

Audit of the Provisions of the Convention on Cooperation for the Protection and Sustainable Use of the Danube River (Croatia)

Theme: Protection of Water

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1. INTRODUCTION

The State Audit Office is a new institution of the new, independent and democratic state of Croatia, founded on the bases of the State Audit Act at the end of 1993 and headed by the Auditor General.

The internal organisation of the State Audit Office is embodied in the foundation of the Central Office in Zagreb and the 20 regional offices in the county centres, with the same authorities and concerns as the Central Office.

The State Audit Office has a special, independent position within the system of government. It is strictly separated from executive government and answerable only to the Parliament. It has broad but nevertheless precisely determined authorities for the control of public expenditure at all levels and in all aspects, through all the phases, from planning, decision making, collection of the resources, allocation and spending.

This means that auditing, as control mechanism for the whole process, takes in the realisation of revenue, execution of assignments, financial transactions and financial reports of government in the broadest sense in all bodies and all functions. It also includes auditing of units of local self-government and administration as well as the beneficiaries of their budgets [spending agencies], and of all legal persons who are partially or entirely financed from the Budget and in which the state, or the local government unit, has a majority holding in shares or equity.

In connection with this, auditing implies control of legality in operational matters, which is the basis for every audit, and also includes the rendering of an evaluation about the efficiency and economy with which the activity is carried out and the effectiveness with which the objectives of given programmes are realised. Audits are carried out in accordance with INTOSAI Auditing Standards.

2. ENVIRONMENTAL AUDIT

2.1. Background

The State Audit Office is a member of INTOSAI since 1994 and of EUROSAI since 1996. The obligations that derive from the membership of these organisations require continued efforts and the involvement of the Office in the activities of these organisations and their working groups set up for the development of areas of special interest for state auditing and for the coordination of the methodology of work and the reinforcement of collaboration among supreme audit institutions.

One of the examples of the SAO's international cooperation activity leads us in the year 2000, when Romanian Court of Audit invited the State Audit Office of Croatia to join the initiative for parallel/coordinated audit of the provisions of the Convention on cooperation for the Protection and Sustainable use of the Danube River (Danube Convention), together with SAIs of other countries – signatories of the Convention.

Since the above listed mandates of the SAO made it possible to audit regularly the state activities with environmental perspectives, the SAO - aware of the major importance of the water protection as a global problem, welcomed the idea and joined the initiative.

First meeting was held in Bucharest in December 2000, where questions what approach and what kinds of co-operation to choose were discussed. As a result, a Common Position on Co-operation over parallel/coordinated audits of the Danube Convention was signed by the SAIs of Bulgaria, Croatia, Romania, Slovakia and Slovenia.

2.2. Purpose, subject and audit methodology

The purpose of the audit was to assess the implementation of the provisions of the Danube Convention, express an opinion and contribute to the efficiency of the implementation of the Danube Convention by preparing the recommendations with respect to the elimination of the deficiencies in the compliance with the said provisions.

Subjects of the audit in Croatia were:

- 1) State Water Directorate, which has legal obligation to carry out provisions of the Convention, and
- 2) Croatian Waters, legal entity for water management of state and local waters, although a number of services of other bodies and institutions were involved.

The audit **focused on** following provisions of the Danube Convention:

1. Exchange of information on bilateral and multilateral agreements, legal regulations and measures in the field of water management; exchange of legal documents and directives and of other publications; other forms of the exchange of information and experiences (Article 4.b),
2. Record conditions of natural water resources within the Danube River catchment's area applying agreed quantity and quality parameters including the methodology concerned (Article 5.a),

3. Adopt legal provisions providing requirements including time limits to be met by waste water discharges (Article 5.b),
4. Enumerate ground water resources subject to a long-term protection as well as protection zones valuable for existing or future drinking water supply purposes (Article 6.a), and
5. Prevention of pollution of the ground water resources (Article 6.b).

Referring the **methodology** used, in order to generate information about the implementation of the particular environmental provisions in question, a variety of documents including the Danube Convention, acts of law, regulations, policy documents, maps and relevant statistics were analysed. Additional questions were further explained by questionnaires. The auditors also held a number of meetings and conducted interviews with representatives from the State Water Directorate and Croatian Water, as well as with some representatives from other institutions related to the implementation of the provisions of Danube Convention.

The audit covered **period** from January 1999 - when Convention set in force, till May 2001.

2.3. Audit conclusions and results

The main conclusion of the audit was that by conducting the water management activity and developing it continuously through the competent institutions, the Republic of Croatia *fulfils the undertakings assumed by the adoption of the Convention on Cooperation for the protection and Sustainable Use of the Danube River (Danube Convention)*.

However, there are still certain fields in which the increased efforts are necessary to be put in to completely fulfil the undertakings.

In accordance with the foregoing, the State Audit Office hereby passes the following conclusions in this matter:

- 1) By signing the Danube Convention and with respect to the fundamental issues of the water management, the parties in Article 4.b agreed to exchange information on bilateral and multilateral agreements, legal regulations, documents and directives in the field of water management and to cooperate in other manners.

The Republic of Croatia has, given the conditions, complied to the highest possible extent with the undertakings stipulated in the above-referred Article.

However, it is necessary to seek ratification and implementation of bilateral agreements with neighbouring countries with which it hadn't been done yet, and through them further develop modalities with neighbouring countries to address water management issues in border areas.

- 2) In accordance with Article 5.a, the parties who ratified the Danube Convention have also undertaken to record the conditions of natural water resources within the Danube River catchment area applying agreed quantity and quality parameters including the methodology concerned.

The Republic of Croatia fulfils this provision. However, when acting in this matter, it is necessary for it:

- to make certain improvements in the continued, up-to-date inclusion of data into the Trans National Monitoring Network,
 - increase the number of examined water quality indicators while examining the water quality,
 - apply to a greater extent the proposed ISO standards,
 - prepare the annual reports on the results of all water quality examination programs and to make the monitoring program results available to various users and the public, all in order to achieve the ultimate monitoring goal - the protection and preservation of waters.
- 3) In accordance with the provisions of Article 5.b of the Danube Convention, the adoption of legal provisions providing for requirements including time limits to be met by wastewater discharges is foreseen.

In the Republic of Croatia, the legal provisions on the requirements to be met by wastewater discharges are adopted. However, the implementation thereof is dependent upon the fulfillment of several conditions precedent, such as *inter alia*:

- adoption of the County Plans for Water Protection;
 - standardization of the modes of maintaining the Registers of Water Management Permits;
 - continuous control of compliance of the wastewater composition with the water management permits issued to entities effusing the wastewater into public sewerage systems and natural reservoirs in their ordinary course of business; and
 - involvement of the Main Water Management Laboratory in the analysis of wastewaters.
- 4) In accordance with the provisions of Article 6.a of the Danube Convention, the signatories have undertaken to establish the groundwater resources and protected areas important for the present and future water supplies, which are placed under the long-term protection. The SAO funded that knowledge on the quantity of groundwater in the whole territory of the Republic of Croatia is unsatisfactory and groundwater has not been sufficiently researched in all fields.

It is found as necessary:

- to establish the total quantity of groundwater suitable for the water supplies, and
 - commence the work on the preparation of a new regulation on the conditions and modes of defining the sanitary protection zones, pursuant to which the protection of groundwater shall be implemented.
- 5) Under Article 6.b of the Danube Convention, the Republic of Croatia committed itself to the prevention of the pollution of the groundwater resources on a long-term basis, especially of those reserved for the potable water supplies from the pollution caused by the nitrates, plant protection agents, pesticides and other hazardous substances.

The water protection in the Republic of Croatia has been conducted pursuant to the Waters Act and the State Plan for Water Protection, whereas on the local level - save for the City of Zagreb - the water protection plans have not been adopted.

To fully comply with the commitments stipulated in the said Article 6b of the Convention, it is necessary to:

- commence the introduction of the set of measures aimed to the reduction of the groundwater pollution by agro technological agents and to enhance co-operation between water, agricultural and environmental management in order to achieve more sustainable development;
- establish the adequate supervision in protected zones (in the vicinity of water wells);
- apply the efficient sanctions against the perpetrators;
- initiate the rehabilitation of the existing and the construction of new, adequate waste disposal sites;
- initiate, in co-operation with relevant authorities, compliance with the highest criteria in the water protection when rebuilding old or building new traffic systems;
- produce the operative plans for the implementation of the measures in the case of accidental pollution of state- and local- waters; and
- establish a uniform, integral groundwater and water wells monitoring program in the whole country.

The final result of the audit has shown as satisfactory for all stakeholders. First, the audit subjects praised recommendations given by the SAO as very useful. Second, Parliament and general public were informed about fulfilment of Convention's provision and work of audit subjects on protection and sustainable use of water. Third, the SAO widened its working field and enriched its methodologies, fulfilling at the same time its vision: to contribute to the increasing of common wealth. Also, comments made by the audit subjects that work approach of the audit team was extremely expert and professional, then discussions initiated in Parliament as well as interest of general public were approval that the SAO is "walking in the right direction" and encouraged us to continue with further development in the area of environmental auditing.

3. CONCLUSION

From our auditing activity it is clear that the SAO has integrated the issue of environment protection in its controlling activities, and that the "forth E" is included in the widest rang of audits.

From described experience, it is obvious that usefulness of such audit activity is multiple justified.

The audit on Danube Convention confirmed to us that each SAI can contribute to raising the nature awareness of the government bodies and general public, not only by carrying out environmental audits in their respective countries, but also by joint actions with neighbouring SAIs, improving information exchange in order to learn from each other's experience, coordinating actions and dealing more effectively with common problems.

We believe that our, as well as other here presented, examples will inspire all SAIs in their environmental auditing efforts to strengthen and increase their control initiative and that this event will provide the opportunities for sharing experience and further learning on this kind of auditing among all of us.