

Day 1

Monday, 29 September 2014

Environmental Excursion

The participants went to Marikina City where they saw several green initiatives taken by the Marikina City government to preserve the environment. Those places include the Material Recovery Facility, School, Composting facility and the River Park. The excursion was ended with a welcome reception hosted by Commission on Audit on Audit of the Philippines.



Day 2

Tuesday, 30 September 2014

Opening Ceremony

The Master of Ceremony (MC) opened the meeting by greeting the delegates who attend the 16th INTOSAI WGEA Assembly Meeting in Manila, Philippines. He then invited the Commissioner of the Commission on Audit (COA), the Honorable Heidi I Mendoza to give the remarks.

Welcome Remarks

Hon. Heidi L Mendoza, the Commissioner of Commission on Audit (COA), Philippines

The Commissioner greet the Head of SAIs, the guest speakers and the delegates who attend the meeting.

She started the address by saying a Kahlil Gibran's poem "The trees are poems that earth writes upon the sky, again we fell them down and turn them into papers in order to write our emptiness." The poem reflected the environmental challenge faced by humans when people need to write and express their emptiness, they need paper that coming from the trees that the human cut.

She ended her address by welcoming all delegates.



Hon. Demetrio Ignacio, Jr. Under Secretary, Department of Environment and Natural Resources (DENR)



The Hon Demetrio Ignacio started his address by greeting all delegates in the meeting.

He explained that the meeting give great opportunities, not only for Supreme Audit Institution, but also for the Department on environmental sector. It is helpful to broaden the knowledge of the role and capabilities needed for an efficient and effective environmental audit, and improve the environmental audit systems that lead to the achievement of better governance on environment and natural resources.

He further explained that currently environment protection has become a paramount concern of all countries.

He said that climate change continues to cause devastations in many parts of the world. Most of the world's natural resources have been degraded or used unsustainably.

The Philippines is one of the most vulnerable countries in the world on the impact of climate change. Therefore, Philippines need to grow in a sustainable manner. Environmental audit is a vital component of ensuring adherence to the requirements of sustainable development.

The Department of Environment and Natural Resources is responsible for the protection and sustainable management of our environment and natural resources. All projects in the Philippines are required to secure an Environmental Compliance Certificate, where compliance is determined through a multi-sectoral monitoring mechanism. In addition, they conduct close environmental audit of projects that pose the greatest threats to the environment, like extractive industries and those located in environmentally-critical areas. They also conduct periodic audit of our implementation of the total log ban in our forests.

He then said that the Philippines should strictly adhere to the principles of transparency and accountability. The Philippines imposed independent 3rd party audit to audit the major programs such as the National Greening Program where 1.5 billion trees are planted in 1.5 million hectares in 6 years.

He closed his speech by mentioning that the good governance, with environmental audit as a major component, is leading on the right path towards environmental protection and sustainability. She hoped that the Assembly Meeting can be a forum to share experience. Finally, he wished the participants a very productive meeting and a meaningful stay in the Philippines

Hon. Loren Legarda, Senator, Congress of the Republic of the Philippines



Senator Legarda started her presentation by expressing her enthusiasm when knowing that the COA plan to conduct disaster risk management audit.

Then she welcomed all delegates and congratulated the INTOSAI WGEA for convening the very important meeting. She further explained that a natural environment has been compromised and ecosystem has all been turned more rapidly in the name of development. She questioned that people should redefine the way of development. The Senator took an example of Bhutanist that use national happiness as the pillars of development. Eventhough Bhutan has less people than the Philippines, but it can be used as a model that the government conceive how cultural social economic development that is actually done for the benefit of all sectors and how preservation of environment encounter progress and development

She came with some environmental issues such as the degradation or unsustainable management of ecosystem, the increase of carbondioxide and the warming of earth atmosphere. All of the condition demand accountability on environmental and require the involvement of planning and policy making.

Dr. Ali Masykur Musa, Board Member of The Audit Board of the Republic of Indonesia / Chair of INTOSAI WGEA

Dr Ali Masykur Musa opened his speech by thanking the COA for the excellence organization of the meeting.

He explained the three sustainable development pillars: economy, social and environment. Climate change, forest degradation and deforestation, increasing sea water infiltration, water pollution, and air pollution, are examples of global problems that people currently face. Unsustainable management of natural resources and exploitations beyond capacity are some of the causes of those problems. These evidence show how these can impact the lives of the people. People may have health problems and changes in their way of living because of disasters and catastrophes such as droughts, landslides and floods. In the short or long term, this will impact the economy.



The lack of natural resources such as fish in the ocean, water, and wood in the forest, will impact the economy such as the industry, the *job*, and the income of the people. Furthermore, the negative externalities and other costs of disaster and catastrophes will be the extra burden on the government's budget.

All of these concerns need to be addressed and they cannot be addressed by one single party. The government has an important role to ensure that the management of natural resources and environment is sustainable, while the audit institution, such as the SAI, has the role through its audit mandate to promote sustainable management of the environment by encouraging the government to

enhance the quality of environmental management. Not only that, SAIs should also cooperate with other SAIs and other organizations to improve the capacity and quality of environmental auditing.

He added that the INTOSAI Working Group on Environmental Auditing was created to encourage the use of audit mandates and audit methods in the field of environmental protection and sustainable development. The INTOSAI WGEA has been instrumental in encouraging SAIs around the world to conduct audits of environmental issues and programs and in helping them to build the capacity to do so. INTOSAI WGEA has provided valuable contributions such as developing several audit guidances and studies, conducting training on environmental audit and cooperative audit and others.

Dr. Ali then gave brief information on the aim of the meeting and its organization. He hoped that the meeting would run smoothly and fostered openness in interactions, discussions and collaboration among the participants.

Finally, he congratulated the participants for the effort and wished the meeting create productive values and ideas for INTOSAI WGEA.

Introduction of the Meeting Schedule

Edward G.H. Simanjuntak, Head of the Secretariat of INTOSAI WGEA, Chair of WG16

Mr. Simanjuntak briefly welcomed all of the meeting participants and conveyed his amusement with the previous day's social program. He wished that social program had brought the meeting participants into one spirit to start the meeting that day.

He presented the meeting agenda for the next three days ahead. Day one will consist only with plenary sessions, while day two and three will consist with mixes of plenary and parallel sessions from guest speakers and the participating SAIs.

Afterwards, he introduced the next speakers and invited the next speaker to take over the stage.

Plenary I: Environmental Issue

Key Note: Opportunities for Auditors In The Implementation of Environmental Rule of Law as a Mechanism for Enhancing Accountability on the Path Towards Sustainable Development

Dr. Arnold Kreilhuber, United Nations Environment Programme



Mr. Kreilhuber started his speech with greetings to all the delegates of the meeting. He thanked the INTOSAI WGEA for the invitation to the meeting. He stated that on July 14th, 2014 the draft of new Sustainable Development Goals was completed. He said this was important for the success of the Millennium Development Goals (MDGs) and important for the post 2015 development agenda. He mentioned the importance of rule of law to ensure the equal rights of access to sustainable development and the resilience of the poor and those in vulnerable situations to climate related extreme events.

He mentioned that there have been many efforts to address industrial features of environmental governance, and one of them is training their auditors.

He continued with stating his consideration on the fast evolving and growing illegal activities which harming the environment. Sustainable development provides a big opportunity to make societies more just, especially in light of exposure and vulnerability to climate-related extreme events. He said that in the past three decades, there has been a significant advance in the rule of law in the field of the environment at both international and national levels.

Some Supreme Courts have broadly interpreted elements contained in their constitutions to entrench the rights of the public to a healthy and protected environment. He mentioned several examples from several countries on their efforts regarding the justice in environmental matters.

Effective access to information, public participation and access to justice are essential for transparent and accountable governance, for high quality outcomes of decision making and to strengthen trust to the public in governing institutions.

SAI has already looked at this and have a very important role to play also increasing overall awareness. Environmental rule of law is as much concerned with the content of legal norms as with legal procedure and the auditing that embodies and advances the rule of law.

Environmental rule of law is not only intended to regulate but also to constantly improve the environment, based on the adherence to environmental laws, constitutional right to a healthy environment and human rights.

SAIs are there to ensure the proper use of public finances and sound management of public institutes. He pointed that as the key guardian of accountability, SAIs have to continue boldly and fearlessly provide the needed feedback and performance information to the public and to governments through their environmental audits. Lastly, he mentioned the importance of national ownership of environmental rule of law and the wholehearted engagement of the national institutions in the development and implementation of environmental rule of law. He ended the speech with once again conveyed his gratitude to all meeting participants for their attention.

DISCUSSION

The first question is about the issue of human rights versus environmental law. For instance the cut down of trees for agricultural purposes considered violating the environmental law.

Mr. Arnold Kreilheuber explained that the human rights and environmental law were closely related to each other. Thus it was important to balance between fulfillment of people's need and the exploitation of environmental resources. He further explained that implementing a balanced development was a difficult agenda.

Ms. Heidy L. Mendoza, SAI of Philippines asked whether UNEP would open the cooperation opportunities for SAIs who want to build their capacity in auditing environmental law.

Mr. Kreilheuber said that the UNEP will be glad to help and suggested that she could submit the proposal to the UNEP representative in Bangkok, Thailand.

Mr. Armando Jogo asked whether to include about environmental law auditing specifically in the work plan.

Mr. Kreilheuber said that the issue has been addressed within the audit process. Further he mentioned the importance of citizens.

Plenary II: Environmental Issue

Key Note: Environmental Performance Audit: Recommendations with an Domino Effect

Mr. John Reed, Mr. Jean Cinq Mars, and Mr. Morris Sydor, CCAF



Mr. John Reed, CCAF

Mr. Reed thanked INTOSAI WGEA for the invitation and introduced himself and his accompanying colleagues. Mr. Reed pointed out that was possible to increase the impact of audit while at the same time increase the quality of the audit. This could be achieved by giving good audit recommendations. He further explained about the use of Root Cause Analysis as a technique to find the underlying causes of the problem being studied. .

Then, he gave the floor to Mr. Morys Sidor who continued the presentation with explaining about the audit process to obtain the domino effect, starting with planning phase, examination phase, reporting phase and then the follow-up phase. He pointed out what are the domino effect mindset and the importance of having it.

The presentation continued with the explanation of each phase of the audit process. First, the planning phase included the policy and stakeholder mapping and cycles and systems understanding. Second, the examination phase which included the continuous consultation especially with experts.

Third, the reporting phase included the recommendation effect analysis. To have a better understanding of the concept, they prepared the examples of the environmental audits conducted in several sectors such drinking water, mining, forestry and energy.



Mr. Morris Sydor, CCAF



Mr. Jean Cinq Mars, CCAF

To better illustrate the domino effect concept, he explained the Mount Everest analogy. He explained that follow-up phase has stages in the following up recommendations over time.

Lastly, they concluded their presentation with explaining the benefits of implementing the concept of domino based recommendation the audit process. Thus, they hope that through this the impact of environmental audits will be increased/improved.

DISCUSSION

The participants asked about the “**staging recommendation?**” and its importance to plan the recommendation within the planning stage

Mr. John Reed explained that the recommendation should be made in the long term plan not only in one year. He further explained that within the planning stage, the auditors should consult with the experts to avoid a simple recommendation after a series of long audit. Mr. Jean Cinq Mars added that the recommendations should also be accepted by the stakeholders. Thus it should be considered early in the audit.

Plenary III: Environmental Issue

Topic on Energy

Hon. Raul B. Aguilos, Under Secretary of Department of Energy of Philippines



Firstly, he expressed his gratitude to the INTOSAI WGEA and how he was eager to inform about the recent developments in the Department. He continued with pointing out the importance of energy efficiency and conservation program in the national energy plan. He mentioned that the Philippines have been launched. National Energy Efficiency and Conservation Program (NEECP) to develop and promote new sensible energy habits in households and business sectors.

The program has brought an increase in the energy savings level during 2010-2012. He mentioned several concerns regarding energy which are the reason for the further development of renewable energy measures.

The Philippines thus stipulated the renewable energy law in 2008 and adapted the National renewable energy program for the year 2012-2030. He later mentioned the government agencies have been mandated to formulate several policy mechanisms to implement renewable energy law.

Before ending his speech, he mentioned his hope and expectations upon the future of sustainable energy for Philippines and hoped to promote the advancement and prompt implementation of the renewable energy. Lastly, he wished all meeting participants success and thanked all the audience for the attention.

Plenary IV: Audit Series

The Improvement of the Quality of the Environmental Audit by utilizing IT-based Data Analysis

Mr. Burmshik Kim, SAI of Korea



Mr. Kim conveyed his gratitude for the opportunity to share his SAI's experience within the INTOSAI WGEA meeting. He started with explaining the outline of his presentation. He mentioned that the background of conducting the audit was to overview the chemical management law in Korea as the result of chemical disasters happened in previous years. Korea has amended their law on chemical registration to avoid improper handle of toxic chemicals.

He continued by explaining that an IT-based data analysis could provide the clue of problems and information on the spot through the use of U-Check program and Microsoft Excel. He showed the participants the use of tools in conducting their audit by simulating the use of U-Check program to the audience.

The audit found that there were four major findings which were the improper classification of chemicals, illegal business activities/ distribution management of toxic chemicals, low reliability of data and one company has a poor waste management.

He later explained the impact of the audit to the improvement of chemicals management system and regulation amendment by the Ministry of Environment. Despite the challenges and barriers in terms of data reliability, he explained that the use of IT-based tools has been helpful in conducting the audit. Lastly, he ended his presentation by conveying his gratitude to the meeting participants for the attention.

Cooperative Audit

Coordinated Audit in Protected Areas in the Brazilian Amazon

Mr. Junnius Marques Arifa, SAI of Brazil

Mr. Arifa conveyed his gratitude to the host for holding the social program on the previous day. He started the presentation with explaining the definition of Protected Areas. The audit was coordinated between 9 state courts of audit in order to ensure whether the protected areas have preserve the biological biodiversity in the Brazilian Amazon.

He continued with explaining the process of the audit which involved workshops and online courses in order to standardize the concepts and consolidated information gathered from the audit participants. Afterward, the team map the regulation related to the topic and built a problem tree. The Indimapa or a multidimensional assessment on the protection of protected areas was built to help the auditors analyzing the problems.

The audit found that the protected areas have contributed to the deforestation reduction and carbon emission reduction.

The audit also found that there was a suboptimal use of the economic, social and environment potentials of the protected areas and poor coordination in the Brazilian National Protected Area



System. Based on the audit, the SAI of Brazil has learned that coordinator of the audit has to have a consistent plan, good communication between the audit team members and well established thematic and geo-referenced maps.

The Lake Chad Joint Environmental Audit, Save Lake Chad: A Major Challenge

Mr. Celestin Jean Blaise, SAI of Cameroon



Mr. Blaise started his presentation with explaining about the Lake Chad and its importance of it for the environment and the local dwellers. He explained that climate change and increasing human activities surround the lake were the factors that cause the Lake got dried so fast. The joint audit consisted of four SAIs (Cameroon, Niger, Nigeria and Chad) was conducted to determine whether the partner states have effectively implemented monitoring, control, and enforcement practices to achieve sustainable use of water resources in the lake Chad basin.

The audit found several findings as follow: 1) the strategies were not sufficiently geared toward sustainable management and protection of water resources; 2) poor monitoring and sanction system; and 3) lack of human, logistical, and financial resources.

The audit team recommended the improvement of coordination and task clarification between stakeholders, and improvement of human, logistical and financial resources also the common regulation implemented by the four states. Lastly, he conveyed his gratitude to the sponsors who came from the international donors and the expert SAIs for giving their knowledge and expertise in conducting the joint audit.

Cooperative Audit on River Nile

Mr. Yasser Aggour, SAI of Egypt

Mr. Aggour explained about the river Nile and its importance for the African countries. The proposed cooperative audit joined by 11 SAIs in Africa will be held to protect River Nile from environmental threats such loss of water, floods, wetlands degradation, pollution, and ecosystem imbalance. He said that the audit should be in the form of cooperative audit as river Nile is located in several countries and this form of audit will give a better quality audit report which addresses trans-boundary issues.

He explained the challenges that may face audit teams in terms of wide variety of audit topics, insufficient resources, and poor coordination between partners SAIs.

Lastly, he explained the several factors that may contribute to success in coping the challenges such allocation of more resources and adopting a common methodology for conducting the audit.



Measures to Combat Illegal, Unregulated and Unreported (IUU) Fishing and Post-harvest Losses in Lake Victoria

Mr. Joseph Gitaka, SAI of Kenya



Mr. Gitaka explained about the Lake Victoria and the fishing activities which has been the main economic and social activities in the lake. Recently, the studies showed that the fish catch was rapidly declining so cooperative audit was done to identify the problems happened in the fisheries activities undertaken on Lake Victoria.

The audit was conducted by three SAIs which were SAI of Kenya, SAI of Tanzania and SAI of Uganda using documentary and policy review. The audit found that the strategies developed and implemented by the government did not reflect the initiative to combat the IUU fishing. The audit also found that the infrastructure for post-harvest handling of fish was insufficient.

He mentioned several challenges faced by audit team during the audit specifically in terms of access to location and the ignorance of fish mongers. Lastly, he expressed his hope that through this audit, collaboration between agencies and public awareness will reduce IUU fishing in Lake Victoria.

DISCUSSION:

Mr. Jonathan Keate, SAI of New Zealand said that PASAI has done cooperative audits and complimented the SAI of Brazil for the approach in analyzing the data with the diagram. He asked the SAI of Cameroon on **how to coordinate the regional** cooperative audit.

Mr. Celestin Jean Blaise, SAI of Cameroon explained the importance of having experts in the planning stage to ensure that the SAIs had enough skills before launching the meeting with the entity. He further explained that before the examination begun, the audit team and the entity sign a letter of common understanding which eases the audit process especially in giving the recommendation.

Mr. John Reed, CCAF mentioned several audits done by SAI of Canada which are available on the website. He also explained about the importance of having effective communication in cooperative audits.

Mr. Celestin Jean Blaise explained how the audit team analyzed the plan of the entity and the data trends about what happened surround the Lake Chad

Mr. Celestin Jean Blaise explained that during the last meeting in Mombasa, Kenya, they invited the SAIs and experts to give their idea about future ideas about cooperative audit??

Mr. Joseph Gitaka, Kenya explained that all the participated SAIs made their own reports and then they sat together to join the reports into one report.

Regional Meetings

Each regional group met to discuss the activities they have been done so far. There were three regional meetings took place, they were EUROSAI WGEA, ACAG/PASAI WGEA, and ARABOSAI WGEA. The EUROSAI WGEA meeting was attended by nine SAI members from Czech Republic, Estonia (coordinator), Lithuania, European Court of Auditors, Macedonia, Netherlands, Norway, Poland, and United Kingdom. The ARABOSAI WGEA meeting was attended by five SAI members from Egypt (coordinator), Iraq, Kuwait, Morocco, and Sudan. Lastly, ACAG/PASAI WGEA meeting was attended by three SAI members from Australia, Fiji and New Zealand (coordinator). The other regional groups (ASOSAI, OLACEFs, and AFROSAI) decided not to have meeting during the assembly meeting in Manila.



EUROSAI WGEA Meeting



ARABOSAI WGEA Meeting

Day 3

Wednesday, 1 October 2014

Regional Working Group Progress Reports and Discussion

ACAG/PASAI Progress Report

Mr. Jonathan Keate, Coordinator, SAI of New Zealand



Mr. Keate explained about the PASAI and its members, and its work in building the capability of the SAIs in the region. In the past five years, the regional group has been focusing in the improvement of cooperative performance audits (CPA). During the year of 2010-2013, there were four cooperative audits conducted within the region, they were: 1) solid waste management (2010); 2) drinking water (2011/2012); 3) sustainable fisheries (2012/2013); and 4) climate change adaptation and disaster risk reduction strategies (2013).

He explained several findings from the last cooperative audit which classified into three major themes: 1) governance arrangements; 2) project implementation; and 3) monitoring and reporting.

He continued with explaining about the CPA program in order to develop capacity of the SAIs and the impact of the program to the participating SAIs. He also explained the new strategies of the group for 2014-2024 which more focused on financial audit and ISSAI implementation. He also mentioned other activities such as meetings held every two years, and the involvement in the project of INTOSAI WGEA.

Lastly, he mentioned about the group's next planned activities especially the future cooperative or coordinated audits to build on the gains they made in the previous years.

AFROSAI Progress Report

Mr. Celestin Jean Blaise, Coordinator, SAI of Cameroon

Mr. Blaise explained the outline of his presentation. He continued with giving an overview of AFROSAI WGEA, its members and its activities. He mentioned the vision of AFROSAI and explaining the three main pillars of the projects of AFROSAI, they were: 1) training and capacity building; 2) research projects and cooperative audit; and 3) communication and cooperation through meetings and website. Finally, he mentioned the expectations from INTOSAI WGEA community, which were: technical support, mentoring, sharing and enhance experiences and information inside INTOSAI WGEA.

ARABOSAI Progress Report

Mr. Yasser Aggour, Coordinator, SAI of Egypt

Mr. Aggour thanked the INTOSAI WGEA for the time given for sharing the progress of the ARABOSAI. He mentioned several achievements by the ARABOSAI which included the questionnaire, research projects, translation of guidance materials, and participation in the development of guidelines. He continued with explaining the next action plan which included: 1) new research proposal in mining, energy utilization, hospital waste, and study on ISSAI; 2) translation of the WGEA products; and 3) participation in the WGEA Work Plan 2014-2016.

Lastly, he explained the training programs achieved in 2013 which consisted of: 1) analysis of economic environmental problem impacts; 2) a solution lab organized by World Bank on the cooperative audits.

ASOSAI Progress Report

Ms. Yan Ding, Coordinator, SAI of China



Ms. Ding greeted all the meeting participants and said that it was a great honor to represent the auditor general of China in the meeting. She said that ASOSAI WGEA has fully completed the Work Plan 2010-2013 and currently working on the Work Plan 2014-2016. She mentioned several agendas within the Work Plan of 2014-2016 which included the seminars, survey, and audit cases in the environmental auditing.

She continued with explaining the result of previous survey which generally concluded that most of the SAIs have conducted environmental audits and they have planned carrying out cooperative environmental audit. Other result of the survey also showed several challenges faced by SAI especially in terms of lack of data and skills. Based on that, SAIs considered that training is needed to upgrade the skills of the auditors. She also mentioned various forms to improve the effects in environmental audit and pointed out that publishing the report considered as the best measure.

She also mentioned about the recent seminar and Work Group meeting in Vietnam last April 2014 and the cooperative environmental audit in Mekong River Basin. Before ending her speech, she pointed

out the ASOSAI WGEA commitment in implementing the ASOSAI Work Plan for 2014-2016, continuing the strengthen communication and cooperation with INTOSAI WGEA and other regional WGEA.

EUROSAI Progress Report

Dr. Alar Karis, Coordinator, SAI of Estonia

Mr. Karis started his presentation by conveying his appreciation to the INTOSAI WGEA for holding the meeting. He later continued with explaining the timeline of the EUROSAI WGEA meetings. He continued with explaining the strategy and activity plan for the next period of 2015-2017 which had been presented in the EUROSAI congress in June and was going to be adopted in the next EUROSAI WGEA meeting in Lithuania.

Afterwards, he elaborated on the strategic goals of the next period and the composition of new steering committee. He also mentioned several environmental audits and cooperative audits conducted within the region.

Lastly, he stated several forthcoming activities planned by the EUROSAI WGEA such as meetings and seminars, newsletter and the website enhancements.



Plenary V: ISSAIs Review

Mr. Dian Primartanto, SAI of Indonesia and Mr. Junnius Marques Arifa, SAI of Brazil



Mr. Primartanto started with explaining the project background which basically because of the due time to review in 2013. He continued with explaining the project team leader and co-leaders. He continued with explanation with explaining the scope of review for each ISSAI the elaborated briefly on the result of ISSAI mini survey which has been responded by SAIs about: 1) the most useful parts for each ISSAI; 2) parts needed to modified; 3) examples of how the themes in the ISSAI.

There were 3 methods to review the ISSAIs within the project proposal, which were literature review, survey, and focus group interview. Before ending his presentation he explained the general timeline of the project and inviting the meeting participants to join the parallel session.

Parallel Session #1



Environmental Assessment



How to Improve the Quality and Impact of Environmental Audits



ISSAI 5110 Focus Group Discussion



ISSAI 5140 Focus Group Discussion

Parallel Session on Environmental Assessment Research Project

Led by Ms. Francine Richard from SAI of Canada

The session began with the introduction of the project by Project leader presentation. Afterward, the Mr. Mark Simpson from SAI of Australia brought their experience in conducting audit on the compliance with Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act). The audit found that the Environment Department has not yet established mature administrative arrangements to effectively discharge regulatory responsibilities related to the approved controlled action. SAI of Australia recommended the department to improve their regulatory performance. He said that the audit has brought impact on the Environment Department as they initiated the broad program to improve the regulatory arrangements.

He also mentioned some challenges faced in auditing Environmental Impact Assessment which included: 1) the complexity and the time length of the actions; 2) large documentation over years; 3) widespread over the country; and 4) the need for IT experts to review the technology system to support EPBC Act.

The session continued with the presentation by George Haule from SAI of Tanzania who shared their review on the practice of Environmental Assessment in Tanzania. He explained that Tanzania already

have a National Environmental Management Act in 2004 which require certain projects are mandatory to have an assessment. He stated that rapid population growth and industrialization have created major environmental problems. He mentioned several challenges encountered in conducting environmental assessment such limited enforcement and environmental standards, lack awareness from developers, low public participation, and the political influence. Before ending his presentation, he pointed out the effectiveness of Environmental Assessment as tool in addressing environmental problems. Thus, an adequate planning must be ensured to bring wider potential policy and institutional benefits.

The discussion session led by the project leader has several points mentioned below:

- The importance of the national and local overview and public participation in EIA;
- The issue of independency when the public was involved within the process;
- The importance of understanding the legislation and policy framework;
- In some countries in Africa, there was a need to audit whether the national environment mitigation fund that came from deposits from mining sector has been appropriately used to protect the environment;
- The expectation that the output of the project will become the basis to develop the guidance of audit in the topic.

Parallel Session on How to Improve Quality and Impact of Environmental Audits Research Project

Led by Ms. Manako Ramonate from SAI of Lesotho

The session started with the introduction of the research project by project leader. The project leader also explained about the result of the mini survey and the outline of the session before the session continued with the presentation from SAI of Tanzania and SAI of Thailand.

Ms. Wendy Massoy from SAI Tanzania shared the SAI of Tanzania's perspective in improving the quality of performance audit. She pointed out several things to be done to improve the quality of environmental audit such selection of the right issue, and convincingly report the issue and conclusion. Good understanding in the current environmental issues also considered important. Thus, involving advisors and specialist also considered as a good measure to improve quality.

Several challenges in striving for quality and impact of environmental audit were: 1) unreliable data and inadequate awareness of environment audit; 2) poor record of government officials; 3) mandate ambiguity with the National Environment Management Council. She concluded the presentation with restated the importance of proper audit planning, robust quality assurance system, peer reviews and impact measurement system for environmental audits.

The session continued with the presentation from Ms. Anchaleekorn Pravarna from SAI of Thailand. She shared the experience of SAI of Thailand in conducting audit on air quality control measurement in Bangkok and how they learned about the importance of public participation at large in improving the audit quality. The audit found that the air quality control measures were still weak. SAI of Thailand recommended that the entity has to improve the control management and involving the public at large to assure sustainability in environmental management.

The discussion session led by the project leader concluded several points as follow:

- The importance of using exhibits to communicate the result of audit such the case of SAI of Indonesia's audit;
- The issue of social media to communicate the result of the audit – considering its big impact on putting pressure on government, it is better to ensure that it did not put embarrassment to certain parties. It will be useful for announcing the upcoming audit published in the SAI's website, instead of embarrassing certain institution for their negative findings;
- The need to put the special paragraphs in the report to point out to the readers the importance of the report supported with pictures or tables/data to give an idea about the issue that was being reported;
- The methods to identify the right subject matter experts before conducting the audit;
- The importance of educating the Parliaments about environmental issues and how their role is important.

Parallel Session on ISSAI 5110

Led by Ms. Dilyanka Zhelezarova from European Court of Auditors

Ms. Zhelezarova conveyed her gratitude to all the session participants for their willingness to join the session. She started the focus group discussion by asking questions about the main developments in the environmental audit area from each SAI since 2001. Afterward she invited the participants to be involved in the discussion for each chapter of the document. Some remarks regarding the discussion were as follow:

- Since 2001, there were many improvements happened in some SAIs in terms of development of environmental auditing as the result of the changes happened in the environment;
- The improvements were in the audit techniques, the development of special unit within the SAI, and auditor's capacity building in environmental auditing;
- Almost all the regions have conducted performance audit and cooperative audit on environmental issues;
- There were needs from the SAIs in terms of legislation frameworks on environmental issues, and capacity building to conduct environmental audits;
- In chapter one of the document, there were some discussion on the issues of:
 - a) SAI's mandate;
 - b) the scope of the standard to avoid confusion with other standard – the need to be more concise;
 - c) the requirements that SAI need to have before conducting environmental audit through case studies within the chapter;
 - d) the alignment with the revision of ISSAI level 3;
 - e) the ISSAI due process;
 - f) the importance of defining what "environmental audit" means.
- In chapter two of the document, the points of discussion were as follow:
 - a) the issue of Environmental Management System audit;
 - b) the issue of contradiction among several ISSAI which need revision;
 - c) the clarity on the definition of each type of audits (compliance, performance, financial);

- d) the issue of environmental aspects in financial audit – suggestion to put environment clause within the financial statements.
- In the chapter three, key points of the discussion were as follow:
 - a) the technical criteria which could be moved separately into the Annex 2;
 - b) highlight on how to choose the criteria which could balance the stakeholders' interest;
 - c) the definition of technical criteria and different sources of criteria, as law was not considered as technical criteria;
 - d) the risk management in responding caption.
- On the issue of examples within the standard, the points of discussion were as follow:
 - a) the details of the examples;
 - b) the latest examples from recent audits;
 - c) the relevancy with the topic;
 - d) the audits that had been done by SAI of Canada could be used as examples;
 - e) the link of the examples with the approaches stated within the standard;
 - f) the importance of giving a basic concept of the environmental audit through the generic examples;
 - g) the clarity between the authoritative and non-authoritative sources and what measures to determine it;
 - h) the real case examples should put the reference (link, contact person, or website) of the detail original report, to ease the SAI to get more detail information regarding methodology etc;
 - i) the non-offensive examples to avoid certain sentiment to other parties especially the entity.
- General comments also mentioned as follow:
 - a) The standard need more socialization to encourage SAIs using it;
 - b) The consideration to make the standard more user-friendly especially for new auditors who want to learn about environmental audit.

Parallel Session on ISSAI 5140

Led by Mr. Wilfredo Agito from SAI of Philippines

Mr. Agito welcomed the session's participants and started the session with brief explanation of the review proposal for the document. He also explained the existing audit approaches according the ISSAI 5140 which included concurrent audit, joint audit and coordinated audit approach. Afterward, he invited the participants to be involved in the discussion about: 1) advantages and disadvantages for each approach; 2) questions from the mini survey about which section need to modified/added/removed, and the examples which could be included in the updates.

The discussion has several remarks as follow:

- The importance of including the trans-regional audit in environmental audit as one of the audit approaches;
- The importance of understanding whether the participated countries were signatory to a certain international agreement, if not then understand whether they were affected by the certain international agreement – transport of trans-boundary waste issue;
- The need for clarity on concurrent audit;

- The importance of use UNEP guidance as reference for the standard;
- The consideration to widen the scope to be more general not just specific on the International Accords audit;
- The need to harmonize relate to the ISSAI 5800 about the Guidance on Cooperative Audits, ISSAI 2000, 3000, and 4000 series;
- The suggestion to compile all approaches into a scorecard system which could be a single parameter for all international accords;

Plenary VI: Citizen Engagement in Environmental Auditing

Ms. Vivien Suerte Cortez, Affiliated Network for Social Accountability in East Asia and the Pacific (ANSA-EAP)



Ms. Cortez thanked the INTOSAI WGEA for the invitation. She started her presentation by explaining the definition of social accountability which include two main elements, which are:1) constructive engagement and 2) citizen monitoring. She continued with explaining the main theme of the presentation, which was the citizen participatory audit (CPA) and its connection with social accountability. She explained that CPA is basically an audit conducted where citizen representatives are included in the team to make government more effective, transparent, and accountable. In her presentation, she preferred explaining about the solid waste management audit conducted through CPA. She continued with elaborating the overview of the regulations in solid waste management sector and the institutional mechanism of the solid waste management.

Further, she explained that based on the report of NEDA, solid waste management faced three main challenges which were high capital cost, the over capacity of waste disposal and the limited availability of disposal facility. She continued with explaining the process of conducting the CPA. The CPA was conducted in Quezon city of Manila. Through CPA, the citizens were invited to participate in a survey assisted by the Civil Society Organization (CSO) partner regarding the implementation of solid waste management in the city. The audit concluded that the city has complied to the 10-years Ecological SWMP and most o the respondents were satisfied with the cleanliness of the city. Based on the audit, she explained the importance of conducting CPA to ensure that a program is appropriately/correctly conducted in the field.

DISCUSSION

A question came up from the meeting participant on how to cope the issue of SAI's independency in conducting the audit.

Ms. Cortez explained that before conducting the audit, there has been a lot of discussion on the clear regulation and guidelines of the audit which have been accepted by the CSO and SAI of Philippines. Although in the end, the final conclusions and how the report should be made were decided by the SAI of Philippines

Parallel Session #2



Renewable Energy



Energy Saving



Updating Waste Audit Guidance



ISSAI 5130

Parallel Session on Renewable Energy Research Project

Led by Hassan Namrani from SAI of Morocco and Arief Senjaya from SAI of Indonesia

The session opened by Mr. Arief Senjaya from SAI of Indonesia and continued with the presentation of the project plan by Mr. Hassan Namrani from SAI of Morocco. The presentation included the subjects such the importance of renewable energy development, the objectives of the research, the methods, the timeline of the project and the mini survey result from the 55 SAIs.

Mr. Armando Jogo from ECA continued the session by presenting their experience in auditing the Cohesion Policy Funds in the renewable energy development projects. The audit was conducted to exam the 9 programs of renewable energy project in 5 member states (Austria, Finland, Malta, Poland and United Kingdom). The audit found that: 1) the projects have delivered output as planned; 2) most of the projects were sufficiently mature and ready for implementation; and 3) there were no significant cost overruns or time delay in project implementation. Based on these findings, ECA has recommendations for the European Commission and the member states which focused on the improvement of the cost-effectiveness and the added value by improving the renewable energy projects. Before concluding his presentation, he mentioned several challenges and barriers faced in conducting the audit such as the availability and comparability of data.

The session continued with the presentation given by Mr. Rafil Yassein Al-Assady from SAI of Iraq about the importance of renewable energy for Iraq. He shared about the importance of using renewable energy in terms of availability of proper technology and suitability in environmental perspective. Aside from the advantages of using the renewable energy, he also explained several disadvantages of it specifically in terms of availability and transferability. Afterward, he explained about the audit conducted by SAI of Iraq on contracts of solar energy as electric power. Lastly, he concluded his presentation by recommending investing more in development of renewable energy and raising the awareness of the government through disseminating more information on renewable energy.

Mr. Arif Senjaya also had opportunity to share SAI of Indonesia experience in conducting renewable energy audit. He stated that the basic concern for the renewable energy implementation was that concern on sustainable energy and since 2004, Indonesia has become the net importer of oil. In terms of legislation, Indonesia has set a policy regarding the target of energy reduction and green house gases emission reduction by 2020. Before ending his presentation, he mentioned the importance of local industry and energy subsidy in developing renewable energy.

The session continued with discussion led by project leader which brought out several things as follow:

- The output of the research would be a comprehensive data about renewable energy project implementation in order to prepare for the next plan to develop a guidance;
- The roles of SAIs in the renewable energy project implementation which to promote the development of renewable energy;
- The expectation that the output could share the experience of best practices and success stories of the renewable energy project implementation.

Parallel Session on Energy Savings Research Project

Led by Michal Rampir, Eva Rekova, and Martin Kolman from SAI of Czech Republic

Mr. Rampir opened the session with welcoming all the participants and explaining the project plan which has been endorsed in the last SC meeting in Indonesia. The session participants also had the chance to interact with each other through small group discussion to draw their interest on the topic of energy savings. After the discussion, Ms. Rekova continued the session with the plan for Chapter 3 of the research paper and gave example of SAI of Sweden audit on energy saving program.

The session was continued by Mr. Jonathan Dent from SAI of United States of America who shared the experience of his SAI in conducting audit on the government's energy efficiency programs. The audit found that there was an overlapping between the programs implemented by the government, some even duplicated as there was no communication between the agencies that were in charge in the programs. Based on the finding, SAI of USA has recommended the head of agencies to improve their communication to avoid further duplications and task overlapping between them.

Afterward, Ms. Jill Goldsmith from SAI United Kingdom shared about the energy efficiency policy in United Kingdom. She stated that United Kingdom has committed to reduce the demand of energy by 30-50% by 2050. She explained several benefits from energy efficiency such lower environmental impact, improved energy security and financial savings from business and households. However, she mentioned that there were barriers which included the underdeveloped market for energy efficiency and insufficient information for the consumers. She mentioned the range of policy interventions done

by the government to improve energy efficiency. Lastly, she concluded the presentation with showing several works done by SAI of United Kingdom related to the topic of energy efficiency which could be accessed through their website.

SAI of China represented by Ms. Zhiping Xing also shared their experience in energy savings audit. She explained that China has stipulated several policies regarding energy conservation policies. She mentioned some of the audits conducted by SAI of China, they were related to: 1) management and use of energy saving fund; 2) implementation of policies in several sectors; and 3) combining the audit budget implementation with audit of special funds for energy conservation. The audits brought good results from the government with strong rectification after audits. Lastly, she elaborated the challenges in auditing energy saving, they were the variety of audit standards, high professional methodologies and the rectification after the audit.

The session continued with the discussion led by project leader and several points were concluded as follow:

- The SAI of United Kingdom explained briefly about Smart Meters which was the tools to ease the company in understanding the usage of energy and the demand of energy could be managed;
- In China, there was a jump in terms of number of energy production because of the success of material s recovery;
- There was also discussion about different effect of labeling scheme.

Parallel Session on Updating Waste Audit Guidance

Led by Camila C. Fredriksen from SAI of Norway

Ms. Fredriksen opened the session by explaining the importance of waste issues for INTOSAI WGEA and the importance of updating the guidance for quality improvement of waste audit. She explained that based on the initial observation from the mini survey, there were several problems especially related to the lack of strategies implementation, coordination and compliance with regulation.

She continued with explaining the SAI of Norway experience in increasing validity using triangulation to mitigate data reliability issues. The session continued with a discussion on trans-boundary waste issues between the meeting participants.

SAI of Ghana represented by Mr.Kwaku Akyena also shared their experience in auditing waste. He elaborated how the uncollected waste has threatened the environment and human health. The audit was conducted to measure the performance of waste collection and disposal of the city of Accra. The audit found that there was no strategic plan on waste management as required by National Environmental Sanitation Policy which led to ineffective maintenance, improper monitoring, and the absence of waste treatment before disposal. The audit has brought impact to the city with the new development of composting and recycling plant in Accra.

After the discussion, the SAI of India represented by Mr. Nand Kishore shared their experience in conducting waste audit. The audit found that the federal government had not fully assessed the risk to environment and health and had not yet taken effective action on the implementation of National Environment Policy. He mentioned that the audit has brought impact to the development of E-waste

management rules, revision on rules, development of responsible bodies for waste management and the development of new disposal facility.

After the discussion, the SAI of India represented by Mr. Nand Kishore shared their experience in conducting waste audit. The audit found that the federal government had not fully assessed the risk to environment and health and had not yet taken effective action on the implementation of National Environment Policy. He mentioned that the audit has brought impact to the development of E-waste management rules, revision on rules, development of responsible bodies for waste management and the development of new disposal facility.

The session continued with the discussion led by project leader and the results are as follow:

- The suggest to have more topic approach as each country have different system and challenges;
- The decision to keep the structure as the previous guidance as it was easy to understand and helpful for the beginners.

Parallel Session on ISSAI 5130

Led by John Reed from CCAF, Canada

Mr. Reed conveyed his gratitude to all the session's participants for joining the session. He continued with explaining briefly about the structure of the document. In the session, there were two big questions asked to the participants, they were: 1) in your country, in what way specifically, the sustainable development is important in your country?; and 2) in your SAI, in relation to auditing sustainable development in your country, what kind of guidance does your SAI needed from the WGEA?. Based on the mini survey, several suggestions were drawn:

- a. The need to develop a guidance to measure the impact of audit results;
- b. The updating should based on the WGEA paper Sustainability Reporting: Concepts, Frameworks and the Role of Supreme Audit Institutions;
- c. The need for additional reference from recent international milestone particularly the Rio+20;
- d. The need to shift to auditing sustainability on a topic/ natural resource/program level.

The discussion was concluded with several remarks as follow:

- Regarding the importance of sustainable development for the country, several conclusions were drawn as follow:
 - a) The ecosystem is fragile and susceptible, it also drives economy and helps create jobs;
 - b) It guarantees energy for future generation, thus it needs to be balanced and compromise the exploitation;
 - c) In terms of countries which based their economy on their environmental tourism, then sustainable development is very important for them;
 - d) The need to have a long term development plan in order to balance between exploitation and future generation sake;
 - e) Sustainable development is important because it is popular among people despite not knowing the meaning of it;
- In general, the standard is needed to ensure awareness of sustainable development among public sector.

Day 4

Thursday, 2 October 2014

Plenary VII: Market Based Instruments for Environmental Protection

Market Based Instruments – Rationale, Applications and Opportunities – A Role for National Audit Offices

Dr. Stefan Speck, European Environment Agency (EEA)



Dr. Speck conveyed his gratitude to INTOSAI WGEA for the invitation to the meeting. He started the presentation through explaining the outline of his presentation and the agency where he has worked. He later pointed out the importance the role of the government in preserving the environment and the rationale of using Market Based Instruments (MBI) in preserving environment. He continued by explaining the types of MBI which include the price-based and quantity-based instruments.

He pointed out that the design and the selection of instruments varies depend on the conditions of each country. He explained the advantages of applying MBI and the conditions that hampering the application of MBI.

Dr. Speck explained the definition and examples of environmental taxes and subsidy reforms implementation in several countries. He gave the broad overview on the implementation of both instruments and their impact on the environment. He also showed how some projects were successful and some were not. Later, he gave the overview on the policy framework for MBI and explained the project cycle of the MBI implementation.

He mentioned at least there were five criteria used to evaluate the public intervention regarding MBI. They were effectiveness, efficiency, coherence, relevance, and added value. Lastly, he elaborated briefly on the focus of MBI audit, the challenges of conducting it and solutions to cope the challenges.

Implementation of MBI in UNFCCC

Ms. Marsha Cheddi, UNFCCC



Ms. Cheddi thanked the INTOSAI WGEA for the invitation to the meeting. She briefly explained about the outline of her presentation and started with explaining about the UNFCCC and its works. She later explained about the Clean Development Mechanism (CDM) projects and its benefits to the environment. She continued with explaining CDM project process, from project developer proposal until they sell the credits to the industrialized countries or companies. She said that CDM projects have contributed to the development of 110 GW of the new Renewable Energy capacity all over the world. Further, she explained the project in China to give clear understanding to the audience.

She continued explaining that in the future, the markets are likely to be the key component of any future climate-action framework because of their contribution to the sustainable development, cost minimization, and private sector empowerment.

She also stated that the CDM application will be expanded and the monitoring, reporting, and verification infrastructure will be improved. UNFCCC also have a plan to explore the possibility and opportunities to reduce transaction cost. She concluded her presentation with restating the benefits of CDM and the future role of the CDM that still need further clarification.

DISCUSSION

Mr. John Reed, CCAF asked where to find empirical evidence that these MBIs were efficient instrument to achieve the benefits expected.

Mr. Nand Kishore, SAI of India asked on the pattern of the current production and the benchmark of business as usual to ensure that the mechanism works – that the sellers get the right buyers.

Mr. Jean Cinq Mars, CCAF asked the speakers' point of view about some concept on direct subsidy/taxes, the law requirements or standards that applicable anywhere else or other measures that could ease the economic burden.

Ms. Jill Goldsmith, SAI of United Kingdom asked about the issue of transaction cost that should be paid by the market. She asked how strong the current market of CER was and what measures should be taken to strengthen the market for CER.

Ms. Marsha Cheddi, UNFCCC in respond to Mr. Reed's question explained that she has to ask other colleague about where to find empirical evidence. Currently, UNFCCC only have data on how many countries participated and policies related to the mechanism. In respond to Mr. Kishore's question, she explained that UNFCCC has a system that able to tracks the registered CER, so transfer of credits from elsewhere to United States could be traced through this system. She also explained regarding the business as usual, the UNFCCC supported the participants with the methodology/approaches which could really measure the changes in the production. She also explained that UNFCCC did not register the producer, it was only based on the investment from private sectors (financial and business opportunity of private sector). There was no system available to ensure whether the right people buy the credits.

In respond to Ms. Goldsmith question, Ms. Cheddi explained that currently, the market demand for CER has dropped to 20 cents/CER because of the regulation set by the European Union which refuse to have CDM credits within their trading system unless it was from the least developed countries. Currently, they were promoting the voluntary use of CER. Further, she explained that there were some projects failed to be done because of the uncertainty of the market and it were financially not making sense.

Dr. Speck in respond to Mr. Reed's question said that the empirical evidence could be obtained through assessment model framework. He admitted that it was difficult to see the impacts of MBI. Some empirical evidences have been obtained through studies done by academics or public institutions in Europe about environmental impacts. In respond to Mr. Cinq-Mars question, Dr. Speck

explained that current MBIs focus more on price subsidy and the process of setting the subsidy was currently being considered in the agenda. He added that every country, every ministry has different idea about how the subsidy and tax should be implemented.

Ms. Viire Viss, SAI of Estonia thanked the speakers for the interesting presentations. She asked whether the speakers could mention several other examples outside the energy sector. She asked what SAI can do in the implementation of CDM as UNFCCC already has a good monitoring system.

Mr. Morris Sydor, CCAF asked what quality assurance system and quantification method used to ensure the mechanisms worked appropriately.

Dr. Speck, EEA explained that the most examples chosen from energy sector because it was best examples and more effective. He added several examples from maritime sector and plastic bag taxes.

Ms. Cheddi, UNFCCC, explained that the SAIs could have a role on strategic level not operational level. She added that SAI could focus on the government strategy, ensure whether they use the right mix of MBI to reduce emission. In terms of internal control of the project implementation, UNFCCC trained engineers to become auditors using the established audit standards in detail manner. The audit reports addressed whether the project has complied with the standard; followed the rules; assessed correctly; implemented and maintained appropriately.

Plenary VIII: The Initiatives taken by the Philippines in protecting its Marine Environment

Atty. Asis G. Perez, Bureau of Fisheries and Aquatic Resources (BFAR), Philippines

Mr. Perez thanked for the invitation and greeted all meeting participants. He started his presentation by explaining the Philippines fisheries profile. He explained the status of each fishery resources which consist of mangroves and coral reefs. Afterward, he explained each of the resource's potentials, the fisheries production, and its growth trend.

He continued with explaining the task of and duties of government in the fisheries sector and stated his concern on the Illegal, Unreported and Unregulated (IUU) fishing faced by the government. He stated several effects of IUU fishing such unsustainable fishing, depleted fish stocks, destroyed marine habitat, and threatened livelihood of coastal communities.



In order to protect its marine environment, the Philippines has develop a framework which consist of five main sectors, they were: 1) resource protection; 2) resource enhancement; 3) production enhancement; 4) post harvest and infrastructure support; and 5) organizational development. Lastly, he explained about the law enforcement to combat IUU fishing by showing the news in media publication related to that.

DISCUSSION:

Mr. Alfredo Gomez was curious about the impact of climate change and ocean acidification to the fisheries sector of the Philippines and how the Government responded to that.

Mr. Perez explained that Philippines had experience severe impacts of climate change, especially with the storms that had affected the fishermen. The climate change has reduce at least 28% of production in fisheries sector and made the fishermen more vulnerable. Thus, the government has an insurance program for the fishermen to build back their boats. He also mentioned about mangrove program in coastal area of Philippines. It was proven that coastal areas with mangrove forest have less damages and smaller number of life loss compare to the ones without. Regarding the ocean acidification, the government focused on enhancing the resiliency of the coral reefs in the coral triangle area from the climate change impact. He also mentioned the importance of cross border, cross country or region cooperation in reducing the climate change impact to the marine environment.

Parallel Session #3



Market Based Instruments



Government Responses to Marine Environment Affected by Climate Change and Ocean Acidification



Greening the SAIs



ISSAI 5120

Parallel Session on Market Based Instruments Research Project

Led by Viire Viss from SAI of Estonia

Ms. Viss opened the session with explaining the project plan. She also presented the results from mini survey where 31 SAIs have indicated relevant audit experience and within which there will be selection made to be included in the paper.

The session continued with the presentation from Ms. Jill Goldsmith from SAI of United Kingdom about the early contracts for renewable electricity in United Kingdom. She explained that the audit was conducted to examine government's use of resources in which it could also examine the implementation of MBI (subsidy for large scale of renewable energy projects). The audit found that the early contracts were awarded with administratively set strike prices which may provide higher returns than needed. This led to limited remaining budget owned by the government for price competitive actions. The audit was expected to give assurance on the government contingent liabilities, accounts of government owned company making fit payments from levy funding and annual report on levy control framework.

Afterward, SAI of Malaysia represented by Ir. Md Wahid Mohd Nor shared their perspective on the role of MBI for River Klang Cleaning Project. He explained that MBI has been introduced in Malaysia since 1974 and in 1978, government of Malaysia has charge effluent to control pollution. He

elaborated the plan of using MBI such tariff charges on municipal sewage treatment plant, and charges for waste collection and disposal for the success of River Klang cleaning project. Lastly, he conveyed his hope for the success of the program and better environment of Malaysia.

Ms. Viss completed the session with sharing SAI of Estonia experience in auditing MBI implementation in Estonia. Several examples were mentioned such audit of pollution charges, recovery of packaging waste and state action in developing oil share mining and the mineral resources extraction charges. In general, these audits found that the MBI will work when it supported by legislations. Quite often the value of charges is not yet taken into account the external cost. Thus, in the mining sector, the charges have not influenced to use resources more efficiently and pollute less.

Parallel Session on Government Responses to Marine Environment Affected by Climate Change and Ocean Acidification Research Project

Led by Alfredo Gomez and Jonathan Dent SAI of USA

The session was opened by Mr. Gomez and continued with the elaboration of the project plan and the initial review of several audit reports from the SAIs which have conducted the audit on related topic. Afterward, Ms. Elaine Dantas from SAI of Brazil shared her SAI's experience in conducting audit on climate change scenarios in coastal zone. The audit found several weaknesses of the current system, they were: 1) the absence of specific risk assessment; 2) weak monitoring system; 3) lack of transparency of weather data; and 4) the climate change national plan has not well established. The audit has brought positive impacts on the improvement of the climate change adaptation strategies, especially in terms of transparency of data and better monitoring system and warning system for natural disaster.

The session continued with the presentation by Dr. Shyamal Kanti Chowdhury from SAI of Bangladesh about the government's strategy to protect the island of St. Martin through National Conservation Strategy (NCS) implementation. The strategy was basically developing a marine park and eco-tourism within the island. The audit found that the program has not yet successful because of improper planning and poor coordination between the assigned agencies. The SAI of Bangladesh recommended the agencies to have better planning and improve their coordination with each other.

Mr. Jonathan Dent from SAI of United States of America continued with explaining the context of ocean acidification and the examination on mechanisms done by agencies in respond to ocean acidification. The examination concluded several important remarks such the importance of clear criteria and how the topic affects numerous agencies and interagency coordination is very important.

Several remarks based on the discussion were as follow:

- The importance of minimizing the effect of climate change through reduce overfishing;
- The audit of SAI of USA was to check the status, recognize the emerging issue and how to move forward from there;
- The inclusion of science within the audit report is important for educational purpose of the report. Within the report of ocean acidification, SAI of USA had no difficulties in convincing the board to include the science of acidification as it also consumed half of the audit time;

- In Bangladesh, the climate change impact reduction was the responsibility of both national and local government, but national government has higher motivation to conserve the island compared to the local government;
- The importance to consider financial aspect within the report of this topic – especially to see whether it has impact on the budgetary resources plan;
- The interest on having future cooperative audit on the topic.

Parallel Session on Greening the SAIs Research Project

Led by Nand Kishore from SAI of India

The session was opened by Mr. Kishore and he continued with explaining the project plan. He explained that the paper will give the general understanding and blue print for action by SAIs in greening their institution. He also mentioned several results obtained from the mini survey spread earlier in August 2014.

To give broader perspective on the topic, Mr. Kishore gave a brief presentation about green features owned by International Center for Environmental audit and Sustainable Development (iCED). These features included the green buildings, energy savings program, water conservation, waste treatment, and renewable energy usage. He mentioned that despite its effort to be the green campus, iCED still improving its current condition especially in terms of water supply system, thermal insulation from solar heating system, and also the usage of recycled waste water for horticultural purposes.

The focus group discussion led by Mr. Kishore has produced several conclusions as follow:

- In Lesotho, they had the issue of secrecy of the documents if the SAI decided to contract external company to print the document/reports;
- In Netherlands, they made a leaflet about how they conduct greening on their own SAI. He further mentioned several issues related to:
 - a) Office room lighting;
 - b) Widening the scope to the government level, for example the government now has the program on energy sufficiency housing;
 - c) The sustainability has to be widen not just environmental but also to social and financial sustainability;
 - d) One of the example of the SAI of Netherlands was they had reduce their office space in order to save energy and the policy of “one people, one book shelf” to reduce the paper usage;
 - e) Biological foods in the office cafeteria as it were healthier and good for the environment.
- In Canada, they had several initiatives such:
 - a) a video/audio conference for meeting arrangement in order to reduce the number of travel;
 - b) Most of the reports were provided through website instead printed version;
 - c) Wireless internet connection throughout the office so basically people could work anywhere;
 - d) Have a green team which basically a “champion” in changing the culture of the organization through making and reviewing the initiatives for the green office.

- SAI of Macedonia expected the output to be useful for them as they were building new office and hope to have further discussion with iCED. They also were implementing the new audit management system to reduce paper use and use more electronic files.
- SAI of...Czech? Said that it was important to learn from the private sector as they had done this since the 1990s. Although it might be challenging to implement it in the government, but it was worthy to know about initiatives that might need less money to be invested.

Parallel Session on ISSAI 5120

Led by Dilyanka Zhelezarova from European Court of Auditors

Ms. Zhelezarova welcomed and thanked all session's participants for joining the session. She started the focus group discussion by asking questions about the main developments in the environmental audit area from each SAI since 2004. Afterward she invited the participants to be involved in the discussion for each chapter of the document. Some remarks regarding the discussion were as follow:

- The relevancy of the guide with IPSAS;
- The importance of ensuring the existence of a settled financial framework before conducting the audit;
- The importance of consideration of environmental aspect in financial audit, not just the ordinary financial audit;
- The importance of considering environmental aspect which affect the opinion given for the financial statement;
- In chapter two, the key discussions were as follow:
 - a) Risk assessment using risk based audit methodology;
 - b) The relevancy of the topic to the ISSAI 200 and ISSAI 2000 but focus only on environmental topic.
- The discussion on what makes a good example for the standard were as follow:
 - a) Based on the real case and relevant for the content;
 - b) Every stage in the audit process addresses issues related to the environmental;
 - c) It has a brief content without losing its meaning;
 - d) It has specific criteria on environmental issue and focused on specific topic.
- In chapter three the key points of discussion were as follow:
 - a) The need to have additional report/paragraph/clause specific on environmental aspect;
 - b) The need to state the importance of the environmental aspect in giving the opinion to the financial statement;
 - c) The importance to consider the relevancy with current format stated in the ISSAI level 3.

IDI and WGEA Cooperation Project

Mr. Md. Shofiqul Islam, INTOSAI Development Initiative (IDI)



Firstly, Mr. Islam thanked INTOSAI WGEA for the invitation. He continued with explaining the outline of his presentation. He overviewed the previous cooperation between INTOSAI WGEA and IDI. He explained the forestry audit program which has developed the professional and institutional capability of SAIs in forestry sector. The program focused in developing INTOSAI WGEA forest audit guide using the risk based audit approach and geospatial technology. The forestry program has also allowed evaluating a program in the forest management.

Afterward, he explained the outcomes of the program using indicators and status of each indicator. Those indicators were: 1) institutionalization of system to carry out the audit; 2) acceptance of audit recommendations; and 3) enhancement in forest management in the targeted countries.

He stated that the guide was being translated into several languages. He also mentioned several programs planned by IDI and the Global Capacity Development Priorities or 2015-2018. The priorities spread around enhancing e-learning capacity including: 1) SAI strategy; 2) ISSAI implementation; 3) stakeholder relations; 4) fraud and corruption audit; and 5) institutional capacity development.

He continued with explaining the result of survey in 2013 which found that auditing fraud and corruption was the main priority from ASOSAI countries. He concluded his presentation with explaining the latest IDI program in the audit of disaster management.

Project Leaders' Report on the Parallel Session

Market Based Instruments Parallel Session

Ms. Viire Viss, SAI of Estonia

Ms. Viss started her report with giving her nice impression on the session. She explained the sequences of the session and discussion of MBI in the origin countries of the session participants. Some of the remarks from the discussion were:

- Issue of risk in MBI audit;
- Issue of outcome measurement;
- Issue of time which cause difficulty in measuring the impact;
- Issue of law enforcement of taxes and charges;
- Template for collecting good case studies based on the result of mini survey.

Environmental Assessment Parallel Session

Ms. Francine Richard, SAI of Canada

Aligned with Ms. Viss, Ms. Richard also said that the session had a very nice discussion. After explaining the sequences of the session, she explained several remarks from the discussion as follow:

- Issue of public participation within environmental assessment;

- The focus of the research would be in Environmental Impact Assessment (EIA) instead of Strategic Environmental Assessment (SEA);
- The plan to develop audit guidance based on the output of this research project.

How to Improve the Quality and Impact of Environmental Audits Parallel Session

Ms. Manako Ramonate, SAI of Lesotho

Ms. Ramonate explained that the session had nice presentations from project leaders and two SAIs from Tanzania and Thailand. She explained that the session also had a nice discussion on the difference between quality and impact based on the presentation given by the SAIs and inputs from Mr. John Reed from CCAF.

Renewable Energy Parallel Session

Mr. Mohamed Diyer, SAI of Morocco

Mr. Diyer expressed his gratitude to the session participants for having a nice parallel session on renewable energy project. He continued with explaining briefly about the result of mini survey and the next steps taken after the assembly meeting.

Energy Saving Parallel Session

Mr. Michal Rampir, SAI of Czech Republic

Mr. Rampir explained that the session went very well with three other presenters from SAI of United States of America, SAI of United Kingdom and SAI of China sharing their experience in energy saving audit. He mentioned the plan for next year's subcommittee meeting in Prague to discuss the draft research paper before submitting it to the secretariat. He also conveyed his gratitude for the respondents of mini survey and the analysis of the result will be included within the paper.

Updating Waste Audit Guidance Parallel Session

Ms. Camille Fredriksen, SAI of Norway

Ms. Fredriksen explained the initial results from the guidance update. She added that the updating process was not too complicated which means that the old structure of the guidance will be kept. She also thanked the SAI of India and SAI of Ghana for sharing their experience in waste audit. Lastly, she invited all meeting participants to submit their experience in waste audit to the SAI of Norway as project leader.

Government Responses to Marine Environment Affected by Climate Change and Ocean Acidification

Mr. Alfredo Gomez, SAI of USA

Mr. Gomez conveyed his gratitude to the SAI of Philippines for inviting the guest speaker related to the research project. He also explained that the session went very nice with the presentations from SAI of Brazil, SAI of Bangladesh and SAI of United States of America about their audit on marine issues and the unknown threats of the climate change on marine environment.

Greening the SAIs

Mr. Nand Kishore, SAI of India

Mr. Kishore explained the responses from the mini survey collected from approximately 40 SAIs. He added that he gave small presentation on iCED practice green institution. Lastly, he conveyed his gratitude to all session participants specifically for SAI of Bhutan for the contribution in the session.

ISSAI Review Project

Mr. Dian Primartanto, SAI of Indonesia and Mr. Junnius Marques Arifa, SAI of Brazil

Mr. Primartanto expressed how they had wonderful series of parallel sessions. He thanked all participants and the facilitation of the meetings. He said that based on the discussions, it was suggested that ISSAIs to be more user-friendly, concise, and elaborative about environmental issue. For example, ISSAI could include several samples or practical tips about environmental issues. He explained that the project team will continue collecting materials and inviting all the meeting participants to submit the case studies for the team. Mr. Arifa added about the best strategy to review the ISSAIs according to the due process by contacting the Professional Standards Committee (PSC) as soon as possible.

Chair's Progress Report and WGEA Next Agenda

Mr. Edward G. H. Simanjuntak and Ms. Juska Sjam, SAI of Indonesia

Mr. Simanjuntak started the presentation with stating the mission of INTOSAI WGEA and the current membership which up to 77 members in 2014. He continued with explaining the goals to be achieved according to the Work Plan 2014-2016. The first goals will be achieved through the seven research papers, and updated WGEA waste guidance and four ISSAIs related to environment. He continued with explaining the second and third goals of the work plan. There were several activities involved in achieving third goal including the meetings, capacity building programs, WGEA website, survey and annual audit collection.

He also elaborated more details about the International Training Program in GTF held in India and the International Training on Forestry Auditing held in Indonesia. Lastly he explained that INTOSAI WGEA has signed an MoU with UNEP regarding Multilateral Environmental Agreements in 2013 as a part to achieve the fourth goal.



Ms. Sjam added the report with elaborating more details on the plan for 8th survey and the annual audit collection. She explained that there will be some additional topics on Disaster Management, Fraud and Corruption in the Environmental Management and Market Based Instruments for Environmental Protection. She said that the survey will be sent in February 2015. She added about the current collection of reports on environmental audit. The additional topic also included within the categories of the audit report which was related to disaster management.

Mr. Simanjuntak ended the presentation by explaining the next planned activities of INTOSAI WGEA which included the next Steering Committee Meeting in September 2015, next assembly meeting in 2016, and the implementation of MoU with UNEP.

Conclusion

Mr. Edward G. H. Simanjuntak, Secretary General of INTOSAI WGEA

Mr. Simanjuntak stated several remarks to conclude the meeting as follow:

- There are opportunities for auditors in the implementation of environmental rule of law as a mechanism for enhancing accountability on the path towards sustainable development;
- Environmental Management practice in Philippines specifically in Energy policy and Marine Environment;
- There are also ways to improve environmental performance audit through recommendations with an domino effect and citizen engagements in participatory audit;
- The importance of using MBI in protecting the environment.
- The importance of cooperative audit for environmental protection and build the capacity of SAIs;
- The parallel sessions which have brought valuable inputs for research projects



Closing

Mr. Ali Masykur Musa, Chair of INTOSAI WGEA



Mr. Musa was pleased that the meeting has come to an end. He conveyed his greatest gratitude to all participants for their active participation. Further, he invited the meeting participants to the cocktail reception just across the room where the meeting was held. Lastly, he hope to see all the guests on the next meeting of INTOSAI WGEA next years.

Closing Reception hosted by SAI of Indonesia

The Closing Reception was held in the Isla Ballroom, just the room in front of the Palawan Room where the meeting was held in three days. Dr. Ali Masykur Musa conveyed his gratitude to the host and all the participants for their enthusiasm within the past three days. He also sent his best wishes to all participants to have safe trip back to their countries.



