



**INTOSAI**  
Working Group on  
Environmental Auditing

*Executive Summary:  
Results of the Fourth Survey on  
Environmental Auditing (2003)*

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- Arabic: State Audit Bureau of Kuwait
- French: Office of the Auditor General of Canada
- German: Austrian Court of Audit
- Spanish: Office of the Auditor General of the Republic of Chile

# Executive Summary: Results of the Fourth Survey on Environmental Auditing (2003)<sup>1</sup>

Since 1992, INTOSAI's Working Group on Environmental Auditing (WGEA) has promoted the development of environmental auditing techniques and their widespread application by audit institutions. It has conducted four surveys over 10 years (1993, 1997, 2000, and 2003) to track progress on this work and identify areas where it can improve.

The report describes the results of the survey conducted in June 2003. It also analyses how environmental auditing has changed since the last survey in 2000, and presents the main changes that have taken place since the first survey in 1993.

## Response to the survey

The survey on environmental auditing was sent to all 185 supreme audit institutions (SAIs) that are members of INTOSAI. We received responses from 114 audit institutions—a response rate of 61 percent.

As in previous surveys

- The EUROSAI and ASOSAI regions are the best represented; 88 percent of EUROSAI members and 82 percent ASOSAI members answered our survey. The rate of response from ARABOSAI and AFROSAI members was below that in 2000.
- High-income countries are the best represented; 88 percent answered the survey. Compared with the 2000 survey, we have a higher representation of low-income countries (although at 39 percent, they are under represented).

## The mandates of the supreme audit institutions

Ninety-four percent of SAIs have a legislative mandate to carry out regularity audits and 82 percent have a mandate to carry out performance audits. Yet only 17 percent have a specific mandate to carry out environmental audits. The absence of such a mandate, however, does not prevent SAIs from conducting environmental audits.

Some SAIs also advise their country on environmental governance. This has remained relatively consistent since the 2000 survey, with about one fifth of SAIs advising on environmental legislation, policies and programs, capacity development, and performance tracking. However, SAIs are playing less of a "hands-on" role with government departments in developing environmental management systems and producing environmental reports (four to five percent less than in 2000).

## Environmental policies

For an SAI to audit its government's actions on environmental issues, the government needs to have environmental policies in place against which it can be evaluated (for example, a comprehensive green plan, environmental or sustainable development policies and programs, or laws and regulations on the environment). As in 2000, 93 percent of countries have an environmental policy. Some countries have a single national policy; others have numerous policies under various laws. Eighty-eight percent of the

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<sup>1</sup> The executive summary is available in all INTOSAI languages (Arabic, English, French, German, and Spanish). These summaries and the full report (in English) are posted on the WGEA Web site: [www.environmental-auditing.org](http://www.environmental-auditing.org) or can be ordered by e-mail: [environmental.auditing@oag-bvg.gc.ca](mailto:environmental.auditing@oag-bvg.gc.ca).

countries state the objectives to be achieved and 81 percent state the instruments to be used in their policies.

Eighty-five percent of the countries' policies are implemented by the national government; sixty-one percent are implemented by local, regional, provincial, or federal state governments.

### **Environmental auditing activities**

The survey results indicate that environmental auditing has been relatively stable since 1994. Sixty-two percent of SAIs said that they had completed at least one environmental audit since 2000.

Sixty-nine SAIs have produced 518 audits between 2000 and 2002. The Working Group on Environmental Auditing (WGEA) has posted on its Web site ([www.environmental-auditing.org](http://www.environmental-auditing.org)) those audits and summaries that SAIs have provided. They are available in one or more of the INTOSAI languages (Arabic, English, French, German, and Spanish).

### **Types of environmental audits**

Performance audits (including combined regularity and performance audits) have looked at a range of government responsibilities. Between 2000 and 2002, 232 audits were produced on compliance with environmental laws and regulations and 206 reports on the implementation of environmental programs.

The most common issues in environmental audits during the last three years were internal environmental management by public authorities or departments (148 reports), freshwater (130 reports), and waste (116).

### **Audit capacity**

We evaluated the environmental audit capacity of the SAIs that have experience with environmental audits (74 SAIs). Fifty-six percent (40 SAIs) have specific personnel dedicated to environmental auditing. Fourteen SAIs have less than one percent of their staff dedicated to environmental audits, and most of the others have between one and seven percent. Twenty-one of the 40 SAIs spend 2.5 percent of their budget on environmental auditing. However, 44 percent of SAIs have experience with environmental auditing but do not have specific personnel dedicated to environmental audit.

### **Planned audits in the next three years**

In the coming three years, 63 percent of SAIs are planning environmental audits. The audits are in the following areas: waste (48 SAIs); freshwater (37 SAIs); agriculture, pesticides, land development, and forestry (26 SAIs); ecosystems (21 SAIs); and nature and recreation (19 SAIs). Of the 72 SAIs, 13 SAIs are planning an environmental audit for the first time.

### **Barriers to environmental auditing**

Twenty-six percent of the 114 SAIs said that they are not experiencing any barriers to conducting environmental audits. Fifty-one percent of SAIs from EUROSAI indicate that they do not experience barriers to conducting environmental audits. However, all SAIs from OLACEFS and AFROSAI indicated that they are experiencing at least one barrier.

Some of the barriers identified by SAIs are the following:

- **Lack of skills or expertise in the SAI.** This is the most important barrier (58 percent). It was also the most important one in 2000 (50 percent). AFROSAI and SPASAI countries see lack of expertise as a main barrier (82 and 88 percent). For all the regions, the lack of expertise is one of the main issues (over 50 percent), except for the EUROSAI region (31 percent). Analysis by income level indicates

that lack of skills or expertise is the main barrier for the low- and mid-income countries (78 and 65 percent) and even for high-income countries (33 percent).

- **Insufficient government norms and standards, data on the state of the environment, and monitoring.** Forty percent of SAIs indicated that they were experiencing these barriers while conducting environmental audits.

Of the 114 respondents, 40 do not conduct environmental audits. For these SAIs, 83 percent said that the lack of skills or expertise is a very important barrier. These countries identified two key things that would help them start doing environmental audits: training or trained staff, and the availability of guidance and environmental standards.

### **Concurrent, joint, or co-ordinated environmental audits and audits of international environmental accords**

Much co-operation is already taking place between SAIs. Forty percent of the SAIs have exchanged audit information or audit experiences on environmental auditing with other SAIs. Co-operation between SAIs in environmental auditing has increased since the last survey. The percentage of co-operation has

- more than doubled for audits of international environmental accords, and
- almost doubled for co-operation on audits of environmental issues that are not an accord.

Twenty-eight percent of SAIs are co-operating on audits of compliance with international environmental accords, and 18 percent of SAIs are co-operating on other environmental audits. Some of the audits include the RAMSAR Convention and the MARPOL Convention. There has also been several regional assessments of common natural resources, such as the Danube River Protection Convention and the Helsinki Convention (Baltic Sea).

SAIs are interested in conducting co-operative audits in the future. Similar to the 2000 survey, 19 audit offices do not have, or do not anticipate having, any barriers to doing co-operative audits. None of the SAIs indicated a lack of interest in co-operating with other countries.

Audit offices also talked about the barriers they face in expanding their audit practice to include joint, collaborative, or co-operative environmental audits. The barriers include the following:

- lack of resources,
- lack of expertise within the audit office,
- difficulty in finding other partners,
- competing demands,
- problems with timing,
- compatibility of language, and
- compatibility in auditing systems.

### **Participation in regional working groups on environmental auditing**

The regional working groups on environmental auditing (RWGEA) offer a means to share expertise and find partners. Of the 74 SAIs doing environmental audits, 53 participate in regional working group, 8 want

to become members, and 6 want to participate in some of the regional groups' activities on environmental auditing.

### **Access to WGEA and SAI resources on the Internet**

The Internet is an important tool: it provides access to WGEA resources and allows SAIs to access each others' work. The last two surveys have asked SAIs about their access to the Internet. Ninety-six percent of SAIs have Internet access—a significant increase over the past three years and 90 percent have an e-mail address.

The number of SAIs with a Web site has grown from 56 percent in 2000 to 68 percent in 2003.

Governments in the SAIs countries have also increased their use of the Internet: 71 percent in 2003 compared to 55 percent in 2000. The majority of information on environmental policies or programs are posted on the Internet, which facilitates access for SAIs. Computers are being used more by governments; a net progress over the last three years.

### **Access to environmental reports**

Of the 74 SAIs that are doing environmental audits, 50 percent make their reports available through the Internet, 38 percent make them available in paper only, and 11 percent do not make them available publicly.

### **WGEA tools: Awareness and usefulness**

We asked three questions about awareness and the use of the ten WGEA products and compared the answers to those from the 2000 survey.

The working group still has some work to do to advertise its products. Awareness ranged from 41 percent for the "Green Auditing: A Global Challenge" video to 70 percent for the WGEA home page.

In general, SAIs used WGEA products less than during the last survey. However, those who are aware of the products find them very useful or somewhat useful. Eighty percent of them found the WGEA home page very useful and 65 percent found the booklet "How to Co-operate on the Audits of International Accords with Environmental Perspective" very useful.

### **The WGEA's role in addressing barriers with its products**

SAIs had specific comments on how WGEA products could be more useful. Some said the information was interesting but needed to be informed on what was available. Most suggested additional tools, such as guidance to cover a range of environmental issues and environmental auditing guidelines.

Audit organizations are looking for more support from the WGEA in the following areas:

- Seventy-five percent (85 of 114) were interested in more INTOSAI guidance on environmental auditing. Ninety-one percent of SAIs from low- and medium-income countries, 100 percent from the CAROSAI and SPASAI regions, 93 percent from the AFROSAI region, and 91 percent from the OLACEFS region were interested in more guidance.
- Seventy-six percent (87 of 114) were interested in training in auditing water issues. Ninety-six percent of SAIs from low-income countries and 88 percent from AFROSAI and SPASAI regions were interested in training in water.
- Seventy-eight percent (89 of 114) were interested in training in auditing waste issues. Ninety-one percent of SAIs from low-income countries, 88 percent from the CAROSAI and SPASAI

regions, 86 percent from the OLACEFS region, and 84 percent from the ASOSAI region were interested in training in waste.

SAIs are also interested in conducting audits on water and waste (80 percent and 83 percent). SAIs from low-income countries were particularly interested (91 percent for water and 87 percent for waste).

SAIs are also interested in training activities in other environmental areas. Seventy-three percent of countries (83 of 114) are looking for training in other areas such as land use planning, pesticides, atmospheric and industrial pollution, agriculture, forestry, and biodiversity.

### **Environmental issues facing countries**

In developing tools for the SAIs, it is important to look at what environmental issues are facing countries. According to SAIs in 2003, waste is the main issue followed by freshwater; air pollution; agriculture, pesticides, land development, and forestry; ecosystems; and nature and recreation. These environmental issues are similar to the ones that SAIs are planning to audit in the next three years; the one exception is air pollution. The top four issues are the same as in 2000, except that their order has changed. Waste has become even more important in 2003.

### **What should the WGEA do in the future?**

The main barrier to environmental auditing is a lack of skill and experience. SAIs are looking for training to improve their skills and gain experience; they are also looking for guidelines. This is where the WGEA can help.

The results of this survey match the actions proposed in the work plan for the Working Group, which covers 2005–07.