emphasis is on using the regional organisations of the Working Group for communicating the guidance material and outside INTOSAI the international and national media should be used as additional communication channels.

Mr Pretorius concluded by saying the auditors could play a more proactive role in their undertakings.

## **Discussion**

The speakers thanked the project team for excellent work done. Several speakers (USA, Norway, Brazil) found the background information especially useful, in particular for those with less experience in this type of audit. In comparison with previous versions a lot of progress has been made, and the document is oriented towards a much broader audience now.

The USA commented on the length of the document, but did not see that as a problem, given that it was so well organised, and contained very useful information and the continuity from section to section made it easy to follow. The USA also pointed to the advantage of having such a wealth of examples, as they demonstrate that such audits have been done before and can be undertaken by others.

The focus on the practical aspects and the appendices also got a lot of praise by the USA and Norway.

Norway further commented on how well the link had been made between international accords and their national implementation.

Norway proposed that chapter 2 could be refined further, especially the description of the various policy instruments in this chapter could be a bit more specific (pp 41-43). For example the description of economic policy is quite short, maybe all categories of policy instruments could be provided, together with some examples for each category.

Norway also shared some of their own experience: at first glance the implementation seems to be acceptable, but digging further would often reveal big problems. Norway will also forward some more detailed comments to the project leader.



Brazil found that step 3 in chapter 2 was very similar to the biodiversity guidance. Brazil had found it difficult to make that very specific and invited the project team to try and still improve step 3.

The Czech Republic was sorry that the guidance material was not designed for landlocked countries and that there was not much about how to audit inland fisheries.

Indonesia also pointed to the need to define the scope more clearly, in view of the fact that inland and sea fisheries existed in many countries and given the fundamental differences between the two, the scope should state clearly that only sea fisheries are included.

Another comment from Indonesia referred to the need to pay some special attention in the document to the particular needs and difficulties that developing countries may face in auditing fisheries. Help to achieve this was offered as well.

Poland commended the project team for having had the draft reviewed outside our own community, as that was an excellent way of cooperation, provided valuable additional information and ultimately led to higher quality of the guidelines.

The Chair once again pointed to the deadlines and way forward and sought the Steering Committee's approval of the document, which the latter gladly gave by acclamation.

### **1st Afternoon Session**

#### **Guidance Material on Auditing the Forest**

*Edward Simanjuntak, Acting Director in charge of Auditing Ministry of Forestry and Public Works, Indonesia*

Mr Simanjuntak discussed the progress made regarding the guidance material on auditing the forests.

The presenter explained how the comments received at SC8 had been taken into account: how the wording, terminology and references had been brought in line with those comments and how the proposals concerning rearrangement of the parts of the document (between the chapters and appendices) had been accommodated (e.g. the case studies were moved to the appendix).

Further the draft guidance material was sent to colleagues in Estonia, Malaysia and Brazil. Mr Simanjuntak explained how these comments had been taken into account.

There are also plans to have Canada review the draft.

The revised project was also sent to the UNEP for their input but, sadly, there is no response yet.

The project leader then went over the current revised structure of the project but did not go into detail, given that this had been done in Bali already.

Next the timeline and key milestones were discussed with particular emphasis on the next steps: revision of the document to accommodate any comments received during SC9 (in February), final comments by sub-committee members (February), final draft to Secretariat (March 2010).

Finally the project leader described the Communication Plan, which differs from those of the previous two guidance materials in its emphasis on tutorial, training and pilot audits.

### **Discussion**

All speakers congratulated the project team on their work and great progress made. Brazil and Canada were grateful for the acceptance of their comments of the previous round. Norway, supported by the UK, thought that the guidance was very comprehensive and despite the amount of detail, user-friendly and easy to read.

The following more specific comments were made:

Poland pointed to a table listing audits on p 37, derived from the INTOSAI website and suggested that some explanation be added as to what criteria had been used to select the particular audits out of a larger number listed on the website. Poland also had some minor editorial comments regarding the same page.

Brazil regarded the guidance material very useful, given that the states' authorities which are in charge of forests in Brazil, were just starting to focus more on environmental auditing. Brazil also offered help in preparing a study case for the WG13 meeting in China.

Canada was very satisfied with the chapter 1, audit design and the use of cases, but regarded chapters 2 and 3 still quite long, with some duplication and excessive use of definitions. Also, the 10 pages devoted GIS in appendix 2 seemed too long and technical. The SAIs with no access to GIS could be left with the impression that forest audit was impossible without GIS.

Canada raised a general question applicable to all guidance materials – could there be some conclusion or a concluding paragraph? Admittedly the decision not to have a conclusion was taken in Bali, given that there was an executive summary. But the documents all end very abruptly.

The Chair proposed to come back to the issue of the conclusion at the end of the meeting.

Morocco raised the question of the communication plan, which differed from others – should there be some revision?

The Chair proposed to tackle all issues pertaining to communication plans at the special meeting devoted to the subject. All plans need not be similar.

The Czech Republic recommended that a clearer connection of the subject at hand be made with some international treaties referred to in the document.

Also it is important to emphasise more the independence of auditors – this comment was made in connection with the audit topics being selected by the government.

An explanation of abbreviations should be added to the document.

Norway mentioned the excellent cooperation the Norwegian and Indonesian SAIs had had in working on a Norwegian initiative regarding deforestation in Indonesia.

Norway hoped in chapter 4 the use of “risk” and “threats” could be made clearer, as it was sometimes difficult to understand how the concepts were used.

Norway would also like to see more references to the other guidance materials.

The UK hoped that a higher profile was given to financial auditors in the text as well.

The Chair hoped that all the comments, general and editorial, could be implemented in a fairly short time. He thanked Indonesia for their truly great efforts and asked the SC if they could approve the guidance material on forestry.

The Steering Committee approved the document by acclamation.

### **Guidance Material on Auditing Sustainable Energy**

*Regina Charyparová, Auditor, Czech Republic*

*Helena Vorbová, Director of the Audit Department III, Czech Republic*

The presenters described the evolution of the guidance material in great detail. The whole structure and the content of the guidance material had gone through major changes, all of them aimed at making the document more logical, easier to read and use in practice by auditors.

The main changes were the following:

- the 4-step process slightly modified
- added Chapters 4 and 5
- added new sections (acknowledgements, annexes, abbreviations etc)
- the ALM introduced (incl. issue analysis)
- introductory questions to individual sub-parts
- unification of use of colours
- section on case studies amended (14 case studies in total, illustrating different approaches)
- addition of graphs, schemes and pictures

A comprehensive overview was given of the structure of the document and the contents of individual chapters.

The second part of the presentation was devoted to illustrating on the basis of a practical example of an actual audit conducted in 2009 in the Czech Republic, how the guidance material can be used for planning, conducting and reporting an audit. A special focus was on how to audit grants – both from the provider's and beneficiary's side.

The last part of the presentation was devoted to the Communication Plan – here again more emphasis was on seminars, training and regional work.

## Discussion

Norway, the UK, Canada and USA all congratulated the project team on their success. It had been very interesting to follow how the process had evolved – over time the guidance material had become reader-friendly, well-structured, with a very useful background chapter and annexes. Canada liked the added questions, the charts and matrix, great job on a very difficult topic has been done. The USA thought that the guidance material on sustainable energy was the most challenging of all the guidances being currently developed.

Norway (and also Canada, the USA and the UK) thought that the guidance was very relevant in the European context, but maybe not so for developing countries. The UK invited some of the countries represented in the SC to comment on the relevance of the guidance for their countries. Norway expected to see more in the guidance about hydropower and biofuels in the context of developing countries.

Norway and Canada had further detailed comments to forward to the project team for consideration.

A minor point was made by the USA: colour-dependent graphics might not be very useful, if people print the material in black and white.

The following discussion evolved over the question of scope:

The UK and Canada raised the issue of scope. It had been decided earlier that transport was not included and the scope should clearly state that.

Canada thought the scope should be defined better – does it only include renewables or should it be broader.

The USA recommended as an option to define the scope by first stating that sustainable energy was a very broad area, and that the current document could not deal with everything and then state what was covered in the document.

The Chair offered a summary of the options regarding the scope:

- Leave a broad scope and add sections on topics that are not currently covered – but there is really no time for that
- Define a narrower scope according to what is currently covered
- Modify the title by leaving out “sustainable”

The Czech Republic explained that the sustainable energy topic was on a WGEA list of guidance topics and in Arusha, Tanzania it was decided to make a guidance material on it. The whole guidance was thus created on this topic and this means that such a suggestion is unacceptable.

Canada does not want anything to be left out from the background chapters, prefers a wide background and then a more limited scope in chapters 3 and 4.

Canada’s other proposal: maybe the document could be called some kind of a study, not guidance.

The project leaders stood their ground and did not agree with the change of focus. They had worked with external energy and environment experts and had come up with the definition of sustainable energy with their assistance because there has not been uniform and clear definition of it yet, so they had to cope with it.

The Chair at this point called a coffee break and invited all to mull over the issues and try and come up with solutions.

The Chair came up with the following proposals after having reached a consensus with the project leader and subcommittee members over the coffee break concerning further activities during the remaining days of this meeting:

- Adopt the guide in its current form and with the current title
- The project leader and some of the subcommittee members to have a separate meeting to define the scope exactly and to clarify any remaining misunderstandings
- Proposals to take to write separate/follow-up/derivative guidances on other issues, e.g. bioenergy, transport etc to be brought to the discussion on the work plan for the next period.
- Invite Mr Reed to facilitate the discussions of the project leader and subcommittee
- The project leader to organise the meeting within 24 hours.

The SC and all concerned agreed and the guidance material on sustainable energy was adopted, after an arrangement of additional meeting later on and clarification of some comments.

## **2nd afternoon session**

### **Guidance Material on Auditing Climate Change**

*Kristine Lien Skog, Senior Audit Adviser, Norway*

The Chair observed that the guidance material had followed a different timeline from others, partly due to the need to wait for the results of COP15 and the global and European climate change audits and partly due to some miscommunication about deadlines.

Ms Skog gave an overview of what had been done since the Bali meeting:

- Most comments integrated
- Added a section on the COP15 meeting
- Removed chapter 4
- Integrated relevant sectors in the chapter on adaptation
- Integrated developing countries perspectives (mitigation similar for developing and developed countries, not adaptation)
- Added cases and auditing experiences

She then listed the activities still to be accomplished:

- Implement potential feedback from UNFCCC and IPCC (the guide is sent)
- Final feedback from the sub-committee
- Minor adjustments to comply with the "guide for guidance's"
- Final input from European and the Global coordinated audit, if possible
- Editing, translation to INTOSAI languages and printing

Ms Skog gave a thorough insight into the Communication Plan and its objective of finding ways to keep the guide alive and in use in the future. She saw the benefit of closely cooperating with other guidances. All guidance materials can share a common strategy whereas each needs its own action plan. The Communication Plan activities need to be kept in mind when discussing the work plan of the next period.

This project's communication activities are very ambitious: training courses are planned for both adaptation and mitigation.

An e-learning course is being developed in order to communicate the logic of the 4 step process. The e-learning course could be later used by other guidance materials as well, given that they share a common structure. Ms Skog invited ideas and volunteers for the e-learning initiative.

The Chair asked about the time needed for the remaining work to be ready.

Ms Skog offered 15 March as the deadline for sending the draft to the Secretariat and to New Zealand for editing.

New Zealand did not think that there was much editing to be done, so the timeline was acceptable.

The Chair instructed the parties involved to make any further changes in the Climate Change Guidance Material in the current draft, with editing to follow later. For all other guidances further changes shall be made in the edited version.

## **Discussion**

All who spoke congratulated the project leader on work well done.

The USA noted that the guidance was very well written. This guide was excellent already in Bali, and has been fine tuned since then. The USA also invited the project leader to follow the developments with the global climate change audit, since there were bound to be synergies.

China offered to share some experience they had gained recently in auditing climate change. Given the rapid development of China's economy over the past decades the emissions have increased alongside. China has taken a responsible approach and is fighting to reduce the emissions. The central government has made huge investments aimed at reducing emissions. Last year China carried out an audit about the emission reductions and this is the experience China would like to share for the benefit of the climate change guidance material.

The Chair invites China to send any information in the next two weeks.

Brazil informed the group that the RWGEA had begun a climate change audit, and Norway had very kindly allowed the draft version to be used by the participating countries. Thus some of the activities of the communication plan are already being implemented.

The Czech Republic was concerned that the guidance was mainly focused on performance audit and little emphasis was given to compliance audit. The Czech Republic also raised the issue of relying too heavily on only one source, which is the Fourth Assessment Report (2007) by the IPCC, in the document. There were taken the whole parts of this document into the guidance. They also thought that some important issues had been overlooked (e.g., the author left out the big importance of oceans and its biomass production there in relation to climate change).

The Chair invited the speakers to send their specific remarks to the project leader.

Canada took up the Czech Republic's point on using one source - the IPCC. Given the recent controversies related to the IPCC the guidance should be careful about citing only the IPCC. At least 30 national academies of science have also come to the same conclusions about climate change, and they have done their own research. WGEA does not want to be part of the controversy or being seen as connected with it. There is no need to find new sources, it would be sufficient to point to other researches that have reached the same conclusions.

The Chair supported the Canada's recommendation concerning the comments by the Czech Republic.

He asked the SC if the guidance material could be adopted, together with the recommendations and subject to some clarification regarding the scope.

The SC adopted the guidance material on auditing climate change by acclamation.

The Chair thanked the project team for their hard work and especially for the e-learning initiative. He volunteered to participate in the pilot training, to see if this could be used for other guidances as well. The Chair is also looking forward to hearing about the results of the seminar on climate change scheduled for March and learning about what of this can be used in China.

The Chair announced that the sustainable energy project leader had organised a meeting for the subcommittee right after the end of this meeting.

## **Communication Plans**

The Chair gave some concluding remarks about the communication plans and proposed to return to the subject the next day or the day after, having had the chance of listening to the presentations by the UNEP and on environmental accounting.

The Chair's promised to draft a proposal for a common line for all guidance materials regarding INCOSAI, INTOSAI Journal and the Greenlines, as well as the strategy for the WGEA meeting in China.

Many of the ideas in the communication plans feed into the work plan: there are major activities as global audits, training materials etc.

The Chair offered to review the plans once again, pick up the topics, try to prioritise them and put his proposals to the SC.

## **Day 3**

**17 February 2010**

### **1st Morning Session**

#### **Communication Plan Summary**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair presented the ideas contained in the communication plans in three groups:

- 1) What is expected of each project and project leader regarding communicating the guidance materials – to reach agreement on those issues:
  - Attention at INCOSAI 2010: ceremony, printed executive summaries, electronic distribution. Could be organised as a side event together with climate change.
  - Articles to be published in Greenlines and the INTOSAI Journal. The Chair also invited ideas for feature stories for Greenlines.
  - WG13 in China – all project leaders wish to present their work. Plans to be worked out how best to accomplish this.
  - Distribution of letters to all INTOSAI members, with special focus on regional chairs and expected input from them (EURORAI etc).
  - Find outside organisations to distribute the material.
  
- 2) Innovative ideas that will be explored further, will not be compulsory, but those interested are very welcome to pursue them:
  - Proposal from Tanzania to organise a regional meeting during WG13 in China to identify regional interest in training, cooperative audits etc.
  - Letters to/Face to face meetings with governments.
  - Letters to/Face to face meetings with UN and other international organisations.
  - Release through the media – how best to achieve.
  - Introduce all guides at RWGEA meetings – very important in achieving regional attention.
  - Regional training and seminars - Secretariat to help and share available training materials.
  - Distribution to academic institutions and libraries – how to do this in order to get their attention.
  - Translation remains an issue to be tackled!
  
- 3) Big initiatives to be considered in work plan discussions
  - Pilot projects, cooperative audits within subcommittee.
  - Training, e-learning
  - Web site development.
  - ISSAIs – a long process, the documents will be adopted eventually officially by INTOSAI. Has to be considered if WGEA wishes to participate and if so, what themes.

## Discussion

Norway proposed to create posters for each guidance material that can be presented at poster sessions of seminars. A good opportunity arises during the meeting in the Netherlands – a poster session for one hour is on the agenda. The aim is to communicate both audits but also the guidances. That would be a great way to create awareness and reach a larger audience.

The Chair agreed and added that also the posters can be distributed electronically, for printing at the location when needed. He proposed that the upcoming meeting with project leaders also discuss further the idea of posters.

Canada wished to know if South Africa as organiser of INCOSAI 2010 or China as responsible for the theme paper have any plans to invite senior representatives of international organisations like the UNEP, International Institute of Sustainable Development to INCOSAI – that would help build relationships.

South Africa considered it an excellent idea and promised to explore the matter.

Poland wanted to know about the group's expectations from distributing guidances to international organisations? Some have received drafts of guidance documents and were expected to comment. Would they be expected to give any feedback when receiving the final versions? This has a bearing on how to write the accompanying notes.

The Chair had considered just distributing the guidance materials and invited the group to come up with ideas, as regards the expectations from those organisations. The matter will be taken up with the project leaders at the meeting the next day.

South Africa offered to find out if something could be presented at a plenary session at INCOSAI, given that environment is one of the themes.

The Chair thought this a very excellent opportunity to be definitely taken up. The original understanding had been that there would be no room at the plenary agenda for that.

The Chair asked if the SC agreed with the proposals presented for the communication plan.

The Steering Committee agreed.

## Study on Environmental Accounting

*Steven Elstein, Assistant Director, USA*

Mr Elstein described what environmental accounting was and why it was useful. He then went over the history of how the decision had been made to create the study: the 1998 study, prepared by the Netherlands had been very good, but given the passage of time things had evolved and warranted an update.

Mr Elstein explained that environmental accounting was a key tool to address climate change. The climate change component is larger than in the original study – the different sets of accounts have an important bearing on climate change.

The speaker also listed the key components of environmental accounts and dwelt on environmentally adjusted economic aggregates. These are very important, but sometimes also cause controversies. He gave as an example some mining practices in the USA which were detrimental to the environment, but when it came to measuring wealth and economic prosperity mining was an asset, despite major pollution left behind.

Mr Elstein continued by explaining how SAIs could use environmental accounting. One of the workshops in WG13 in China will be devoted to environmental accounting.

Next the speaker went over the scope of the current study:

- Identifying recent activities undertaken by international organisations regarding environmental auditing (2003 UN Handbook, 2007 International Standard for Water Statistics, 2012 International

Environmental Accounting Standard). Over the course of years the accounts have become more sophisticated.

- Providing examples of environmental accounting practises in different countries. The 12 countries will be a cross-section of the differing experience existing in environmental accounting in the world. Canada and Norway have very advanced accounts, China does some very interesting environmental accounting; some countries have individual accounts. This part took the longest to complete and is really the core of the matter. The speaker thanked his team for their efforts in identifying and verifying what was happening across the globe. The team deserved special thanks for volunteering to undertake the work on top of their other duties.
- Offering suggestions to SAls on how to efficiently use environmental accounts in their work. The study is not intended as a guidance document, but it might have some recommendations.

The timeline to date is the following:

- The draft was sent to the SC for comment in autumn 2009.
- 6 SAls sent back comments (Austria, Canada, Egypt, New Zealand, Norway, the UK).
- Incorporating the comments.
- Final draft will be sent to the secretariat by March 2010.
- Expected adoption by WG13 in June 2010.

Mr Elstein further discussed the comments received in some detail. A special document “Environmental Accounting Draft Report: Steering Committee Members Comments and Planned Responses” is included in the meeting binder, describing in detail the comments received and the project team’s response.

Mr Elstein referred to them as a manageable set of comments. He assured the SC that all comments had been duly considered, with tender loving care, even if not every comment resulted in a change in the document.

Mostly the comments aim to explain with more precision the inherently ambiguous and difficult concept of environmental accounting. For example, more clarity was requested in describing how environmental accounting differed from ordinary environmental monitoring undertaken by governments and from environmental statistics.

Another set of comments wish to have more practical examples of how environmental accounting is used both in general and by SAls (required fine-tuning, clarifying and simplifying chapter 4).

The underlying purpose of the team in working with the comments was to explain the material as clearly as possible, thus they took a painstaking exercise of going through the text paragraph by paragraph to check everything for clarity.

The speaker finished by thanking the commentators and his project team for all their efforts.

## **Discussion**

The speakers (Indonesia, Norway, Canada, UK, Estonia) thanked the project team for excellent work, which is bound to be very useful for SAls.

Norway promised to make the relevant cross-references to the study in the climate change guidance material.

Norway wished to know if the study had referred to the Eurostat and OECD statistics, which both include very elaborate environmental statistics and also environmental accounting.

Norway also commented on carbon accounts, which in the future would be very useful, also in terms of tradable quota systems, given the international commitments and national policy objectives that countries have to fulfil. Their importance is bound to be even more crucial in the future and thus should be emphasised in the study.

Mr Elstein offered to amplify the importance of these sources recommended by Norway, probably in the section on recent developments in environmental accounting.



Canada offered some ideas that have a bearing both for this study and for the work plan discussions – what will happen to the study after it has been completed, given that the study has revealed that the first two barriers the SAIs have identified as being obstacles to environmental auditing are insufficient environmental monitoring measuring systems and insufficient data. The study highlights the fact that there is work to be done in this field.

Canada also raised the question about moving from environmental accounting to accounting sustainable development, given that valuing natural resources is so important for taking up integrated decision-making. This is another subject for the future work plan.

Canada also expressed some scepticism about how governments used environmental accounts and wanted to know if work on the study had revealed any country that had undertaken an audit to check whether what the countries are stating they are doing about environmental accounting is actually also happening.

Mr Elstein explained how the material concerning the different countries had been included in the study. Any information reported by the countries was then sent back to them for verification. Once the confirmation came, the material was accepted. However, the study does not state things as fact, but as reported to the project team.

In response to the question from Canada about SAIs actually auditing environmental accounts, Estonia said that after examining the draft study they had realised that there had actually been some audits of the kind and offered to write some more about them. One example given by Estonia was the Kyoto inventory procedure, which also counted as environmental audit – and the SAI had been very critical about the inventory.

The Chair observed the active discussion on the subject and saw a perfect opportunity to pursue the issues further at WG13 in China. Mr Elstein is ready to provide a tutorial session or make any other contribution that the SC sees appropriate.

The Chair also asked if Mr Elstein would agree to follow the same communication plan as was agreed for the guidance materials and he agreed.

The UK was pleased with the changes and response to the comments. Some work carried out in Europe about other ways of measuring sustainability was mentioned: Professor Stiglitz had produced a report for the French and there was an EU document called “Beyond GDP”. Both recognize that GDP was not a good measure for sustainability. The UK proposed that the subject could be picked up at WG13 in China or for the next work plan.

Mr Elstein responded that the study acknowledged that there were different sources of data and thought maybe further elaboration was needed.

South Africa thanked the Chair for the opportunity to comment despite not being a SC member any longer. South Africa raised an important question: We are working here with statistical information not accounting information. The information is very useful for performance audits or status reports. But the issue becomes very complicated in case of financial audits. Admittedly some of the information can be used for doing contingent liability calculations. But no SAI has yet performed a financial audit to express an opinion about national accounts. This is an issue to be explored further.

It would be necessary to engage with standard setting committees, also that of INTOSAI – so that these bodies eventually would start work on public sector standards for natural resources accounting. This is very much needed.

Another example is the carbon trade industry – they use statistical information to determine the payments. But this is not appropriate, to do it properly, accounting information is needed.

Another proposal from South Africa: the study could state for the benefit of the SAIs where the information is available on country level. Sometimes it is difficult to get access to that info.

Mr Elstein asked South Africa to send him e-mail explaining the above recommendation just so that nothing was lost. Maybe the proposals could be taken up in the last section of the study. Mr Elstein also thought that countries could enter into binding agreements under which they can trust the info provided to each other.

The Chair summarised the above discussion as concerning accountability. The Chair pointed out that the Auditor General of Canada was also a member of the International Public Sector Accounting Board. Maybe this could be a channel through which to get the attention of the Board and even distribute the study. That would be a way to get attention to the topic of how to get resource accounting to national accounts.

Mr John Reed, Canada agreed with South Africa's point. Many years ago environmental accounting was a wish or idea, now it is a discipline. The real issue is making a bridge to the accounting moral – accounting is a profession – environmental accounting is not. If no action is taken now, this will remain so for years to come. INCOSAI provides a historic opportunity to get attention to the issue. Country papers should be used, as well as the theme paper. The colleagues from China, working on the theme paper should plant the idea.

The Chair asked if the SC would adopt the study.

The Steering Committee adopted the Study on Environmental Accounting.

The Chair thanked Mr Elstein and the project team.

## **2nd Morning Session**

### **UNEP Primer for Auditors in Auditing the Implementation of Multilateral Environmental Agreements (MEA)**

*Arnold Kreilhuber, Legal Officer, UNEP*

Mr Kreilhuber first shared some general information with the SC.

The UNEP has received requests from Indonesia and Tanzania for reviewing the forestry and mining guidance materials. The response is sadly still due and Mr Kreilhuber promised to make sure that UNEP react soon.

Mr Kreilhuber told the group about another very interesting project undertaken by the UNEP, evaluating the effectiveness of multilateral environmental agreements (MEAs) and their implementation and impact on the national level. A meeting devoted to the theme was organised late 2009, in which Ms Margit Lassi had participated as well. The UNEP is very keen to have the auditors' input to this project, since it concerns many issues that are relevant for their work.

Mr Kreilhuber then tackled the topic at hand: the draft handbook has been developed further since the last meeting. The section on MEAs has been completed and the next step, to be accomplished before the WG13 meeting in June, is to populate the part regarding the role of auditors and bring in concrete examples of auditing MEAs. This will be the subject of discussion at present.

Mr Kreilhuber explained the dual purpose of the handbook: first, the role of MEAs and secondly, feedback on what auditors actually do in this respect. The latter is especially important, given that many important things that the auditors are doing are hardly known in the broader environmental community. The upcoming INCOSAI meeting would be an excellent opportunity to work towards the second goal.

The WGEA is expected to review the parts already written for relevance and draft the remaining sections on how to audit MEAs, not in too much detail, so as not to copy existing guidance materials, provide case studies and the section on useful resources (links, glossaries, bibliographies etc).

## **Discussion**

The Chair emphasised that cooperation with the UNEP was extremely important for WGEA and thanked Mr Kreilhuber for the good work together. The Chair invited the SC members to offer general views and

comments first and then wished to discuss how to go forward with part 2, concerning the auditors' role, which UNEP expected WGEA to undertake.

All speakers congratulated the UNEP for a very useful and timely document, given the ongoing international efforts, like those concerning climate change. The good contents and structure was noted by the USA, Poland and others.

Canada thanked Mr Kreilhuber for persisting in undertaking this cooperative effort. WGEA has been trying to establish a relationship with the UNEP for many years, starting in 2003 in Warsaw. According to Canada, also backed by the USA and the Chair, it was absolutely crucial to keep the relationship going and nurture it. "The product is as important as the relationship".

Poland supported UNEP by saying that part 2 should be developed together with by UNEP and WGEA. Poland also pointed to the importance of cooperation between SAIs planning to audit MEAs and the bodies established under environmental agreements.

Indonesia asked to include a section that would specify what skills and qualifications auditors should have so that they could undertake auditing of MEAs.

New Zealand thought that the information in the front sections served as good reference material for auditors. Speaking from their own past experience New Zealand stressed that it was important to scope the audit very carefully, taking into account the national implementing legislation as well.

The USA supported New Zealand's suggestion about scoping the audit in line with the situation in the particular country, depending on the ratification procedure of MEAs,

South Africa pointed to the importance of the country progress reports to be produced about the implementation of MEAs and the auditors' role therein.

In conclusion of the general discussion the Chair noted the positive feedback received. As regards the way forward with the part still to be written the Chair proposed to form a subgroup amongst WGEA members. He offered that Estonia could take the lead and the subgroup would then work out the role of the auditors from the WGEA side in the next 2-3-4 months, so that the document could be ready by WG13 in China. The material should be expanded by another 5-10 pages, case studies should be added. In seeking information about new audits, the Secretariat is now asking SAIs specifically about any audits of MEAs.

The Chair pointed out that handbook was crucial in two ways, on the one hand it was very relevant for auditors and on the other hand the wider community would see what the auditors were doing. He referred to previous speakers who had pointed to the other communities not knowing what environmental auditors were up to. That had been reflected very well in COP15 as well.

The Chair invited countries who were interested to volunteer for the subgroup.

Canada, New Zealand, Norway and Brazil volunteered.

The Chair promised the subgroup would start work with the draft, then share it with the SC and present the material in China. The Chair also pointed to the need to work on the communication plan for the handbook.

Mr Kreilhuber thanked the SC for their comments, emphasising that UNEP valued cooperation with WGEA highly. He hoped that more fundamental cooperation would follow from this undertaking.

Mr Kreilhuber reported a brief discussion with the Chair concerning a more substantial foundation for cooperation with WGEA. Maybe the launch of the handbook at INCOSAI could be combined with signing a memorandum of understanding (MoU). That would formalise the work together and set out how each party was expected to contribute. He thought next year's UNEP Governing Council would be a good opportunity for signing the MoU.

Mr Kreilhuber also had the good news of having secured funds for publishing the handbook.

Mr Kreilhuber then said a few words about the MEA effectiveness project, he had mentioned at the beginning of the presentation. It appears that many outsiders, like OECD and others were amazed by the scope of WGEA work. This project would be another way to make the world community aware of what WGEA are doing.

Ms Lassi, who had participated in the meeting devoted to the new project concurred – there had been little knowledge about but really great interest in what environmental auditors were doing.

The Chair thanked the presenter and other speakers. Commenting on the process of cooperation, he said that while a MoU sounded like a good idea, it would take time to get through. All such undertakings should be carefully considered. If the MoU would mostly lay down matters of cooperative nature, such as reviewing, getting comments to documents, it would be easier to accept.

The Chair promised to keep the SC informed about future developments, dates and activities. The expressed his satisfaction with the process so far, admitted that there was a lot of work ahead, and thanked the volunteer countries.

### **Global Coordinated Audit on Climate Change**

*John Reed, Principal, Canada*

Mr Reed and the project team had spent 3 days of the week before on the final phase of the project, drafting the outline of the report.

Mr Reed started by outlining the history of the project and its aims. The plan had been conceived in Arusha, Tanzania as a 3-year project. The approach had been new for all, as a truly global undertaking representing all regions and involving 14 audit offices, incl. 3 from developing countries.

The three objectives of the project:

1. Encourage and support national audits on climate change.
2. Coordinate the auditing and reporting of the audits done.
3. Build strategic partnerships with other organisations.

According to Mr Reed, at least 75% of the aims have been accomplished already, especially as regards the first aim (e.g. 14 audits participated, the EUROSAI cooperative audit, 24 other offices undertook audits of climate change) and the third aim (contacts with UNFCCC and the International Institute for Sustainable Development, close work with Norway on the climate change guidance material).

The second planning meeting held about 1.5 years ago set the following aims for developing the document: raising public awareness, demonstrating what governments are doing and whether they are actually doing what they say they are doing, persuading governments to take more action or improve what they were doing already, assisting parliaments in holding their governments accountable, inspiring other offices to do more work in this area.

Mr Reed then described the recent drafting session, with the team “locked” in a room for 3 days in order to make the report on the basis of the 14 countries. The task and the challenge were to find what was common to all.

In the early planning meeting a menu-based approach had been decided: a traditional audit matrix was developed, with topics and subtopics and criteria. The countries were encouraged to use what suited them. As a result varying responses were received from the countries.

An outline of the report has been produced but it cannot be shared yet due to some confidential information still contained therein.

Mr Reed then continued to describe the report itself: the whole project was divided into mitigation and adaptation. The starting point and underlying principle that was established from the outset was that audit offices were advocates of good governance, good management, accountability, not for climate change.

It had been decided from the outset to try and take a theme-based approach for the joint report, identifying common themes.

The subjects to be tackled under mitigation include the targets set and commitments undertaken by the governments, the strategies put in place to address the commitments and reach the targets, information and data that governments used to make their choices, evaluation of their success. Given that climate change involves many government departments, the report will look into how they organised themselves. Some specific information shall be included about sector-based policy tools, e.g. transportation, energy, policy tools for emissions trading.

The sections on adaptation follow rather a parallel structure, dealing with the nature of the commitments of governments, their strategies etc. The project team recognised that mitigation efforts were far more advanced than adaptation efforts in most countries.

Other themes of the report include data collection, risk analysis of countries, roles and responsibilities, how countries manage donor funding etc.

The overall tone of the report ought to be positive, “we are trying to put a positive spin on most of the categories”, aiming to encourage and inspire.

The report shall identify high level messages directed at the audit community, but also messages addressed to policy-makers.

The chapters will be kept nice and short, there will be an annex with abstracts of the audits undertaken. The plan is not to name any specific country in the body of the report. Extensive use shall be made of case studies that all participating SAIs were asked to provide. Positive experience from case studies will be highlighted in the report.

Some case studies will also be used in the E-learning tool developed by Norway.

Mr Reed also thought that there was an apparent need to make cross references in the report to the sustainable energy guidance material. Cross references to other relevant WGEA work would help create awareness about them all.

The remaining tasks include drafting the actual report along the developed lines. The timeline is impressive – the next progress report to be given at WG13 in China in June, material to be ready by mid-September and the release ceremony is planned for INCOSAI 2010.

Work has also started on the communication plan, setting out the activities and the audiences to reach. Fine-tuning of the plan depends on the final messages of the report.

Mr Reed thanked the drafting committee and all others who had helped in getting this hard work done.

## **Discussion**

The Chair thanked Mr Reed and his team for a great job.

The speakers congratulated the project team for outstanding work so far.

The USA thanked Mr Reed for his vision, for his ability to see what is required from the beginning and how the final product should look in the end and what needs to be done in the middle, in order to put together the pieces of the puzzle. To achieve all this strong facilitation and mediation skills are required and Mr Reed should be given a lot of credit for being able to do so.

Thus, those who had been locked in the room for three days had been willing participants.

The USA was concerned, however, about not mentioning specific countries in the draft, even if there were certain sensitivities. Maybe it would be better to leave the door open – sometimes specificity is needed; with no names whatsoever a text might make quite bland reading, the names would enliven it.

Chair concluded the discussion by expressing thanks to the team that will put together a single report which builds up on all the hard work done by the 14 countries. The task now is to find ways of communicating the

report, at COP16 in Mexico and with the UNFCCC. He invited the SC to come forward with ideas of how to approach these bodies.

The Chair reminded the SC that climate change was the central theme of the current work period and therefore one day at WG13 should be devoted to climate change.

The Chair also thanked the speakers for their comments and ideas about communicating the work done by the SAIs in the global audit project and invited others, (Poland, Brazil) coordinating climate change audits in their regions to share their joint experience with others.

As the discussion of all the guidance materials thus came to an end the Chair once again took the opportunity to thank all involved. Maybe people did not realise how much was being done and accomplished, it really is a tremendous amount of work, with committees and sub-committees often working until late into the night. All the Chair has to offer is thanks and more thanks, even if it definitely is not enough.

### **Outcome Regarding Sustainable Energy Guidance Material**

The Chair was also happy to report on the outcome of the discussions of some sustainable energy sub-committee members (Norway, UK), the project leader (Czech Republic) and Ms Borkowska Domańska from Poland as a facilitator of the discussion. A very positive conclusion had been reached late night including definition of the scope and the process of how to go forward. There were some additional comments but in conclusion it was stressed that acceptance of the comments is entirely in competence/under authority of the project leader who promised to consider them thoroughly. Some issues and methods were clarified. None of that would affect the deadlines. The Chair also thanked New Zealand for having edited the text of the guidance document.

### **Afternoon Session**

#### **Inputs to the Work Plan 2011-2013**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair introduced the agenda item by explaining the procedure: discussions of the work plan for the next 3 years would be conducted in two sessions, first the general and strategic discussion, followed by a consideration of concrete projects. The aim is to adopt the project plan at WG13 in China. In principle, the procedure would be the same as during the discussion for the current work period.

The Chair started his presentation by pointing out the INTOSAI strategy, in particular its goal three, which should guide the WGEA: Knowledge Sharing and Knowledge Services. To this end WGEA should “encourage SAI cooperation, collaboration, and continuous improvement through knowledge sharing, including providing benchmarks, conducting best practices studies, and performing research on issues on mutual interest and concern.”

INTOSAI is known to be developing a new strategy, which is not ready yet, but an early draft does not seem to diverge much from the current version in its treatment of working groups.

The Chair mentioned this in order to remind the group that WGEA was bound by the INTOSAI strategy and ought to remember that in the discussions concerning its work plan.

The Chair then went briefly over the WGEA mandate:

- Assist SAIs in acquiring a better understanding of the specific issues involved in environmental auditing.
- Facilitate exchange of information and experience among SAIs.
- Publish guidelines and other informative materials.

The Chair noted that the WGEA was doing more than the mandate – training, capacity building, etc. He was of the opinion that the WGEA should continue doing so, simply because it is able to and it is necessary.

The Chair listed the WGEA vision and supportive goals, as well as the goals set for the current work period and invited the SC to reflect on whether those words and ideas were still topical today. Work would then continue the next morning on that basis.

### **Sixth Survey**

The Chair continued by introducing the results of the Sixth Survey on Environmental Auditing by explaining where the results had been similar to and where they had differed from the previous survey. The Survey was conducted from March to August 2009, the overall response rate was 59%.

He then discussed in some detail:

- the auditing mandate (more SAIs have mandate to audit environmental issues)
- most important audit objectives,
- most important issues facing countries,
- auditing of sustainable development (25% reported having audited sustainable development, but countries mean different things by sustainable development),
- audits of environmental agreements (EUROSAI and OLACEFS leading),
- measuring the impact of audits (more than half of SAIs do this),
- auditing capacity (human resources have increased),
- barriers facing environmental auditors and how to overcome the barriers,
- environmental audit plans for the next five years (numbers increasing),
- other activities foreseen for the next five years (sustainable development is seen as top priority),
- international accords and cooperation between SAIs (96% think cooperation between SAIs is useful),
- most used and most important WGEA products (most used - web site, Greenlines; most important – guidance materials. Question: how to maintain the usefulness of older materials?),
- expected help from the WGEA and RWGEAs;
- ideas for the next work plan (energy efficiency, renewable energy, climate change, etc – listed in the order mentioned)

The full overview of the survey with all the countries' responses is also available.

### **Web Site Statistics**

The Chair then continued with the statistics of the use of the web site.

The overview covers the period from June 2009 to 25 January 2010. The Chair explained the statistics and graphs of the presentation, going over the visits (more than 7000), page views (more than 25 000), the traffic sources (direct, referring and search engines, e.g. Google).

He described the geographical distribution of the visitors by country, inside a country (Canada), by cities – visitors came from a total of 158 countries. Only very few countries had not visited the web site.

He listed the search keywords, content by title (the database page is most used).

### **INCOSAI 2010**

The last part of the Chair's presentation was devoted to INCOSAI 2010 and its potential recommendations, which would be influencing the work of the WGEA. However, it was impossible to predict exactly how. The Chair listed some potential outcomes:

- INCOSAI recognizes the importance of auditing sustainable development and energy
- INCOSAI encourages to develop additional guidelines on auditing sustainable development
- INCOSAI encourages cooperative audits in this field
- INCOSAI hopefully empowers also INTOSAI WGEA

The Chair reminded the group that today was the deadline for submitting the country papers. He hoped that the Chinese colleagues would comment on it.

The representative from China said that they were preparing the discussion paper. As of the week before they had received 38 country papers. These would be carefully studied and used for preparing the discussion paper. China also asked if they could use the Sixth Survey, as it was another important resource for the discussion paper.

The Chair was happy to share the results of the Sixth Survey, though, asking the SC if anyone was against it. He also proposed to discuss the work prepared by China at WG13, so as to have the work plan develop along the same lines as the INCOSAI recommendations.

China proposed to discuss Theme II sooner than at WG13, communicating and reviewing the proposed discussion paper via e-mail, in April or May.

The Chair agreed with the proposal and thanked China for the good initiative.

Poland pointed out that of the 32 country papers that had been received by the week before, 19 came from Europe.

The Chair concluded the discussion by warning against pursuing a parallel process with respect to the INCOSAI principal paper. The Working Group should be following the same line as INCOSAI.

He then explained the working procedure to follow next: work in groups, defining the strategic goals and listing ideas for work plan activities, with presentations to wrap up the work of the groups.

#### **Day 4**

**Thursday, 18 February 2010**

**Brainstorm Session: Work Plan 2011-2013**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

In this session the groups presented their ideas concerning the strategic part of the next work plan.

#### **Group 1**

Mr Steven Elstein:

- Vision and goals
  - No changes are necessary.
- Meetings
  - The European perspective – could have fewer meetings.
    - o Given the three-year operating cycle, one WGEA meeting.
    - o More emphasis on regional meetings.
  - Recognition that the emphasis on fewer meetings might be softer in regions that meet less often than EUROSAI
  - Project specific meetings where smaller groups get together.
  - Organise combined meetings.
- Priority topics
  - Climate change continues to be topical – the issue of our times.
  - Continue with climate change, but evolving, elaborating on what has been done already, not repeating.
  - Focus on adaptation, fleshing out some of the messages, and demonstrating the work individual SAIs do on adaptation.
  - Technology transfer, ways of using it. This had been proposed by the Chinese delegation during the Bali meeting, citing the value of satellite-derived data as an example in which many SAIs were using the technology to develop and support key findings.
  - Fraud and corruption (Norway),



- Prevention and response to natural disasters.
- Assurance of sustainability (In the UK environmental reporting is included in the government's and government departments' annual reports, it is likely that the audit office will have to provide assurance).
- Overarching message – do we have environmental information to make intelligent decisions. A broader issue, environmental accounting is just one tool among others.
- Major goals
  - Attention to RWGEAs – a lot of progress has been achieved in some of the regions. EUROSAI has been active from the beginning, others have now really come along.
  - Wider recognition of the value of SAIs outside the audit community. Over the past 3 years a lot of progress has been achieved.
  - Make sure the audits have impact on national, regional and global level.
  - No major change required.
  - All issues equally important for the coming period.

## Group 2

Mr Jonathan Keate

- Vision and goals
  - No major changes in the vision statement, add current generations to future generations
- Guidelines
  - We should continue in this direction, it has been very useful.
  - Could have other types of papers as well, research papers, study papers.
  - Review the existing guidelines to see which to update and refresh.
  - Valuation or review process of guidances for effectiveness and usage
  - More use of the website for sharing experience
  - Strongly encourage the SAIs to use guidelines, if existing for their themes
  - Training materials should be developed, as very useful
  - Guidances turned into best practice
- Meetings
  - Greater regional cooperation
  - There is logic in a SC meeting before the WG meeting
  - Regional cooperation (PASAI region – active, new secretariat)
  - The SC has to meet reasonably regularly
- Priority topics
  - Did not list by priority.
  - Climate change, adaptation
  - Water issues – to be updated, important for PASAI, AFROSAI
  - Air quality
  - Waste
  - Food supply
  - Environmental indicators
  - Research based projects
  - Teaching issues
  - Environmental resources accounting
  - Sustainable development
- Goals
  - Existing goals generally fine.
  - Maybe broaden the range of products.
  - Enhance the use of existing guidances rather than making new ones.

### Group 3

Mr Reed

- Guidelines
  - Whether to continue in the same direction – yes and no – we have to keep the existing guides, testing them for relevance on an ongoing basis.
  - Specifically it would be appropriate to update the water guide, since it was also listed as a priority topic. The original guide was prepared by the Dutch, but it was not written as a guidance. So as not to reinvent the wheel, it could be upgraded into a guide.
  - Greater use of studies as opposed to guidance documents, similar to the environmental accounting document.
  - A strong emphasis on ongoing training. The notion was that we have done enough work on how to audit, now we should be moving towards a module based approach, with emphasis on training (e.g. the Norwegians' work on climate change).
  - There is a need to make connections between different subjects, as opposed to treating them as stand alone themes; forest management, water use, biodiversity – they are all connected in the real world.
- How to keep things relevant
  - There is a need to update materials, taking the relevant content and getting rid of the old material which is not relevant any longer.
  - All existing guidance materials must be subjected to continuous evaluation for relevance and timeliness.
  - Direct communication is required with the users and readers, maybe not through the 3-year survey only. Evaluation must be much more direct and ongoing, maximising the use of the web.
- Meetings
  - Continued emphasis on regional approach.
  - No real change is needed regarding the structure and number of working group meetings - 2 per 3 years.
  - The Steering Committee have had a pretty heavy year – 5 guidance papers, etc – not that that was wrong, this is the role of the SC. The notion is that as the nature of the work in future changes the role of the SC meetings will change with it – may not need 3 meetings, maybe can make decisions otherwise. Rightsizing the role of the SC through the work and activities.
- Topics
  - Not too many new pieces of guidances
  - Land use, in agriculture
  - Water quality and quantity
  - Access to high quality data about the status of the environment – where to get credible data, how to deal with audits in case credible data is not available? This is also a recurrent theme in the climate change audit paper. Got to go beyond calling up the WHO or UNEP for data.
  - Specific project: the 20<sup>th</sup> anniversary of the Rio Earth Summit in 2012. Maybe a status report could be prepared.
  - Support to the corruption issues proposed by Norway
  - Air quality, especially urban air quality
- Strategic issues
  - Need to improve what the WG does on a strategic level, demonstrating for the senior management the value added by this organisation.
  - Sustainable development – if INCOSAI endorses that more work is needed on sustainable development, the WG would be the logical entity to undertake the work.
  - Status report on RIO Summit. Rio had a huge agenda. Maybe each country could do a status report, following a uniform structure, regarding the progress on commitments.

- Related to the Rio idea – right now most countries must submit sustainable development reports as a follow-up on the Rio summit, maybe the WG could produce a report valuating the quality of these reports.
- Need to focus on helping SAIs to look at environmental issues in non-environmental audits, by integrating the environment into all their work.
- How to achieve that environmental accounting becomes a profession?
- Goals – vision
  - Fine in their existing form.
  - Expand the quality of the guidance materials.

The Chair thanked all three groups and their presenters for putting together a hugely impressive list.

In order to organise the summary discussion concerning the next work period issues in a more structured way the Chair had listed all the common issues from the presentations, divided into general issues and further thoughts on what can be done. He presented the work and sought the group's opinion and agreement regarding them. He invited anyone who did not agree or wished to add something to speak up, otherwise silence would be considered agreement.

- The vision and goals are to remain the same, but add the word “training” and “E-learning”.
  - Upon the request that came from the floor, the current generation should be emphasised as well in the vision, not just the future generation.
  - The principle of sustainable development is added, if INCOSAI so decides.
  - Continue the pattern guide>training>web>pilot audit;
  - Concentrate on training/e-learning, if possible;
  - Not more than 2 additional guidelines (in the current form) in next WP period (including up-date);
  - Shorter, up to 20 pages valuable studies (max 5);
  - Develop max one ISSAI (if needed) as best practice;
- The Chair explained in some detail what ISSAIs were: documents officially adopted by INCOSAI after following a very long (2 years) and thorough process. They are formally translated into the five languages, are sent for comments to the INTOSAI community, are adopted and then become INTOSAI standards. Disadvantage - revising would have to follow the same procedure. Advantage - better outreach to the INTOSAI community.
- Keep 2 meetings per work plan period; face to face meetings are very useful for knowledge sharing, even if travel is expensive. Any meeting must be put to maximum use.
  - Chair will consider the options for web based editing, commenting, building living documents (e.g. WGEA Wikipedia).
  - Regional perspective – cooperation, support, cooperative audits etc.
  - Continue relations with international organisations, UNEP etc.
  - Change goals to also address:
    - o Guidelines “and studies” -expand, update, harmonize;
    - o Cooperation with other WGs;
    - o Wide recognition of the value of SAIs outside the audit community, e.g. auditors in UN organisations

The Chair also listed further topics to be taken into consideration in future activities –

- o Concentrate on subject matter in trainings rather than auditing
- o Survey the usage and value of products;
- o Guides should contain more tools, practical process cases;
- o Too much workload/too hard –less guidelines, less technical work in SC;
- o Look for option to combine meetings, where possible;
- o Influencing accounting profession on environmental accounting;
- o Greater impact of audits of national, regional and global level;

- Fully effective regional WG at the end of next WP period;
- Good presentation of the WGEA work progress inside and outside INTOSAI. Report what can be easily read and presented also inside the SAI.  
How to communicate better what we do. Maybe prepare a work progress report, that can be sent after meetings to your supervisors and management.  
At INTOSAI Governing Board and Management level we have to work more.

Mr Pretorius, South Africa, proposed that a proper global risk assessment should be prepared, explaining what the real risks are – climate change or some other issues, that need to be attended to. It is necessary to establish how SAIs can play their role and be more proactive, issue early warning signals, fly the red flags when things are going wrong, warn the governments in time of the risks. Policies, international accords, national legislation should be assessed for adequacy by SAIs. Any global risks should be subjected for in-depth analysis.

Accountability and the issue of implementation of change play a key role here – the SAIs can audit, how implementation is done. Many governments undertake commitments, but do not follow through and this is a global risk.

We should consider the role of existing INTOSAI structures, avoiding duplication, when we talk about capacity building.

The Chair thanked Mr Pretorius and made a connection of what he spoke about with INCOSAI 2010 – the issue of accountability and following through on agreements will be taken up at INCOSAI.

Ms Goldsmith, UK agreed with Mr Pretorius and recommended that some of the points taken up by him should be added to the list, whereas at the same time an attempt should be made to narrow down the long list.

The Chair thanked all the speakers.

The full list of ideas was distributed to the groups to prioritize them.

### **Work Plan 2011-2013 List of ideas**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

To prepare for this session the three groups led by Mr Elstein, Mr Keate and Mr Reed worked on concrete ideas for the next work plan. To structure the discussion in groups and to facilitate the joint discussion thereafter the groups had to follow a template with questions and follow a mechanism to work out priorities by assessing the relevance of the items. In the joint session that followed the groups presented their ideas as follows:

<b>Please identify top 3 new guidelines needed</b>
Group 1 - Water management - Air pollution, quality - Fraud and corruption in environmental auditing
Group 2 - Land use (incl. urban planning) - Agriculture, Food sustainability - Prevention and response to natural disasters
Group 3 - Land use planning, agriculture - Fraud and corruption - Oil and gas - Accounting (the link between environmental accounting study to the accounting profession)

The Chair invited interested project leaders for the subjects to come forward, a proposed project without a project leader will not be pursued. The Chair also saw that in addition to deciding on the two topics for guidelines, there was ample fruit for thought regarding the common themes for the next work plan period.

<b>Please indicate the relevance</b>	<b>Group1</b>	<b>Group2</b>	<b>Group3</b>
Up-date of water guideline	3	3	3
Up-date of guidelines	2 Waste	Sustainable development 2	Hazardous waste 2
Any of the existing guideline developed to ISSAIs	1	1	1

NOTE: MEAs document update regarding ISSAIs - to have one document.

Group 1 comment regarding updating guidelines in general: there really is a need to take a systematic approach to updating.

Group 3 comment regarding the UNEP handbook: will this come under this work period or next? Group 3 not convinced that any WGEA document ought to become ISSAI.

The Chair summarised: there is a clear need to update the water guideline. In general a systematic approach to updating has to be worked out.

<b>Please identify top 5 new research-studies</b>
<b>Group 1</b> <ul style="list-style-type: none"> <li>- Infrastructure</li> <li>- Environmental data and indicators</li> <li>- Cost effectiveness of policies and program implementation (value for money)</li> <li>- Methodological tools (e.g. GIS)</li> <li>- Integrating environmental concerns into other disciplines (The fourth E)</li> </ul>
<b>Group 2</b> <ul style="list-style-type: none"> <li>- Environmental data and indicators</li> <li>- Methodological tools (innovative approaches used by SAIs)</li> <li>- Integrating environmental concerns into other disciplines</li> <li>- Environmental taxation system (economic instruments used in environmental management)</li> <li>- How to build a sustainable office (green SAIs)</li> </ul>
<b>Group 3</b> <ul style="list-style-type: none"> <li>- Environmental data and indicators</li> <li>- Integrating environmental concerns into other disciplines/topics</li> <li>- Disaster planning and response</li> <li>- Environment and sustainability reporting assurance (link to RIO+20)</li> <li>- Environmental taxation system</li> </ul>

The Chair summarised the common themes: Environmental data/indicators, methodological tools, integrating environmental concerns into other disciplines, environmental taxation.

<b>Please identify needed top 2 new training courses developed globally</b>
<b>Group 1</b> <ul style="list-style-type: none"> <li>- Forestry</li> <li>- Climate change</li> <li>- Systematic analysis on whether and which of the others are warranted, incl. water management</li> </ul>
<b>Group 2</b> <ul style="list-style-type: none"> <li>- Climate change</li> <li>- Forestry</li> <li>- Mining</li> </ul>
<b>Group 3</b> <ul style="list-style-type: none"> <li>- Climate change</li> <li>- Forestry</li> <li>- Energy</li> </ul>

<b>Please indicate the relevance</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>
Workshop on the following up of environmental audit recommendations	2	3	2
Up-date and develop the EA training course for global use, find the place for regular delivery for all interested SAIs. EA certificate?	2	2	3

The Chair saw the above as work that can be undertaken by the regions.

<b>New web enhancements, please indicate the relevance</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>
WEB page – SAI's footprint application. How big is your SAI footprint	1	1	1
WEB page – to find Environmental statistics/trends about my country inc. SAIs provide environmental trend reporting about their own country	1	2	0
Web-page to address “news” on Climate Change	2/3	1	?1
Allow comments to guidelines in the web – each separately	2	3	3
HelpDesk for auditors – “get answer from expert”	1	3	?1

NOTE: advertising WGEA's website in other websites (e.g. UNEP)

Group 1 comment: it is a real commitment to maintain the web site, the decision has to be carefully considered.

Group 3 wished more clarity regarding the question regarding “news” on climate change and also doubted the usefulness of the Help-desk. Group 1 thought the news should be such as to have practical value for auditors, not just general information on climate change.

Group 3 also pointed to the need to find ways of advertising the WGEA web site on web sites of other organisations (UNEP), e.g. publicity banners or links to other web sites.

<b>Please indicate top 2 global/regional cooperative audits</b>
<b>Group 1</b> <ul style="list-style-type: none"> <li>- Global audit on climate change adaptation</li> <li>- Forestry</li> <li>- RIO +20</li> <li>- Audit of MEA process</li> <li>- Not joint, but rather parallel audits and cooperative audits</li> <li>- EUROSAI climate change adaptation audit (EUROSAI secretariat to coordinate)</li> </ul>
<b>Group 2</b> <ul style="list-style-type: none"> <li>- ASOSAI: climate change adaptation and forestry</li> <li>- AFROSAI: mining and forestry</li> <li>- ARABOSAI: sustainable energy, parallel audit</li> <li>- PASAI: climate change adaptation and fisheries</li> </ul>
<b>Group 3</b> <ul style="list-style-type: none"> <li>- RIO +20 status report (not as a usual audit)</li> <li>- Energy</li> <li>- Climate change adaptation</li> </ul>

Poland pointed out that EUROSAI was seeking SAIs interested in the adaptation audit in Europe

The Chair shared with the SC the news recently received from IDI which go hand in hand with the WGEA priorities – the regional cooperative audit is to go ahead: financing had been put in place, the topic of forestry had been chosen and regions selected (AFROSAI-E, ASOSAI etc). IDI has asked the WGEA to participate in the project and is sending a written proposal in 2 weeks.

<b>Please indicate the relevance</b>	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>
Greenlines	3	3	3
7th Survey	2	3	3
Annual environmental audit collection	3 in English	3	3
Attending COPs	2	1	?
Attending RIO 2012 (results of audits/status report)	1 or 2	3	3
UNEP partnership	Strong 3	3	3
Partnership with donor organisations, Asian/African development bank, IDI,	3	3	3
Increase the cooperation with other INTOSAI WGs, professional standards committee of INTOSAI, fraud committee	3	3	3

All groups praised the Secretariat, and especially Ms Lassi, for the surveys. Group 1 thought that maybe some thought should be given as to how to continue, whether it was time to make some changes.

Group 2 put forward the proposal that the 7<sup>th</sup> survey could be used to gather information for the new studies as well, so that SAs do not have to respond to different surveys.

As regards attending COPs etc, Groups 1 and 3 wished to make a distinction between attendance, cooperation, making an input. All meetings cannot be equally relevant, and attendance should be decided according to relevance.

The Chair summarised the discussion:

It is clear that the WGEA wants to go international, outside the INTOSAI community. To do so, there is a need for a clear message regarding the international plans in the work plan as well. One thing is audits to national governments, but if we want to reach international communities and be well known, we have to define in the work plan the message we are sending with our work, whether it be climate change or anything else.

It is necessary to form an umbrella understanding and work out the broad-level priorities.

The priorities are more or less clear from the work of the groups and the discussion.

A whole host of ideas can be picked up by regional coordinators.

As regards future work on the work plan, the Secretariat will send the table with the proposals to the participants.

There is enough material for the Secretariat to put together a draft work plan, which will be sent to the SC members before the WG13 meeting in China.

The Chair once again reminded the SC to start thinking about project leaders. That would be a process that would probably help narrow down the themes as well.

The Chair thanked all groups and their leaders for their active input.

The Chair also announced two more meetings: the current project leaders meeting will be held over lunch.

The MEA Subcommittee, lead by Estonia, will meet shortly after the meeting.

## **Afternoon Session**

### **WG13 Agenda**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair explained the preliminary agenda for WG13 in China and invited the SC to comment.

The meeting will be held in Guilin, Guangxi, China P.R. from 7 to 11 June 2010.

7 June, day one will be devoted to an environmental excursion, followed the welcoming reception organised by the hosts.

8 June follows the traditional layout:

- Introductions by AG of Estonia and AG of China, local dignitaries

- The draft work plan for the next period will be presented on the first day and hopefully adopted on the last day
- Overview of 6<sup>th</sup> survey
- The afternoon will be devoted to regional meetings so as to give time for the regions to meet and develop additional input for the work plan. Regional coordinators can plan this time as they see fit.
- A key-note speaker – not specified yet

#### 9 June – Climate Change Day

- Global coordinated audit and European coordinated audit experience shared by Canada and Poland. Emphasis on lessons learned. If Brazil has material ready by the time – is very welcome to present as well.
- COP 15 feedback
- Full presentation on climate change guidance and tutorial
- Key-note speech on climate change
- Parallel sessions – training: mitigation, adaptation

#### 10 June

2 sets of parallel sessions

Morning:

Minerals and mining, sustainable energy and MEAs

After lunch:

Forestry, fisheries, environmental accounting

Project leaders have agreed to facilitate the sessions. Duration – 2.5 hours set aside. A different approach from the Qatar meeting is proposed: SAIs have been asked to send short (a few pages) country papers on all the subjects, some SAIs will be making presentations, followed by the presentation of the guide and tutorial and discussion.

Given that South Africa cannot participate in China, someone else would most likely present the fisheries guidance, maybe Canada

The day will finish with another key-note speech.

#### 11 June – reporting day

- Regional progress reports
- The Chair's progress report
- Adoption of the work plan for next period
- Next meetings – times and possible venues

Poland wished to know how many SAIs would deliver presentations during parallel sessions. There'd been earlier complaints about the length (rather shortage) of time left for discussions.

The Chair thought that normally there would be 3-5 presentations, depending on content. He proposed to leave the decision at the discretion of the project leaders.

A SC member wished to know if the INCOSAI theme paper would somehow feature on the WG13 agenda.

The Chair admitted that there was nothing yet on the agenda about the theme paper and proposed to use the parallel sessions for that.

He also reminded the SC that the Chinese colleagues had explained the day before that by the time of the China meeting the theme paper would have been sent to INCOSAI already. China had offered to send the draft of the theme paper to the SC members for comments in April.

Poland also wished to know, who would chair the parallel sessions – if project leaders would be responsible and proposed some theses to be prepared to facilitate discussion.



The Chair responded that all project leaders had agreed to lead the sessions, except South Africa.

Norway asked if the timing of the key-note speech at the end of each day was deliberate.

The Chair was willing to change the times if deemed necessary.

USA proposed some flexibility for the structure of parallel sessions: maybe it would be better first to explain the content (e.g. of environmental accounting), to set the stage and to provide context for the subsequent speakers.

The Chair absolutely agreed: it would be up to the project leaders, they can use all the flexibility needed - the sole purpose of the exercise was knowledge sharing and learning.

The Chair thanked the speakers and invited further ideas and comments, if any, during the build-up to the meeting.

### **Cooperation Strategy**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair presented the agenda item. A decision was made in Bali to rename the strategy into cooperation principles.

The revised document includes the changes from the Bali meeting. The proposal is not to adopt the principles as a WGEA document, but rather have these principles in mind when planning activities. Maybe the document could be adopted as a SC document. The document will be put on the web site.

The Chair asked if anyone objected to the proposition or the document itself.

There were no objections.

### **Greenlines**

*Steven Elstein, Assistant Director, USA*

Mr Elstein as chief editor of Greenlines is looking for a volunteer of a new feature story.

Mr Elstein thanked Norway for the last feature story, which had been submitted in such excellent form that needed very little work from the editor.

Mr Elstein asked the SC's opinion about the timing of the next issue. The last Greenlines came out in December, normally they are about six months apart. He thought if the next issue were to come out after WG13, then the issue could include some material on WG13 and also about the upcoming INCOSAI.

The Chair thought that an excellent idea. Thus the Greenlines could be distributed at INCOSAI. Greenlines could be used for pre-advertising as well – what WGEA is doing at INCOSAI. It is important to use every possible channel.

Mr Elstein invited the SC to think further on the content of Greenlines, e.g. whether and how it could be used to advertise guidance papers etc. If warranted, special editions could be considered as well. The current year seems to offer more content that could be communicated via this vehicle. Mr Elstein maintained that he is ready to accommodate anything that the group would wish.

The Chair thanked Mr Elstein for his commitment and also pointed out that the project leaders were planning to use Greenlines for communicating the guidance materials.

### **Action Items**

*Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia*

The Chair wrapped up the three days of hard work by going over all the action items.

He started by briefing the SC about the meeting that had taken place over lunch with project leaders. The issues discussed touched upon logistics and timescale. The Secretariat will send out a reminder by e-mail as

well. The remaining schedule is very tight but the Chair said he was fully confident that the schedule can be met.

#### Action items for projects

##### The Steering Committee:

- Approved all drafts of the guidance documents and the study on environmental accounting. Some work still needs to be done here and there.
- Approved the communication plans for the projects.
- Approved the primer for auditors on MEAs and formed the sub-committee.

##### Further action regarding guidance materials:

- Editing of the document of forestry and sustainable energy is completed – the Secretariat will forward them to the project leader ASAP (next week the latest).
- Fisheries and minerals and mining to be completed by 2<sup>nd</sup> week of March.
- Climate change guidance to be sent to the SAI of New Zealand for editing by 15 March.
- Environmental accounting shortly to be ready for desktop publishing.
- Very important! All changes in the guides to be made in the edited versions, except climate change (implement the comments in the current draft).
- Comments to be sent to the project leaders ASAP.
- Comments should be as precise and clear as possible given the stage of completion of the projects.
- Please send copy to the Secretariat of all comments.

##### Guidance materials up-coming deadlines:

- Desktop publishing March-April
- Sent out to WG for commenting 1 May 2010 latest
- Approval and tutorials 7-11 June 2010 in China
- Design: desktop publishing by the secretariat
- Printing: to distribute some paper copies (brochure with executive summaries) during XX INCOSAI

##### The following communication plan was agreed:

- INCOSAI
  - Ceremony to get attention
  - Electronic distribution
  - Printed executive summaries – brochure
- Journal and Greenlines
  - Provide article to Journal
  - Article to Greenlines
  - Help to identify feature story
- WG meeting in China
  - Tutorials, Training (CC)
- Distribution letters to whole INTOSAI, special attention to regional chairs, EURORAI
- Identify outside organisations to distribute (UNFCCC, IPCC, UNEP, WWF etc.)

##### The following innovative ideas and good initiatives should be pursued further:

- Regional meeting in China to identify regional interest for training, cooperative audits
- Get governments' attention (letter/ face-to-face)
- Face to face meetings with UN and other organisations
- Release through media
- Introduce all guides in RWGEA meetings
- Regional training and seminars (if/when available)
- Distribution to academic institution and libraries
- Translation

Additional activities for guidance materials:

- Have poster(s) on all the guidance materials.
- Combine all the documents and the global audit in INCOSAI
  - Have a side event, distribute the materials (South Africa can give some help in getting a slot)
  - Invite senior representatives
- Try to get environmental accounting in the agenda of INCOSAI
- Update the old natural resources accounting in the web with the new environmental accounting study –remove the old one.

MEAs:

- Audit case studies on MEAs needed. The Secretariat will be asking for cases with the annual audit collection shortly.
  - Secretariat to be leading the work from the WGEA side.
  - Sub-committee formed, members
    - Brazil
    - Canada
    - New Zealand
    - Norway
- The Chair thanks the volunteering countries.
- Emphasise that when starting the audit it has to be scoped very carefully.
  - Explore the option to invite the Executive Director of UNEP to INCOSAI.
  - Have a side event about the role of auditors in the Governing Council of UNEP.
  - UNEP has secured the funds for printing the handbook on MEAs.

Strengthening cooperation with the UNEP:

- UNEP is willing to sign a Memorandum of Understanding (MoU) with WGEA in order to set the framework for the cooperation (so as to be able to comment on the WGEA documents sent to UNEP for review etc). WGEA cannot sign a document like that without going through the required procedure with INTOSAI.

Coordinated audit on climate change:

- Aiming for the draft to be ready in mid September.
- Form a communication plan in line with the ready product.
- Help expected from the Secretariat to communicate the project to the external organisations.

Biodiversity web page:

- When the draft is ready, the Secretariat sends the link for the steering committee to comment.

The Chair invited comments from the SC, but there were none.

The Chair invited everyone to a closing reception that evening.

The Chair also recommended that the SC members remain in the meeting hall after the official close of the meeting to watch a DVD provided by the Chinese colleagues to introduce the location of WG13 or pick up a copy of the DVD.

The Chair also urged everyone to fill in the feedback sheets, so that lessons could be learned to improve future meetings.

## **Closing Remarks**

*Mihkel Oviir, Auditor General, Estonia*

Mr Oviir thanked the hosts, all colleagues, project leaders, SC members, the Secretariat and the Chair for working hard for three days under the African sun. The brainstorming leads to future plans, all aimed at assuring the quality of the work done by WGEA. Such meetings are the best tools for knowledge sharing and learning.

Future events to look forward are WG13 and INCOSAI XX.

Officially closing the meeting Mr Oviir once again thanked the participants, wished everyone a safe journey home, and hoped to meet again in China.

The Chair thanked the organisers, especially Mr Edwin Rweyemamu, as well as his Secretariat team of Ms Margit Lassi and Ms Kairi Raudsepp for mission accomplished.

The meeting thus stood adjourned.