

lastly, performance auditing.

That concludes my report. I thank all the members of the Committee, and colleagues. I thank the Chairman for the guidance and for their support to this Committee. Thank you, Mr. Chairman. (Applause)

CHAIRMAN
(English)

Thank you very much, Mr. Shunglu for the well-presented report. If there are no questions or comments regarding this report, we will adopt it and move on to the next item on the agenda.

Agenda Item 9f

CHAIRMAN
(English)

The next agenda item concerns the report of the INTOSAI Working Group on Environmental Auditing. Our Congress Vice-Chair will present the report. Mrs. Stuiveling takes the floor.

SASKIA STUIVELING
Netherlands (English)

Thank you, Mr. Chairman, delegates, ladies and gentlemen. Let me take this opportunity to thank you for the trust in me to make me your Congress Vice Chairperson. I feel honored and so do feel my colleagues and staff. Now back to business. I have the floor to present to you the results of the INTOSAI Working Group on Environmental Auditing and the results from the 16th INCOSAI in Montevideo and our plans for the future. We left Montevideo three years ago with several assignments. Our main tasks were to develop guidelines to pay attention to training and exchange of information, and to help encourage SAIs to cooperate where possible in the audit of compliance by their respective countries with international environmental accords, and to encourage joint or concurrent audits between SAIs.

Shortly after INCOSAI Montevideo, we adopted the work plan and our main points were to stimulate cooperation in the INTOSAI regions, our regionalization strategy, and secondly, to develop tools for environmental auditing. We met twice between Montevideo and here, once in Cape Town and once one month ago in Ottawa, Canada. But not less important, but I cannot report about it, is that in the same period, a respectable member of regional working groups were formed and they held meetings as well. By the end of last year, the INTOSAI regions, AFROSAI, ARABOSAI, ASOSAI, EUROSAI, SPASAI and OLACEFS, had developed their own regional Working Group on Environmental Auditing. And this cooperation within the regions has resulted in the

development and execution of quite a number of coordinated audits between SAIs.

In your documentation for today, you'll find one of our productions titled, "Guidance on Conducting Audits of Activities with an Environmental Perspective." We hope you will adopt this booklet that has been developed by New Zealand. Furthermore I hope you have already visited our Environmental Auditing Information Center in the Moderato Room on this floor, which we were able to organize with unrelenting help of our Korean host. It contains an overview in full color posters on what has been achieved by the Regional Working Groups and by our Working Group. Many of the SAIs present here have contributed to this exhibition and we're very grateful for their efforts so good and be proud of yourselves.

In our Information Center you can also pick up your copy of the products of our working group. One of them, "Sustainable Development," which set out to explain the concept of sustainable development and how SAIs can help to audit that. It has been prepared by the NAO of the United Kingdom and it is available in English and Spanish.

"The Audit of International Environmental Accords," this paper is a follow-up to the INTOSAI booklet, which we published three years ago. The aim of this new paper is to stimulate the thinking process of SAIs about auditing international environmental accords and to provide some stepping stones to get there.

The result of the third survey on environmental auditing, this paper is the latest addition to a series of three that shows the development of environmental auditing in SAIs and all over the world. It's available in five INTOSAI languages. And based on the outcome of this survey, the working group decided to add a second central theme to the working group. We'll stimulate the environmental audit of the topic of water but we'll also start to stimulate audits focused on the subject of waste.

Finally, especially for this Congress, we developed a CD-Rom on environmental auditing. It contains all the information that is on our extended and updated brand new web site, www.environmentalauditing.org. You have access through this CD-Rom to bibliography of now 1,200 environmental audit reports and much more, including an audit game, environmental audit screen saver, and two videos. One video is the recycling video that the working group produced for INCOSAI Montevideo and the other video tells the Peruvian story of a very inspiring coordinated audit on the Rain Forest National Park this year with Brazil.

On the future, in the next period of three years starting right after INCOSAI, we will lay our emphasis on long-distance training material and we'll try to develop a concept for that. Our work plan 2002-2004 describes, in

more detail, our aims, then again you'll find it in the Information Center.

Given the size of the Working Group and the fact that we have now the existence of Regional Working Groups, we decided to internally reorganize the Working Group for the next period and, from now on, we'll work within the working group with an executive committee on one hand and an assembly with all the working group members on the other hand.

And yesterday at the 48th meeting of the INTOSAI Governing Board, the Board accepted my resignation as the chair of INTOSAI Working Group on Environmental Auditing. Because after nine years, it's time for fresh wind and I look forward to being a member of this very important working group under the leadership of the new designated Chair, Canada.

Let me end, Mr. Chairman and Congress, by thanking you all. And especially the members of the Working Group on the Environmental Auditing for the very inspiring and learning experience you all gave us in the Netherlands. And of course I hope to see you all very early tomorrow morning before Congress in the bus for the observation trip to the *Yangjae* Creek Ecological Park. Thank you for your attention. (Applause)

CHAIRMAN
(English)

Thank you very much, Mrs. Stuiveling for that excellent report. I would like to appreciate the Environmental Auditing Working Group and Mrs. Stuiveling's leadership for the excellent products. As she mentioned, there is an exhibition going on in the Moderato room. There are a lot of information on environmental auditing including posters. As Mrs. Stuiveling said, tomorrow there is going to be a tour to *Yangjae* creek.

If there are no questions or comments on the report, we adopt the report and move on to the next agenda item.

Agenda Item 9g

CHAIRMAN
(English)

The next report we will listen to will be delivered by Mr. Martin Sinclair on behalf of Sir John Bourn of the United Kingdom.

MARTIN SINCLAIR
United Kingdom (English)

Mr. Chairman, colleagues, ladies and gentlemen. It is my privilege to present the report of the Working Group on the Audit of Privatization on behalf of Sir John Bourn, the Comptroller and Auditor General of the U.K. I will highlight just key points from the report, which you will

find in your documentation.

On the note of the guidelines on best practice for the audit of privatization in Montevideo, the INCOSAI asked the Working Group to first check whether the guidelines are proving to be useful, second, to encourage further exchanges of privatization experiences and information between SAIs, and third, to develop audit guidance on two important options of privatization, that was economic regulation and increasing use by public bodies of contracts with the private sector for the delivery of public services.

In response, the Working Group's report of June 2001 to the 17th INCOSAI shows that SAIs of finding the privatization guidelines to be useful in their audit work. An increasing number of SAIs are applying the guidelines, having regard to their particular circumstances and various types of privatization sales can send beneficial effects for the audits.

Moreover, many SAIs are sharing the guidelines with those responsible for planning and carrying out the privatization sales. In pursuit of the agreement, the Working Group recommends the adoption by the 17th INCOSAI for two new sets of best practice audit guidelines rising out of the development of privatization. These can be sound economic regulation, and secondly contracts for public/private finance and concessions.

The drafted guidelines were circulated to all SAIs in October 2000 for comments. A number of SAIs replied, welcoming the drafts and offering important comments, which were taken into account when the Working Group finalized the texts at the meeting in Budapest in June 2001. Printed versions in all INTOSAI official languages have been sent to our Korean host for distribution to delegates at this Congress.

A key development that facilitates the exchange of experiences and information has been the enhancement of Working Group's web site. That's www.nao.gov.uk/intosai/wgap. All the Group's documents, drafts, case studies, and guidelines are set out there as well as key contacts and member SAIs. Currently there are nearly 1,000 sometimes, more hits per week, a four fold increase over the position two years ago. We have also developed digested privatization experiences on the web site.

The continued interest in privatization across SAI regions is reflected in the continuing growth in the number of SAIs from members of the Working Group. There are currently 31 members plus observers, some eight more than two years ago. A full list of members is included in the new guideline.

The Working Group recommends that, in the period leading up to the 18th INCOSAI, they should monitor the usefulness of all three sets of guidelines that were published, continue to facilitate the exchange of