



## Message from the Chair of WGEA

Dear Colleagues,

I would like to sincerely thank all the 158 participants from 70 SAIs, and from a number of international organisations, who participated in the WG15 meeting in Tallinn in early June of this year. The best ideas are always hatched when people from different parts of the world come together to discuss common issues. The work plan that we developed together for 2014-2016, comprises a number of interesting, useful, and innovative project ideas.

As a novice in the INTOSAI working group meeting, my personal experience in joining the WGEA community has been exceptionally heart-warming. In my opinion, leading a working group or hosting a meeting is perhaps the best way to get actively involved and become aware of the support of other SAIs. Those who have hosted a meeting would probably agree, and I can only recommend taking the initiative.

The SAI of Estonia has chaired the INTOSAI WGEA since autumn 2007. Besides a financial commitment, it has also meant investing a certain number of working hours over the years, and in fact the dedication of the entire office staff. In my view, the chance to lead one of the INTOSAI working groups has been a valuable driving force for the Estonian NAO as a whole, thus also enhancing the development of auditing skills. One cannot overestimate the significance of international cooperation for encouraging auditors to undertake unfamiliar audit methodologies. Overall guidance of INTOSAI through substantive meetings, and in close collaboration with colleagues, has been of crucial importance in reaching out to the international community with the message of sustainable development.

Although the Estonian NAO is stepping down as chair of INTOSAI WGEA at XXI INCOSAI, we will continue our commitment toward environmental auditing across a range of issues. I would like to thank you for your active commitment in developing environmental auditing, as well as for your support to the Secretariat during the last 6 years.

Alar Karis  
Auditor General of Estonia

## Feature Story

### Improving Environmental Auditing and Environmental Quality Through Cooperation and Collaboration

The environmental problems of our time pose global challenges for all of us. Left unaddressed, they will result severe environmental damage and erode the social and economic fabric of our individual and collective communities. Indonesia's Badan Pemeriksa Keuangan (BPK) and other SAIs have important roles in encouraging the world's governments to consider environmental sustainability in their use of natural resources, and in fact in all their activities. *(Read more on the following page...)*

## Feature Extra

### INTOSAI WGEA Guidance and Research Papers, 2011-2013: Sharing Knowledge and Best Practices

Two guidance documents and 7 research papers were published during the 2011-2013 Work Plan period, and adopted by the WGEA at the June 2013 meeting in Tallinn, Estonia. These documents, along with all other materials published by INTOSAI WGEA, may be found at [www.environmental-auditing.org](http://www.environmental-auditing.org).

## WGEA News

- 15<sup>th</sup> INTOSAI WGEA meeting in Tallinn, Estonia
- Memorandum of Understanding between INTOSAI WGEA and UNEP
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## News Briefs from Around the SAI World



**AUSTRALIA:** SAI finds good news in audit of the Government's Domestic Fishing Compliance Program

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**BRAZIL:** SAI invited to discuss climate change audits at UNFCCC-sponsored workshop in Fiji

**CANADA:** SAI tables report on biodiversity and nature protection; explains environmental petitions process

**CHINA:** CNAO completes audit targeting funding in the energy conservation accounting category

**CZECH REPUBLIC:** SAI launches new WGEA project on energy savings

**ESTONIA:** NAO oil shale audit to contribute to government's new development plan

**INDIA:** SAI finds violations, poor controls over mining practices in the state of Karnataka

**INDONESIA:** Audit Board reviews protection of coral reefs

**IRAQ:** SAI's dedicated environmental unit has addressed a variety of waste, water, and air pollution issues

**REPUBLIC OF KOREA:** SAI completes audit of four major rivers restoration program

**LITHUANIA:** SAI completes audit of regional waste management systems

**MALAYSIA:** SAI uses geographic information system data in audit of highland area disasters

**MEXICO:** Measuring and accounting for the cost of ecological degradation

**NETHERLANDS:** Cooperative audit completed on European Waste Shipment Regulation

**NORWAY:** SAI provides updates on key recent and upcoming EUROSAI WGEA events

**SLOVENIA:** Inefficiencies revealed in decisions on water use

**SWAZILAND:** Auditor General staff attend environmental audit training in India

**TURKEY:** SAI hosts meetings in Istanbul on disaster preparedness, post-disaster restructuring

**UKRAINE:** SAI initiates 16-member coordinated audit on efforts to protect the Black Sea catchment

**UNITED KINGDOM:** NAO cites recent work on reactor safety, farm oversight, and sustainability issues

**UNITED STATES:** SAI recommends how federal climate change adaptation efforts could better protect the nation's vital infrastructure

## Feature Story



### IMPROVING ENVIRONMENTAL AUDITING AND ENVIRONMENTAL QUALITY THROUGH COOPERATION AND COLLABORATION

Dr. Ali Masykur Musa, Board Member, Audit Board of the Republic of Indonesia

*The environmental problems of our time--climate change, forest degradation, sea water infiltration, water pollution, air pollution, and overexploitation of natural resources--are global challenges we all face. Left unaddressed, they will result in severe environmental damage, further eroding the social and economic fabric of our individual and collective communities. Indonesia's Badan Pemeriksa Keuangan (BPK) and other SAIs have important roles in encouraging the world's governments to consider environmental sustainability in their use of natural resources, and in fact in all their activities.*

#### BPK's varied experiences in environmental auditing

In Indonesia, the BPK contributes to improved environmental quality, and better management of the nation's resources, through its mandate to audit the management and accountability of state finance. As such, the BPK conducts various types of environmental audit--financial, performance, and special-purpose:

- Among our financial audits, BPK examined the use of forests for nonforestry-related activities (such as the development of communications infrastructure) and the extent to which reclamation practices for other developmental activities are implemented in accordance with requirements.
- Our performance audits have included examinations of land and forest rehabilitation; the natural resources of the Citarum river; illegal, unreported and unregulated (IUU) fishing; oil palm plantation management; protection of coral reef ecosystems, management of mining activities; and management of ground water protection.
- Our "special-purpose" audits typically address areas of concern outside the scope of financial and performance audits, including such things as special investigative audits and audits of internal control systems. BPK's special-purpose audits have addressed Control and Supervision of Mining and Oil and Gas Environment Management; Mineral Mining Management; and Conservation and Forest Management.

Through these audits, the BPK has recommended ways to improve environmental quality and to improve the Government's management of natural resources. These improvements have, for example, taken the form of regulatory amendments governing forestry activities and coal mining fees; and changes to ensure that mining permits and business licenses regarding timber utilization take proper account of environmental considerations (such as the boundaries of conservation and protected forests).

#### Improving environmental audit quality through cooperation and collaboration

One way BPK seeks to improve environmental quality and sustainable resource management in Indonesia is by improving the quality and effectiveness of its environmental audits. BPK pursues several strategies to accomplish this, including:

- Optimizing auditors' capacity through internal and external courses and trainings conducted by the WGEA, ASOSAI, and other organizations,
- Making greater use of geospatial technology (for example, GPS, Remote Sensing, and similar innovative investigative techniques),
- Cooperating with external parties in data use (e.g., by obtaining forest data and satellite imaging from external parties), and consulting a wide range of experts, and
- Improving the capacity of auditors and their institutions through cooperation with other SAIs and through active participation in INTOSAI (particularly INTOSAI WGEA).



*BPK auditors use GPS and other technologies in evaluating forest management and other resource-related issues*

The BPK receives great benefit through cooperation and knowledge-sharing with other members of the INTOSAI community. In particular, it has learned a great deal from its participation in INTOSAI WGEA meetings, and from the Working Group's many guidelines and research studies. At the same time, BPK has also shared its own

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expertise on forestry auditing by developing *Auditing Forests: Guidance for SAIs and Training Module on Forestry Audit*, and has collaborated with other SAIs in conducting cooperative environmental audits on climate change management, forest management, mangrove management, and recently on Illegal, Unreported and Unregulated (IUU) Fishing. BPK expects the WGEA to become a forum of knowledge transfer among SAIs and auditors, and to strive toward the goal of continually improving SAIs' environmental auditing capacity.

### Our vision for a continually-improving INTOSAI WGEA

The BPK is very honoured that WGEA members have entrusted it with the responsibility of Chairing the Working Group for the 2014 – 2016 period. In this capacity, we intend to build on the accomplishments of our predecessor in nurturing the role of SAIs as environmental auditors. While it will be a new experience for us, we believe that with the support and cooperation of our WGEA friends and colleagues, we will do our part to help the WGEA fully achieve its mission, and its vision for a healthier planet for ourselves and for our children.



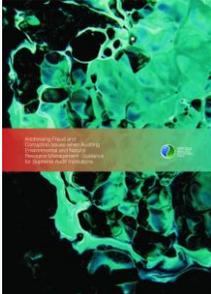
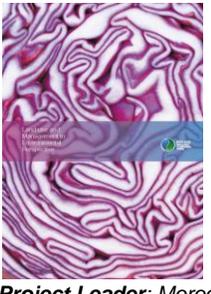
*Dr Ali Masykur Musa, Board Member of The Audit Board of the Republic of Indonesia and Dr Alar Karis, Auditor General of Estonia, the Chairman of INTOSAI WGEA.*

In this spirit, we are hopeful and confident that the WGEA will continue to build on past achievements by:

1. *Further improving auditors' capacity.* Training curricula have already been developed to improve audits of mining, forestry, climate change, and other issues. The recent construction of SAI India's new International Center for Environment Audit, and its associated Global Training Facility, are new and particularly important additions in the effort to further increase environmental auditors' capacity. We believe such efforts, focusing on practical guidelines and hands-on training exercises, has proven to be a highly successful strategy that should be continued and enhanced.
2. *Developing additional guidance and research studies.* Building on the recent guidance documents and studies WGEA has already developed to enhance environmental auditing practices, BPK will promote the development of new ones of interest to WGEA members, and revise those in need of updating. A particular focus will be on guidance documents that have been adopted as International Standards of Supreme Audit Institutions (ISSAI).
3. *Addressing shared experiences through cooperative auditing.* WGEA members have learned well that environmental problems are not confined to national boundaries. As the years have progressed, these problems have become increasingly regional, and even global, in nature. Thus, while collaborative environmental audits were once a rarity, they have become increasingly common. This has indeed been a positive trend, allowing for a more comprehensive treatment of the issues being investigated, while also fostering the kind of knowledge exchange that enhances participants' skills. BPK will continue to encourage this cooperation, and build on it by encouraging collaboration with key international organizations such as UNEP and UNFCCC.
4. *Using technology to our advantage.* We envision taking greater advantage of advances in technology. Such an approach, we believe, will serve both to improve the methodologies SAIs use in conducting their audits of environment and natural resource management issues, and to enhance information exchanges among WGEA members.

Lastly, in keeping with the WGEA's spirit, as reflected in the INTOSAI motto "Experientia omnibus prodest," I would like to reflect once more on the critical value of exchanging information and experiences among the Working Group's members. Such exchanges will improve SAIs' audit capacity. They will also advance their roles to enhance the management and accountability of public finance--both within SAIs' respective countries, and at the international level. The WGEA will become an engine driving the improvement of institutional and environmental auditing capacity. Such a spirit of mutual cooperation and sharing will allow SAIs to fulfill their mission to enhance the environment within their respective countries and around the world.

### INTOSAI WGEA Guidance and Research Papers, 2011-2013: Sharing Knowledge and Best Practices

 <p><b>Project Leader:</b> USA <b>Sub-committee:</b> Cameroon, Canada, Chile, China, Ecuador, Egypt, Malaysia, New Zealand, Russia, and Slovakia</p>	<p><b>Auditing Water Issues: An Examination of SAIs' Experiences and the Methodological Tools They Have Successfully Used</b></p> <p>Using the 2004 WGEA report Auditing Water Issues: Experiences of Supreme Audit Institutions as a starting point, this report updates the results of this prior work and features an expanded focus on the methodologies SAIs have successfully used to audit a variety of key water-related issues.</p> <p>Specifically, this report examines:</p> <ul style="list-style-type: none"> <li>• the status of critical water-related issues and the efforts made by governments and international institutions to respond to these issues;</li> <li>• the status of SAIs' efforts to audit key water-related issues, and the approaches they have used to successfully analyze and report on their priority water challenges; and</li> <li>• the usefulness of different methodological tools for auditing water-related issues and the circumstances in which these tools have proven to be most effective.</li> </ul>
 <p><b>Project leader:</b> Norway <b>Sub-committee:</b> Brazil, Canada, Czech Republic, Estonia, Finland, India, New Zealand, Poland, the Russian Federation, UK, and USA</p>	<p><b>Addressing Fraud and Corruption Issues when Auditing Environmental and Natural Resource Management: Guidance for Supreme Audit Institutions</b></p> <p>The Guide provides information on why and how fraud and corruption is considered highly present in the environmental and natural resource sectors, as well as tips and examples on how to introduce this risk into the planning and/or the conduct of the audit of a particular environmental/natural resource topic.</p> <p>The two main objectives of this Guide are to:</p> <ul style="list-style-type: none"> <li>• make the auditor aware of the challenges posed by fraud and corruption in the environmental and natural resource sectors; and</li> <li>• provide SAIs with a tool which can inspire and support them in addressing these challenges.</li> </ul> <p>This Guide is intended for auditors who wish to integrate fraud and corruption issues as part of regular environmental audits or who wish to carry out fraud and corruption audits within particular environmental or natural resource sectors.</p>
 <p><b>Project Leader:</b> Morocco <b>Sub-committee:</b> Afghanistan, Argentina, Botswana, Cameroon, China, Czech Republic, Ethiopia, Ghana, Indonesia, Lesotho, Swaziland, Turkey, Tanzania, UK, Vietnam</p>	<p><b>Land Use and Land Management Practices in Environmental Perspective</b></p> <p>Throughout the world, land is under intense pressure. In many countries, the human population is expanding fast and the demands on natural resources are increasing. Under this pressure, significant land degradation is taking place and land productivity is reducing.</p> <p>This research paper aims to:</p> <ul style="list-style-type: none"> <li>• develop SAIs' awareness about the importance of this issue and provide them with some data and information about land use and land management practices, in particular from an environmental perspective;</li> <li>• encourages SAIs to consider environmental perspectives when auditing programs and projects to do with land use and land management; and</li> <li>• introduce examples and case studies of best practices in the field.</li> </ul>

### INTOSAI WGEA Guidance and Research Papers, 2011-2013: Sharing Knowledge and Best Practices

 <p><b>Project Leaders:</b> <i>Canada and USA</i> <b>Sub-committee:</b> <i>Botswana, Estonia, Namibia, New Zealand, Poland, and Tanzania</i></p>	<p><b>Environmental Data: Resources and Options for Supreme Audit Institutions</b></p> <p>Environmental data have become an increasingly important audit tool as SAIs conduct more environmental audits. Despite the benefits of using environmental data, SAIs have reported that they often face challenges such as insufficient or low-quality data when conducting environmental audits.</p> <p>This research paper is intended to provide SAIs with information on and practical examples of how they can identify potential sources of environmental data and use this data in auditing.</p> <p>The paper summarizes:</p> <ul style="list-style-type: none"> <li>• ways SAIs have used environmental data in audits;</li> <li>• key sources of environmental data available to SAIs and key considerations when using such data; and</li> <li>• tools and methods SAIs may use when high-quality data are lacking.</li> </ul>
 <p><b>Project Leader:</b> <i>Finland</i> <b>Sub-committee:</b> <i>Canada, Estonia, New Zealand, and UK</i></p>	<p><b>Sustainability Reporting: Concepts, Frameworks and the Role of Supreme Audit Institutions</b></p> <p>Sustainability reporting extends corporate reporting beyond traditional financial reporting into wider aspects of corporate performance and impact, including environmental, social and economic issues as well as long-term perspectives. This paper describes how reporting has evolved from environmental reporting to broader sustainability reporting, and the latest development towards integrated reporting.</p> <p>The paper also discusses the potential implications of sustainability reporting practices for SAIs and a possible role for the INTOSAI. SAIs may want to demonstrate best practice by reporting their sustainability, including for example their progress in addressing sustainability in their office policy and their audit contribution to addressing their government's sustainability. In addition, an SAI, as an external government audit institution, might have a larger role in assessing sustainability reporting practices and thus extending the role that SAIs currently play in providing financial assurance services.</p>
 <p><b>Project Leader:</b> <i>United Kingdom</i> <b>Sub-committee:</b> <i>Afghanistan, Argentina, Brazil, Cameroon, Estonia, Ethiopia, Ghana, New Zealand, Oman, Tanzania, Turkey, Russia, and USA</i></p>	<p><b>Environmental Issues Associated with Infrastructure Development</b></p> <p>Through their audits, SAIs can hold their governments to account for the environmental impacts from infrastructure and their success in identifying ways in which the environmental costs can be minimised and the benefits maximised.</p> <p>This paper will help auditors identify the types of issues they can address—whether their work focuses specifically on environmental impacts of a particular infrastructure development or a wider audit which seeks to address the environmental and sustainability issues alongside other issues, such as the efficiency and effectiveness of the programme. The paper provides:</p> <ul style="list-style-type: none"> <li>• an overview of the common environmental and sustainability impacts associated with infrastructure, along with governance arrangements that Governments can put in place to manage them, in order to help the auditor design an audit in this topic area; and</li> <li>• considerations for the auditor in analyzing government engagement in infrastructure projects, including examples of how SAIs have addressed environmental impacts of infrastructure in their audits.</li> </ul>

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## Feature Extra

### INTOSAI WGEA Guidance and Research Papers, 2011-2013: Sharing Knowledge and Best Practices

 <p><b>Project leader:</b> Lesotho and Tanzania <b>Sub-committee:</b> Botswana, Egypt, Swaziland</p>	<p><b>Impact of Tourism on Wildlife Conservation</b></p> <p>Wildlife watching tourism has grown dramatically in recent years and can have adverse effects on wildlife: by causing changes in their behaviour, changing their physiology, or damaging their habitats. There can be a serious threat to population maintenance and survival. Through environmental audits, SAIs will be able to raise awareness about the relevance of wildlife problems in their respective countries and improve government programs.</p> <p>This research study contains basic information on wildlife management and tourism, and aims to encourage SAIs to assess whether governments manage resources in a sustainable way that takes environmental and cultural aspects into account.</p>
 <p><b>Project leader:</b> Brazil and Canada <b>Subcommittee:</b> Argentina, China, Estonia, Finland, India, UK, USA</p>	<p><b>Improving National Performance: Environmental Auditing Supports Better Governance and Management; Contribution of the INTOSAI WGEA to the United Nations Conference on Sustainable Development</b></p> <p>This paper summarizes some of the key observations from two decades of environmental audit work by national audit offices which play a major role in auditing government accounts and operations. This paper also reports on the results of a 2011 survey, which identifies the ten most important observations that national audit offices around the world consistently find when conducting their environmental audits. These are the key factors that contribute to poor progress by national governments towards sustainable development.</p> <p>The paper also puts forward the INTOSAI and WGEA positions for consideration by the delegates at the United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil from 20-22 June 2012. This paper and its positions were also delivered at the World Congress on Justice, Governance, and Law for Environmental Sustainability in Rio de Janeiro from 17-20 June 2012.</p>
 <p><b>Project Leader:</b> Secretariat</p>	<p><b>7th Survey on Environmental Auditing: SAIs Continue to Expand Work in the Field</b></p> <p>INTOSAI WGEA Secretariat has been conducting surveys among INTOSAI members since 1993. The results of the Seventh Survey on Environmental Auditing conducted among INTOSAI members from February-May 2012 have been compiled by the WGEA Secretariat into a report that highlights trends and other key findings.</p> <p>The survey focused on the period 2009-2011. 118 SAIs from around the world contributed by either filling out the questionnaire or by indicating that they had not conducted, nor were planning to conduct, audits on environmental matters in the near future.</p>

### 15th INTOSAI WGEA assembly meeting

The National Audit Office of Estonia had the pleasure of hosting 158 participants from a record 70 SAIs, and also several international organizations at the 15<sup>th</sup> WGEA Assembly meeting in Tallinn, Estonia, from 3 - 6 June 2013. Held on the eve of the group's current working period, the WG15 agenda was filled with activities ranging from the usual sharing of SAI experiences to the review of the WGEA's products and future plans.

The Assembly approved all the guidance materials and research studies developed during 2011-2013 (see Feature Extra), the content of which was presented by the project leaders in interactive parallel sessions. The Assembly members were also provided with an overview of the results of other work plan projects: training modules, Global Training Facility, 7<sup>th</sup> Survey, IDI-WGEA joint forestry audit programme etc. The Chair and the Secretariat of INTOSAI WGEA wish to congratulate all the project partners and acknowledge their excellent contributions.

Thirty-four SAIs responded to the Secretariat's call for submitting papers on the challenges and success stories of environmental auditing. On the basis of this input, a WG15 compendium of SAI papers was prepared and nearly 30 SAIs made presentations in the plenary and parallel sessions. Keynote addresses were heard from Estonian dignitaries and representatives of UNEP, the European Court of Auditors, the Canadian Research and Educational Foundation CCAF-FCVI, and the Office of the Auditor General of Québec. The representatives of the SAIs of New Zealand, Tanzania, United Kingdom, USA, together with the representative of CCAF-FCVI, formed a panel of experts to discuss the important environmental auditing trends and developments. Coordinators of five regional WGEAs – AFROSAI, ASOSAI, EUROSAI, OLACEFS, and PASAI – reported on recent and planned activities and summoned regional meetings. The SAI of Cameroon officially took over the chairmanship of AFROSAI WGEA from the SAI of Tanzania at WG15.

Assembly participants were also active in forming new project teams for the WGEA's next work period that ensues after the XXI INCOSAI in Beijing, China in October 2013. As a result, the new work plan for 2014-2016 was endorsed, with the following focus areas:

- Renewable energy
- Energy savings
- Environmental assessments
- Marine environment

- Market-based instruments for environmental protection and management
- Greening Supreme Audit Institutions
- Increasing the impact and quality of environmental audits
- Update of the INTOSAI WGEA 2004 guidance material on auditing waste management
- Review of the four environmental auditing ISSAIs (5510, 5120, 5130, 5140)

The new work plan will be coordinated by the next INTOSAI WGEA Chair, the Audit Board of the Republic of Indonesia.

All the WG15 materials, including the meeting minutes can be accessed on the website of the WGEA: [www.environmental-auditing.org](http://www.environmental-auditing.org). The History Movie of WGEA, launched at WG15, is available on Youtube: <http://www.youtube.com/watch?v=od591uw0yUQ>

### Memorandum of Understanding between INTOSAI WGEA and UNEP

The United Nations Environment Programme (UNEP) and INTOSAI WGEA signed a Memorandum of Understanding to formalize mutually beneficial cooperation. Dr Alar Karis and Mr Achim Steiner, Executive Director of UNEP, signed the MOU on 9 September 2013 at UNEP Headquarters in Nairobi, Kenya. Dr Karis also introduced the work of the WGEA at a subsequent briefing session to the UNEP's officials and permanent representatives. The Audit Board of the Republic of Indonesia was also represented.



Dr Alar Karis, WGEA Chair and Auditor General of Estonia, and Mr Achim Steiner, Executive Director, UNEP, upon signing an MOU promoting future cooperation among the two organizations

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The main areas of cooperation outlined in the MOU are

- promoting the advancement of the public sector environmental auditing practice, nationally and globally, for the benefit of improved environmental governance and the rule of environmental law, as well as increased transparency and accountability in the field of environment;
- exploring the areas of mutual concern and potentially beneficial collaboration for promoting the auditing of and the use of Multilateral Environmental Agreements in the audits on environmental topics undertaken by SAIs; and
- contributing to the continued engagement and increased capacity of auditors to scrutinize the legality, transparency, accountability and effective use of public finances in the environmental field in their respective jurisdictions and under their legal mandates.

### Other recent activities and events

- The project team of the WGEA Global Training Facility initiative met in Tallinn prior to WG15, from 1 to 2 June 2013. The SAIs of Estonia and India (project coordinators), Brazil, Lesotho, Norway, Tanzania and United States reviewed the structure and materials of the pilot course and discussed related practicalities.
- On 20 June 2013, OLACEFS WGEA's (COMTEMA) 11<sup>th</sup> meeting took place, hosted by the SAI of Paraguay in Asunción, Paraguay.
- Philippines Commission on Audit and Samoa Government Audit Office, frequent contributors to the WGEA's meetings and information requests, have officially joined the family of INTOSAI WGEA, increasing the total of membership to 74 SAIs.
- The Secretariat has prepared a progress report on the activities of INTOSAI WGEA during 2011-2013 to the Goal Chair (SAI of India) and the INTOSAI Governing Board. The Chair presented the document at the Steering Committee meeting of INTOSAI's Knowledge Sharing and Knowledge Services Committee in New Delhi, India, on 16-17 September 2013.

### Upcoming events

- The 11th EUROSAI WGEA meeting will be held in Prague, Czech Republic, 15-17 October 2013. Sustainable land use and the assessment of reliability of quantitative and qualitative analyses will be the main focus themes. On 14 October, a day before the main event, a training seminar on fraud and corruption issues will take place.
- The Chair and Secretariat of INTOSAI WGEA will attend the XXI INCOSAI in Beijing, hosted by the SAI of China 17-27 October 2013. Aside from the reporting on the working group's successful activities this period by the Chair, the INTOSAI WGEA will also be represented with an exhibition booth (SAI of Estonia) and a Cocktail Reception (SAI of Indonesia). The Congress marks the transition of the chairmanship function, carried out by the National Audit Office of Estonia since 2007, to the Audit Board of the Republic of Indonesia.
- The first environmental training programme of the INTOSAI WGEA will be held at the International Centre for Environment Audit and Sustainable Development (iCED) in Jaipur, India from 25 November to 11 December 2013. More information on the training programmes and other activities of iCED is available on the website of the centre:  
<http://icedjaipur.wordpress.com/>

## News Briefs from Around the SAI World



### **AUSTRALIA: SAI finds good news in audit of the Government's Domestic Fishing Compliance Program**

In February 2013, the Australian National Audit Office (ANAO) completed an audit of the Australian Government's Domestic Fishing Compliance Program. The Australian Government manages commercial fishing in waters from three nautical miles offshore to the limit of the Australian Fishing Zone (Commonwealth fisheries). The Australian Fisheries Management Authority (AFMA) is the Australian Government agency responsible for the efficient and sustainable management of Commonwealth fisheries on behalf of the Australian community.

The audit concluded that AFMA had developed and implemented effective arrangements for administering its Domestic Fishing Compliance Program. The delivery of targeted compliance activities, aimed at reducing or eliminating key compliance risks, was based on compliance intelligence and a documented risk assessment framework. Compliance activities were found to be effectively planned and delivered in accordance with AFMA's internal policies and guidelines. Operating within the available enforcement framework, AFMA's enforcement actions were also found to be guided by internal policies and guidelines, consistently applied and generally recorded appropriately in the Authority's case management systems.

To better position AFMA to measure, assess, and report on the effectiveness of its Domestic Compliance Program, the ANAO made two recommendations for the Authority to: adopt a structured approach to monitoring existing and emerging risks; and to develop an appropriate program objective and to enhance existing performance measures and targets.

*For further information, contact Mark Simpson at [mark.simpson@anao.gov.au](mailto:mark.simpson@anao.gov.au). Audit reports and Better Practice Guides are available from the ANAO's website – [www.anao.gov.au](http://www.anao.gov.au).*



### **AZERBAIJAN: Chamber of Accounts reports successful completion of diverse group of environmental audits**

Azerbaijan's Chamber of Accounts reports that it has recently conducted several environmental audits addressing such diverse topics as hydrometeorology, forest restoration, planting of greeneries in non-forest lands, and phytosanitary systems.

Among the SAI's findings are that opportunities exist for increased revenues associated with hydrometeorology and phytosanitary control systems, and that

regulations need to be improved in these fields. Regarding the audit associated with greeneries, the SAI recommended that agro-technical guidelines be followed more closely, and that trees and saplings be selected that are more suited to local climates. As a result its forest restoration audit, the SAI recommended that efforts to complete forest structuring activities make proper use of available topography-geodesy exploration services.

*For more information, contact Hilal Q. Huseynov at [h.huseynov@ach.gov.az](mailto:h.huseynov@ach.gov.az)*



### **BRAZIL: SAI invited to discuss climate change audits at UNFCCC-sponsored workshop in Fiji**

The Adaptation Committee of United Nations Framework Convention on Climate Change invited the SAI of Brazil (TCU) to participate in a workshop on the Monitoring and Evaluation of Adaptation, which took place in Nadi, Fiji, from 9 to 11 September, 2013.

The invitation arose from the experience gained by TCU's completion of four climate change audits. The audits were undertaken as part of the SAI's participation in the WGEA's multilateral climate change audit, *Coordinated International Audit on Climate Change: Key Implications for Governments and their Auditors*, which was completed in 2010.

*For further information, contact Elaine Ferreira Souza Dantas at [ELAINEFS@tcu.gov.br](mailto:ELAINEFS@tcu.gov.br).*



### **CANADA: SAI tables report on biodiversity and nature protection; explains environmental petitions process**

Canada's federal Commissioner of the Environment and Sustainable Development (within the Office of the Auditor General of Canada) will present to Parliament this fall a report with a primary focus on biodiversity and protecting nature. The Report will include the following chapters:

- Background on Biodiversity
- Meeting the Goals of the International Convention on Biological Diversity
- Conservation of Migratory Birds
- Protected Areas for Wildlife
- Recovery of Species at Risk
- Species at Risk
- Ecological Integrity in National Parks

The Commissioner will also present chapters on Canada's Federal Sustainable Development Strategy and the annual report on Environmental Petitions. Those

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wishing to be notified when this report is tabled may consult the SAI's website at: <http://www.oag-bvg.gc.ca/notavis/english.aspx>. All of the Commissioner's reports can be found at: [http://www.oag-bvg.gc.ca/internet/English/parl\\_lp\\_e\\_856.html](http://www.oag-bvg.gc.ca/internet/English/parl_lp_e_856.html).

In addition to carrying out performance audits, the SAI also manages a Canadian environmental petitions process. It is a formal means, established under Canada's *Auditor General Act*, that allows Canadians to bring their concerns about environmental issues to the attention of federal ministers and departments for response. Examples of recent petitions include those on:

- Modernizing Canada's Nuclear Liability Act
- Expansion of the proposed Lancaster Sound National Marine Conservation Area near Baffin Island to protect a beluga whale breeding area in Cunningham Inlet
- Federal policy on consultation with Canada's Aboriginal Peoples for environmental assessments of highway projects
- Long-term care of federal contaminated sites such as the Giant Mine in the Northwest Territories
- Environmental risks related to the proposed increase in oil tanker traffic in the waters near Kitimat, British Columbia
- Potential gaps in the federal regulation of antibiotics in food-producing animals

For further information on the environmental petitions process, please visit [http://www.oag-bvg.gc.ca/internet/English/pet\\_fs\\_e\\_919.html](http://www.oag-bvg.gc.ca/internet/English/pet_fs_e_919.html). For further information on in the individual petitions received and the official responses to these petitions, please visit [http://www.oag-bvg.gc.ca/internet/English/pet\\_fs\\_e\\_929.html](http://www.oag-bvg.gc.ca/internet/English/pet_fs_e_929.html).



## CHINA: CNAO completes audit targeting funding in the energy conservation accounting category

From November 2012 to March of 2013, the National Audit Office of China (CNAO) carried out an audit on the central government's budget targeting the energy conservation accounting category. The financial audit examined transfer payments to 18 provinces (Municipalities) of Hebei in 2011 and 2012. The energy conservation accounting category includes three items: conservation utilization, renewable energy, and comprehensive utilization of resources. The extended audit covered 5,044 projects, involving 62.109 billion Yuan (about 10 billion USD), accounting for 60.57% and 75.85% of projects and funds, respectively. It was the first time CNAO had carried out audits of resources and environment protection from the viewpoint of financial revenues and expenditures.

In 2011 and 2012, the budget of the central government arranged 81.883 billion Yuan (about 13.31 billion USD) of

"3 items" at the central level and transferred payments to the 18 provinces, involving 8,328 projects. The main policy aim of the 3 items funds was to promote energy conservation and reduce consumption in industry, construction, and other fields, carrying out projects that benefit people with energy-saving products, support renewable energy development, and improve the reutilization of waste and worn out resources.

The audit found that over the past two years, the central government increased its investment continuously by providing support to local governments and enterprises for carrying out resources and energy saving and utilization projects, and encouraging residents to buy energy-efficient projects through rewards and subsidies to the end user. Financing from the central government played an important role in leading and promoting the implementation of energy-saving and environmental protection policies.

Nonetheless, the audit did find that 348 project entities misappropriated and made fraudulent applications and claims of "3 Items" funds amounting to 1.617 billion Yuan (about 263 million USD), accounting for 2.6% of extended-audit funds. Among them, 102 entities submitted false claims, illegally obtaining and defrauding 556 million Yuan (about 90 million USD); and 29 entities misappropriated 226 million Yuan (about 37 million USD) for production and operation expenses. Lack supervision among some administrative departments, and irresponsible work at third-party accrediting agencies, resulted in 217 entities illegally obtaining 835 million Yuan (about 136 million USD) by carrying out smaller projects than claimed. In addition, the audit disclosed that some projects were not meeting anticipated policy goals.

After the audit, the relevant local administrations and project entities returned illegally misappropriated funds amounting to 205 million Yuan (about 33 million USD), and took back 214 million Yuan in defrauded funds (about 35 million USD). Twenty-nine cases were referred to judicial bodies, involving 41 persons, and are presently being investigated.

For further information, contact Zhai Chuanqiang at [chnao@audit.gov.cn](mailto:chnao@audit.gov.cn)



## CZECH REPUBLIC: SAI launches new WGEA project on energy savings

Building on its previous experience with the WGEA project, "Sustainable Energy," the Supreme Audit Office of the Czech Republic (SAO) offered at the 15<sup>th</sup> meeting of the WGEA to lead a new project on "Energy Savings." Whereas the Sustainable Energy project produced a broad based audit manual, the output of the Energy Savings project will focus specifically on renewable energy. The SAO's proposal was included in the draft 2014 – 2016 WGEA work plan, and was formally approved at the meeting. To date, the registered

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members of the research team are the SAls of China, Ethiopia, the Netherlands, Norway, the Philippines, Swaziland, Uganda, the United Kingdom, and the United States.

For further information, contact Martin Kolman at [MARTIN.KOLMAN@NKU.CZ](mailto:MARTIN.KOLMAN@NKU.CZ)



## **ESTONIA: NAO oil shale audit contributes to government's new development plan**

Estonia's National Audit Office (NAO) is carrying out an audit of the government's plans for utilizing the country's most important natural resource, oil shale. The timing of the audit was planned so that its results can serve as an input into the Ministry of Environment's efforts to draw up a new development plan for the resource's utilization.

Specifically, the audit will analyse whether the strategic goals set up in the current development plan are up-to-date and justified. Among the questions it will address are, "Have the activities set up in the development plan achieved their objectives to reduce negative impacts?" "Are all relevant impacts being taken into account during decision-making processes?" And, "Does the current tax system and rates of environmental charges ensure fair revenues from the use of oil shale?"

NAO Estonia has been in dialogue with the Ministry of Environment, which has indicated that the audit's recommendations will be considered and accepted to the extent possible. The SAI's audit report will be published in November 2013, while the new national development plan for the utilization of oil shale is scheduled to be finalized at the end of 2014.

For further information, please contact Ms Viire Viss at [viire.viss@riigikontroll.ee](mailto:viire.viss@riigikontroll.ee) or Mr Alar Jürgenson at [alar.jurgenson@riigikontroll.ee](mailto:alar.jurgenson@riigikontroll.ee).



## **INDIA: SAI finds violations, poor controls over mining practices in the state of Karnataka**

SAI India recently completed an audit focusing on whether proper controls were in place to ensure sustainable mining practices in the southern state of Karnataka. Citing the importance of balancing mining activities with environmental considerations, the SAI noted that illegal mining of iron ore had already been repeatedly covered in the print and electronic media; that Karnataka's own anti-corruption ombudsman in July 2011 reported on illegal mining in the state; and that the national Central Empowered Committee had also expressed concerns about mining impacts.

The audit sought specifically to ascertain whether effective controls and systems were in place to monitor

and implement mining policies; to grant and renew mining and quarrying leases in a manner that prevents illegal mineral extraction; to ensure that environmental and ecological concerns were being properly addressed; and to ensure that socio-economic concerns of the persons affected by mining were addressed. A risk-based sample of mines was selected for in-depth study, and subject matter experts from the Indian Institute of Science in Bangalore were consulted. The socio-economic impacts of mining were assessed through a survey of local opinion conducted by the audit team.

The audit identified numerous violations. Environment management guidelines and conditions stipulated for the diversion of forest land (such as planting new forests over area not covered by forests) were violated, and areas impacted by mining were not completely rehabilitated. Mining operations resulted in air, water, and noise pollution in surrounding areas. Iron ore was found dumped next to a lake, and copper ore tailing were found dumped in open areas for more than 15 years, instead of being back-filled. Mining operations were initiated without obtaining statutory clearances from environment preservation and regulation agencies. Though the State was empowered to frame rules for preventing illegal practices in mining, transportation, and storage of minerals, these were not framed until April, 2011.

The SAI found that these practices had significant impacts on the environment and human health. Areas under cultivation and irrigation in mining regions had declined, leading to an increase in barren land. The survey of local opinion revealed stakeholder concurrence that mining practices were adversely affecting air and water quality, agriculture, and livestock, and were spreading disease among both humans and livestock. Survey respondents also cited problems with the use of child labour, and more generally that mining practices were disturbing the fabric of social life.

The report made numerous recommendations. Among the most significant was that before granting mining leases, a participatory process involving local populations should be followed in which the likely impacts on life, lifestyle, and livelihood of affected communities are studied. The report also recommended that technological advances (such as GPS on trucks, load sensors at check points, etc.), should be leveraged by the mining Department to improve enforcement activities.

For further information, contact Nameeta Prasad at [prasadN@cag.gov.in](mailto:prasadN@cag.gov.in)



## **INDONESIA: Audit Board audits protection of coral reefs**

In 2012, the Audit Board of Indonesia (Badan Pemeriksa Keuangan, or "BPK") audited the Protection of Coral Reefs through the Coral Reef Rehabilitation and Management project. The aim of the BPK audit was to

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assess the effectiveness of the protections in place for the coral reef ecosystems and conservation areas. In particular, the audit focused on society's impacts on coral reefs, and on the Monitoring Controlling Surveillance (MCS) that is instrumental in their protection.

The audit concluded that the Coral Reef Rehabilitation and Management Project (COREMAP) was not optimally managing 20 percent of the nation's ecosystem of coral reefs, seagrass, seaweed, mangrove, and 15 types of endangered aquatic biota; and this was inhibiting its ability to sustainably protect these vital marine areas. Key problems included the following:

- Monitoring, controlling and surveillance was not optimally conducted to reduce damage to the coral reefs.
- A Public Awareness campaign about the need to protect coral reefs protection was ineffective.
- The design of the Alternative Livelihood program (intended to develop alternative livelihood options among coastal communities in a way that would reduce pressure on coral reefs) was not adequately addressing societal needs as intended.
- The development of the Information House facilities and utilization of the Management Information System (MIS) to access information on coral reefs was ineffective.
- The management on the Ten National Water Conservation Areas was ineffective.

For further information, contact Dr Kamaluddin at [kamaluddin@bpk.go.id](mailto:kamaluddin@bpk.go.id) or [kamalnyak@yahoo.com](mailto:kamalnyak@yahoo.com).



## **IRAQ: SAI's dedicated environmental unit has addressed a variety of waste, water, and air pollution issues**

The Federal Board of Supreme Audit (FBSA) notes that it has a specialized body devoted to auditing activities relating to the environment. Of particular note, the SAI states that audits of waste handling, landfilling, and related issues have demonstrated the lack of an overall strategy on waste management and disposal, and that disposal of such wastes is often not in conformance with requirements established by the Iraqi Ministry of Environment and the Environment Protection and Improvement Department.

The SAI also notes that its environmental unit has prepared reports on other environmental topics, all in accordance with requirements of the World Health Organization (WHO), as well as those associated with the Ministry of Environment and the Environment Protection and Improvement Department. These include audit reports on water pollution (focusing in particular on the Tigris and Euphrates from their entry points in Iraqi territory, and the Shatt al-Arab), and on air pollution from the extractive, oil refining, and chemical industries. FBSA

has also audited projects involving drinking water and sanitation services in Baghdad and other provinces.

For further information, contact the FBSA at [bsa@d-raqaba-m.iq](mailto:bsa@d-raqaba-m.iq).



## **REPUBLIC OF KOREA: SAI completes audit of four major rivers restoration program**

In January 2013, the Board of Audit and Inspection of Korea (BAI) completed an environmental audit of the Four Major Rivers Restoration Program, which includes dredging riverbeds and building 16 new large weirs in the rivers. With \$20 billion invested from 2009 to 2012, the program is expected to become the costliest engineering work in the nation's history.

The goals of the program were to improve water security and flood control capability as well as the water quality of the rivers. However, the mega-budget program has been at the center of controversy over its alleged negative effects on the environment; worsening, for example, water quality and algae blooming due to slow water flow caused by weirs built across the rivers.

The audit focused on the appropriateness of the water quality standards for the water quality improvement projects, and water quality management for controlling algae blooms in the river. The audit team carried out an in-depth analysis to discover questionable elements, and found that water quality management standards and the algae bloom warning system were improper. As 16 new large weirs were installed in the flowing water, hydraulic retention time (HRT) of the rivers increased, and the aquatic environment changed due to the closed system (like a lake) in some parts of the river. This deteriorated water quality. For example, in the Nakdong River, one of the four major rivers, the HRT increased from 8.6 to 100 days, resulting in 1.3 to 2.3 times more algae.

Generally, it is well known that chemical oxygen demand (COD) is preferred to biochemical oxygen demand (BOD) for representing organic matter and managing algae bloom in the lake. Therefore, chemical oxygen demand (COD) and chlorophyll-a (Chl-a) should be applied as adequate water quality standards instead of biochemical oxygen demand (BOD), which can be a standard for ordinary river conditions. Yet, the Ministry of Environment (MOE) evaluated the effects of the program and established the management plan in terms of only BOD which was not appropriate for managing algae blooming aggravated by water-retaining weirs.

Meanwhile, the MOE's algae bloom warning system did not work effectively during last year's algae blooming season because the warning level of algae concentration was set too low compared with World Health Organization (WHO) standards.

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The BAI recommended that the MOE provide additional measures to evaluate water quality, especially including COD and Chl-a in addition to BOD, and should also raise the water quality warning standard to WHO-recommended levels.

*The audit report of the BAI is available on its website at [www.bai.go.kr](http://www.bai.go.kr). For further information, contact Weon Sungyeon at [sweon@korea.kr](mailto:sweon@korea.kr).*



## **LITHUANIA: SAI completes audit of regional waste management systems**

In August 2013, the National Audit Office of Lithuania completed a performance audit report on “Regional Waste Management Systems.”

With a view toward creating a modern national waste management system, since 2002 waste management has been carried out according to the regional principle. Ten regional waste management centres were set up in Lithuania over the period 2000-2006. The objective was to ensure implementation of waste management tasks and to organise development of an entire waste management system by making efficient use of available EU support.

The audit was intended to assess whether the regional waste management systems ensure proper waste management in regions, and to learn how different municipal systems of payment impact waste management performance. The SAI found that the waste management systems do not promote waste recovery and recycling, and in particular that not all waste holders can separate secondary raw materials and other waste suitable for recycling or recovery. As a result, about 85 percent of municipal waste was disposed in landfills in Lithuania between 2009 and 2011, compared to the EU average of 35 percent. That said, the audit could not confirm the accuracy of the accounting of waste and holders of waste in the country because the institutions responsible for the recordkeeping have inconsistent data on waste holders, and on generated, collected, and landfilled waste and its composition. The SAI concluded that this inconsistency may lead to unreasonable strategic decisions concerning the selection of waste management techniques.

Furthermore, a number of regions have no information on actual waste management costs, and so there is no way to compare such costs among them. Hence, municipalities or regional waste management centres cannot control or influence actual waste management costs. Consequently, there is a reason to doubt whether the “polluter pays” principle is at work, and to suspect that waste management companies are profiting with excess payments from waste holders’ for waste management.

Seeking to ensuring that regional waste management systems enable sustainable waste management that

encompasses society’s ecological, economic and social objectives, SAI Lithuania has recommended measures to the Government and Ministry of Environment that would: better promote waste recovery and recycling; ensure accurate and reliable accounting of waste and holders of waste; ensure that public municipal waste management services are provided at cost-based prices and are using comparable methods; ensure that such methods would encourage waste holders to sort waste; and provide for improved oversight of municipalities, regional waste management centres, and other waste managers.

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## **MALAYSIA: SAI uses geographic information system data in audit of highland area disasters**

Due to rapid technological advances, geospatial data have become increasingly important in our daily life in order to resolve global issues such as sustainable development and poverty eradication. Therefore, geospatial information is one of the most fundamental and essential tools because it can interconnect information systematically and effectively on natural disasters and other matters requiring sound environmental data.

Disaster tragedies, and in particular landslides caused by extensive development on highlands and hill slopes, have given rise growing public concern in recent years. Recently, development of highlands and hill slopes has increased risks of landslides, leading to substantial loss of human life and damage to property and infrastructure. Lack of enforcement and supervision, and inadequate training of officers, have raised the risk of environmental disasters in Malaysia. There are various legal instruments to regulate the laws, acts, and procedures related to land development, which includes the guideline for highlands and hill slopes development.

SAI Malaysia has taken the opportunity to capture the advantages of GIS, largely due to its development among most of Malaysia’s government agencies based on their own needs. Of particular note, SAI Malaysia has signed a Memorandum of Understanding with the Malaysia Remote Sensing Agency that will assist the SAI in managing remote sensing-based spatial data for selecting samples, making other key decisions, and as an audit analysis tool that will help it produce a higher quality and more comprehensive audit report.

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## **MEXICO: Measuring and accounting for the cost of ecological degradation**

The interaction between the environment and economy has grown, in recent years, as a major concern among governments, public institutions, civil society organizations, and citizens. Years ago, a collaboration between World Bank Technical Cooperation and the United Nations Statistics Division, resulted in a case study document entitled, *Integrated Environmental and Economic Accounting: A case of Study for Mexico*. The effort resulted in a conceptual framework, and a methodological approach, to assist countries attempting to quantify an economic valuation of their environmental resources, and to account for environmental factors in calculating their Gross Domestic Product.

Using the defined methodology, the Economic and Environmental Accounts System of Mexico (SCEEM) was established. The system accounts for the impacts of economic activity on the environment, and represents the results through an indicator called the Green Gross Domestic Product (Green GDP). Thus, for example, Green GDP would take into account the costs to the nation's wealth of activities that deplete and degrade its natural resources. Since Green GDP accounts for such factors, the more that Green GDP comprises a percentage of the nation's total GDP, the more the country can be seen as moving toward sustainable economic progress.

With that in mind, a 2012 analysis carried out by the Superior Audit Office of Mexico found that for the period 1989 through 2011, the Green GDP grew at an annual rate of 4.3 percent, from 4,594,769,576 thousand pesos in 1989 to 11,522,666,787 thousand pesos in 2011. Importantly, during this period, Green GDP increased as a percentage of total GDP by 7 percentage points, from 76.7 percent in 1989 to 83.7 percent in 2011. This means that Mexican economic development has been taking place in an increasingly sustainable manner.

*The document prepared by the SAI of Mexico is available at [http://www.asf.gob.mx/Trans/Informes/IR2011i/Grupos/Desarrollo\\_Economico/2011\\_0384\\_a.pdf](http://www.asf.gob.mx/Trans/Informes/IR2011i/Grupos/Desarrollo_Economico/2011_0384_a.pdf). For further information, contact Erwin Alberto Ramirez Gutierrez at [earamirez@asf.gob.mx](mailto:earamirez@asf.gob.mx) or Ninoska Martínez Aragón at [nmartinez@asf.gob.mx](mailto:nmartinez@asf.gob.mx).*



## **NETHERLANDS: Cooperative audit completed on European Waste Shipment Regulation**

Eight European SAIs have conducted a cooperative audit on the enforcement of the EU Waste Shipment Regulation (EWSR). The audit was launched in 2010 by the Contact Committee (CC) of the heads of the EU SAIs. The EWSR has been set up to control international waste shipments, in order to prevent illegal shipment or

dumping of hazardous waste. The EWSR is also adopted by countries that are party to the European Economic Area. The following SAIs participated: Bulgaria, Greece, Hungary, Ireland, Norway, Poland, Slovenia and The Netherlands. In addition to eight national reports, a joint report will be issued in October 2013 during the CC-meeting.

The objective of the audit is to improve the enforcement of the EWSR by providing insight into (and differences in) enforcement strategies and performance among countries, with a focus on results and the achievement of intended effects.

The forthcoming joint report presents the main findings of the cooperative audit and discusses the differences among the eight countries with regard to the implementation of the regulation, information management, enforcement and penalisation of infringements. Summaries of the national audits are also included. The report makes a number of general recommendations for the eight participating countries as well as for other European countries. Some of these might also be of interest to the European Commission.

*The report will become available for downloading from the websites of the CC and EUROSAI's WGEA ([eca.europa.eu/portal/page/portal/contactcommittee/resolutionsandreports](http://eca.europa.eu/portal/page/portal/contactcommittee/resolutionsandreports) and [www.eurosaiwgea.org](http://www.eurosaiwgea.org)). French and German translations will become available later. For further information, contact Mr Jan Willem van de Wardt at [j.vandewardt@rekenkamer.nl](mailto:j.vandewardt@rekenkamer.nl)*



## **NORWAY: SAI provides updates on key recent and upcoming EUROSAI WGEA events**

In its capacity as EUROSAI WGEA Chair, SAI Norway reports that a seminar on auditing water management was held in Oslo, 23-24 April 2013. The seminar sought to identify common water management challenges in Europe, and participants were invited to discuss potential common topics to audit across SAIs. Invited speakers from the European Environmental Bureau and Sciences Po presented the current status of water resources and water management in Europe. In a parallel session with workshops on water management models and water protection measures and cross-sectorial issues, SAI representatives shared their experiences from real audits.

SAI Norway also identified key items in connection with EUROSAI WGEA's 11<sup>th</sup> annual meeting, to be held in the Czech Republic, 15-17 October 2013. The themes for the annual meeting are sustainable land use, and assessing validity and reliability in quantitative and qualitative analysis. A one-day training seminar on the recently-issued INTOSAI WGEA Guidance, Fraud and Corruption Issues when Auditing Environmental and Natural Resource Management, will be organised in connection with the annual meeting.

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## **SLOVENIA: Inefficiencies revealed in decisions on water use**

Slovenia, in general, is quite rich in water resources. But projected changes in climate suggest that there will be much drier and warmer summers, and that drinking water shortages are foreseen in some areas of the country. Therefore, under the 2002 Water Act, water can only be used for purposes in line with priorities set in long-term water management strategies, and according to the actual river-basin management plans. For each water use, water rights should be obtained. The water rights could be obtained only against payment of concession to the state and, additionally, for each use of water the water fee should be paid.

Noting Water Act violations, and in particular that water was used without the granting of appropriate water rights, the Slovenian Court of Audit conducted its first audit on water management in 2008. The audit revealed numerous deficiencies in water management, leading to conclusions that the system was not transparent, efficient, or sustainable; that water rights were not granted to the beneficiaries in due time and according to determined procedures; and that there were no controls over the use of water and that required concessions and fees were not paid to the state. In 2011, an assessment of corrective measures and recommendations required in 2008 was carried out which showed that almost none of the required measures were fully implemented. There were still risks that water management is not efficient, that the water is not used sustainably and without obtained water rights.

The follow-up audit showed that there were no comprehensive water management plans that clearly set priorities and long-term goals for water use. There were huge delays in procedures for granting water rights. Water rights were also being granted selectively, leading to unfair treatment of water users--some had to pay for using water and others did not. These inconsistencies also reduced state revenues. In addition, the method to calculate payments for water rights and water fees was not accurately determined and, therefore, the payments did not correspond to the costs of burdening waters. Collected funds were not high enough to cover all expenses associated with water use. The Court of Audit required procedures to be initiated for granting water rights, and recommended the establishment of an up-to-date record of granted water rights and procedures in progress.

For further information, contact Jerneja Vrabcic at  
[Jerneja.Vrabcic@rs-rs.si](mailto:Jerneja.Vrabcic@rs-rs.si).



## **SWAZILAND: Auditor General staff attend Environmental Audit training in India**

SAI Swaziland is pleased to announce that two of its staff attended the 113<sup>th</sup> International Training Programme on Environment Audit in New Delhi, India. The effort falls under Goal 3 of the INTOSAI WGEA 2014-2016 work plan, which is to enhance information dissemination, exchange and training.

The SAI is currently developing its Environmental Audit Unit and therefore saw the training of its staff as essential to equipping them with the necessary knowledge, skills, and experience to enable them to spearhead the implementation of modern approaches to environmental auditing. The SAI also notes that since the training is attended by participants from all over the world, its officers would be exposed to a rich blend of professional, personal, cultural, artistic and religious diversities, as well as the sharing of professional experiences.

The SAI expresses its sincere gratitude to the SAI of India for making this all possible.

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[muziwandiledlamini@ymail.com](mailto:muziwandiledlamini@ymail.com)



## **TURKEY: SAI hosts meetings in Istanbul on disaster preparedness, post-disaster restructuring**

The 3<sup>rd</sup> meeting associated with a parallel audit entitled, *Audit of Disaster Preparedness*, conducted under auspices of the INTOSAI Working Group of Accountability for and Audit of Disaster Related Aid (WGAA), was hosted by the SAI of Turkey on 07-08 January 2013 in Istanbul. Other participants included representatives from the SAIs of Azerbaijan, India, Indonesia, Pakistan, the Philippines, Romania, and Ukraine.

As the ninth task of the Working Group, the aim of the parallel audit work, performed under the leadership of the SAI of Turkey, was to analyze the outcomes of the work and to ensure they are appropriately reflected in ISSAI 5510. The endorsed exposure version of ISSAI 5510, *Audit of Disaster Preparedness: Guidance for Supreme Audit Institutions*, is available on the INTOSAI website at <http://www.issai.org/composite-280.htm> to receive the opinions and comments of the member SAIs. By drawing a general framework on how activities related to disaster risk and hazard reduction may be audited, the guideline aims to help SAIs with a perspective and approach on this particular topic, within the scope of accepted performance audit methodology. After approval by the INTOSAI Governing Board, ISSAI 5510 (drafted by the SAI of Turkey) will be translated into the official INTOSAI languages and made available in November 2013 to all SAIs.

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During the Istanbul meeting, the participating SAIs each made presentations on the scope and methodology of their audit work, and shared their findings, conclusions, and audit experiences. They also agreed on a common framework for reporting their results, and on the content of the final joint report. The report is expected to be issued by the end of 2013.

The meeting on disaster preparedness was followed by a meeting on “Post-Disaster Restructuring.” This meeting was attended by SAI representatives from India, Indonesia, Pakistan, Turkey, and Ukraine. The key questions, subquestions, and audit criteria were discussed, and the expectations from the participating SAIs were shared.

For further information, contact Berna ERKAN at [BernaDURUSU@sayistay.gov.tr](mailto:BernaDURUSU@sayistay.gov.tr).



## **UKRAINE: SAI initiates 16-member coordinated audit on efforts to protect the Black Sea catchment**

Within the framework of the EUROSAI Task Force on Funds Allocated to Disasters and Catastrophes, in 2013 the Accounting Chamber of Ukraine initiated an international coordinated audit on the protection of the Black Sea catchment from pollution. The audit examines the ecological condition of three main rivers of the catchment: The Danube, Don and Dnieper.

Since 2012, the Task Force has been working under the three-year plan approved at the meeting of the participants in March 2012, in Wrocław, Poland, and submitted at the 39th Governing Board Meeting on April 28-30, 2012 in Ankara, Turkey.

To implement the plan approved by the Task Force, participants:

- finished an audit on the implementation of recommendations issued as part of the International Coordinated Audit of the Chernobyl Shelter Fund;
- are finishing an international coordinated audit of the funds allocated to the prevention of, and response to, the consequences of disasters and catastrophes; and
- started preparing for an international coordinated audit of funds allocated to preventing and responding to wildfires.

The Task Force was established at the 7<sup>th</sup> EUROSAI Congress (2008, Krakow, Poland) and its mandate was proceeded at the 8<sup>th</sup> EUROSAI Congress (2011, Lisbon, Portugal). Task Force members include the SAIs of 16 countries. Five meetings of the Task Force have been held to date.

Pursuant to the Work Plan, a seminar on good practices in the audit of funds allocated to prevention and response

to disasters and catastrophes, was held in 2013 in Sofia, Bulgaria.

Importantly, the Task Force cooperates closely with the INTOSAI Working Group on Accountability for and Disaster-related Aid, which has afforded the Task Force opportunities to improve its activities to a new qualitative level.

For further information, contact Aleksandra Kunderevych at [ird@ac-rada.gov.ua](mailto:ird@ac-rada.gov.ua).



## **UNITED KINGDOM: SAI cites recent work on reactor safety, farm oversight, sustainability issues**

The National Audit Office (NAO) has completed work on a variety of environmental and sustainability issues in the last year. For example, in November 2012 the NAO reported on Managing Risk Reduction at Sellafield, the largest and most hazardous civil nuclear site in the UK. In December 2012 the NAO reported on the UK government's progress in reducing the administrative burden it places on farmers, and in streamlining its oversights of farms. In February 2013 the NAO reported on Sustainable Procurement in Government and Sustainability Reporting in Government.

More recently, in July 2013, NAO published a *Departmental Sustainability Overview* of the Department for Business, Innovation and Skills (BIS). It addressed sustainability within the Department's policy development and appraisal, as well as the sustainability impacts of BIS's governance, procurement spend and operations.

The NAO found that before the review, BIS had not developed a strategic assessment of the potential sustainable development impacts of all of its policy responsibilities. BIS worked with the NAO to develop an initial analysis of the range of initiatives within BIS that are intended to promote sustainable development. BIS agreed that it could do more to assess its impacts on a systematic basis, identify priority areas, and consider the potential for mitigating potential negative impacts. Parliament expects the NAO to follow up this pilot work with further such reviews of other government departments.

Work is scheduled for Autumn 2013 to examine the design and scope of the Levy Control Framework, a budget and control mechanism for the cost of public policy schemes which are funded through levies on electricity consumers' bills.

For further information contact Jill Goldsmith at [jill.goldsmith@nao.gsi.gov.uk](mailto:jill.goldsmith@nao.gsi.gov.uk)

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## **UNITED STATES: SAI recommends how federal climate change adaptation efforts could better protect the nation's vital infrastructure**

The United States Government Accountability Office (GAO) recently completed an evaluation of the federal government's efforts to incorporate future climate change impacts into planning for critical infrastructure projects. Such projects often have lengthy, multi-decadal spans that make them particularly vulnerable to such long-term concerns as sea level rise. The audit examined (1) the impacts of climate change on roads and bridges, wastewater systems, and centers of the National Aeronautics and Space Administration; (2) the extent to which climate change is incorporated into infrastructure planning; (3) factors that enabled some decision makers to successfully implement adaptive measures; and (4) federal efforts to address local adaptation needs, as well as potential opportunities for improvement.

The report cited a strong consensus among lead scientific organizations that critical infrastructure will grow increasingly vulnerable to changes in precipitation and sea level, and increased intensity and frequency of extreme events. Such impacts, according to scientific, engineering, and other experts, are projected to impact infrastructure in a manner that will lead to economic, environmental, and social consequences.

Notably, while most decision makers have not systematically considered climate change in infrastructure planning for various reasons (including competing higher priorities and an absence of vital information), some local decision makers have had considerable success in doing so. Key factors leading to such successes have included: having experienced local weather-related crises that spurred action; learning how to use available information; having access to local expertise; and considering climate impacts within existing planning processes.

Among the most pressing problems the SAI cited as impeding more such successes are a lack of critical information to local infrastructure decision makers, or even a clear understanding of where to go to obtain this kind of information. GAO explained that such information often exists in "an uncoordinated confederation of networks and institutions, and the end result of it not being easily accessible is that people may make decisions—or choose not to act—without it." Among GAO's recommendations were that the key responsible federal agencies: (1) identify for decision makers the best available climate-related information for infrastructure planning, and update this information over time; and (2) clarify sources of local assistance for incorporating climate-related information and analysis into infrastructure planning, and communicate how such assistance will be provided.

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