

# **Training Materials: Auditing Forest**

SAI Indonesia

# AGENDA

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# INTRODUCTION

## The Role of Forest : Environment, Economy and Social

forests actively contribute to the world's environmental stability and are used as economic resources to produce subsistence and industrial forest products. In addition, they have cultural and recreational value.

## The Impact of Unsustainable Forest Management

deforestation, forest degradation, forest fire, loss of biodiversity, natural disasters, and lack of wood for wood based industry make forests becoming important. Forest is also the central point of certain climate change issues such as the issue of REDD, CDM and other issues such as carbon storage and reduction.

## The Role of SAI

contribute for the development of government forest management : Auditing the performance and the compliance of government activities, the soundness of government accountability systems and practices (strengthening internal controls, and improving their assessment and mitigation of forest-related risks).

# INTRODUCTION

- INTOSAI WGEA has developed the INTOSAI WGEA Guidance, (The Guidance): Auditing Forests: Guidance for SAIs which can be used as guidance for auditors to audit the forest. In collaboration with the INTOSAI Development Initiatives (IDI), INTOSAI WGEA has developed a program followed by 15 SAIs from three INTOSAI WGEA regional organizations: ASOSAI, AFROSAI and CARABOSAI. The participating SAIs conducted pilot audit to implement this guidance.
- The importance of the forest for human life and ecosystem and the role of SAIs as mentioned above create the need to improve the capacity of the auditor to audit the forest. Improvement of auditors' capacity can be achieved by conducting training. Training will help the auditor understand the general aspects of the forest and the techniques to audit it.

# TRAINING-PROJECT OBJECTIVE AND OUTCOME

## PROJECT OBJECTIVE AND OUTCOME

- ❖ To give guidance for trainers in planning and conducting training on how to audit forest, thus helping to build capacity of SAIs in auditing the forest

## OUTPUT

Integrated and comprehensive training module which includes:

### a. Participant Note (Theory)

- Informs certain aspects related to forest mainly retrieved from the INTOSAI WGEA Guidance (The Guidance): Auditing Forests: Guidance for SAIs and other source of information
- Describe the type of audit that can be used to audit forest. Focus on Performance Audit.
- Describes the importance of certain technology such as GIS, GPS, Remote Sensing and other types of technology in helping the auditor audit the forest
- Describes the procedure and technique including the tools needed to implement the technology in the audit.

### b. Instructor Guide and Slide Presentation

- Handouts-detailed instruction to the instructor including the slide presentation
- The exercise and the case study including the suggested solution, and other possible features

# TRAINING-PROJECT SCOPE

The Substance and the Structure of the Training Material :

## I. The substance of the Training

1. The content : Information about the forest, Sustainable Forest Management, Several case studies related to Sustainable Forest Management and Auditing the forest (**Process of the audit (performance Audit)**), issues and Risk Based Audit Approach including the types of audits).
2. The training material also will give information about the use of certain technology such as Remote Sensing, GIS and GPS in auditing the forest.
3. A series of Case Study and Exercise (it will start from the planning stage to the following stage).

## II. The Structure of the guide is as follows:

a. Guiding principles for developing training course.

b. Structure of training material (training binder) :

a) Introductory Sheet.

A one page introductory sheet of the training binder provides opening for the course instructor: overview of the course topic and modules, general content of the sessions as well as an overall proposed timetable for carrying out the course.

b) Materials of the sessions :

i. Session-at-a-glance

ii. Participant Notes

iii. Instructor's Manual

# PLANNED METHODOLOGY

The development of the Training Materials will undertake the following stages:

- ❖ Collecting information and data for developing the INTOSAI WGEA Training Materials Auditing Forests, including developing a series of case study and exercise, training materials for GIS and GPS and session materials. Collecting information and data for series of case study and exercise (Sustainable Forest Management and Technology (GIS and GPS etc) implementation.
- ❖ The Project Leader will develop the drafts and send them out to the subcommittee for comments (through emails and face-to-face meetings of INTOSAI WGEA).

# The Progress

- Elaborate Table of Content To Secretariat (October 2011)
- Collecting information and data for developing the INTOSAI WGEA Training Materials: Auditing Forests, including developing a series of case study and exercise, training materials for GIS and GPS and session materials (April – Nov 2011)
- First Draft (Nov 2011)



# The Progress

- In collaboration with INTOSAI IDI, the audit manual has been piloted. 15 SAIs follow this piloting. The last meeting in Tanzania (Oct 2011) is the Review Audit Report Meeting. At this meeting, the participant has also given their comment and input to improve the quality of the manual. SAI Indonesia will accommodate the experiences from this meeting to the training materials.

# Content Outline

## 1. Introduction to Audit Forest

- Explain types of audit on forest audit (including example of every audit type)
- Classify the 3Es
- Explain stages in conducting the performance audit:
  - Performance audit as per ISSAI 3000, 400 (Audit Report) etc
  - Performance audit in forest

# Content (cont)

## 2. Understanding Forest

- explain forests, including categories, types, function, types of forest ownership, forest management, and international forest initiative.

## 3. Describing Sustainable Forest Management (SFM)

- Explain SFM and un-SFM, and identify relevant C&I accordance to the types of forests.

# Content (cont)

## 4. Defining Audit Topic and Object

- Explain how to select audit topics in auditing forest and define its audit objective and audit scope as stated in the Standards and Guidelines for Performance Auditing based on INTOSAI's Auditing Standards and Practical Experience and the Guidance Material on Auditing the Forest.

## 5. Developing Researchable Question and Audit Criteria

- Explain how to develop audit criteria using researchable questions in reference to the selected audit objective

# Content (cont)

## 6. Identifying Audit Evidence and Methodology

- Explain how to identify types and sources of evidence, and use the GIS for collecting and analyzing audit evidence in auditing forest in reference to audit objective and audit criteria.

## 7. Developing Audit Design Matrix

- Explain how to develop Audit Design Matrix to the extent that it is consistent with the audit objectives, audit scope, audit evidence and audit criteria

# Content (Cont)

## 8. Preparing Audit Report

- explain about the importance, characteristics of audit report and element of the report.

### *Note :*

- *All of chapters and explanation will be illustrated and had exercise and case study (A series of Case Study – Start from planning, executing, reporting and follow up)*

# Training Schedule

The Training Modules on Forest Audit is a 5 days training modules. The proposed time scheduled is as the table below.

TIME				Mon	Tue	Wed	Thurs	Fri
8:45	-	9:00	15"	Community Time	Community Time	Community Time	Community Time	Community Time
9:00	-	10:30	30"	Opening Ceremony	Understanding Forest	Audit Topic and Objective	Audit Evidence & Methodology	Cont'd
			30"					
			30"					
10:30	-	11:00	30"					
11:00	-	12:30	30"	Ice Breaking	Cont'd	Cont'd	Cont'd	Audit Design Matrix
			30"					
			30"					
12:30	-	13:30	60"					
13:30	-	15:00	30"	Introduction to Audit Forest	Describing SFM	Audit Criteria	Cont'd	Cont'd
			30"					Audit Report
			30"					
15:00	-	15:30	30"	Cont'd	Cont'd	Cont'd	Cont'd	Wrap-up
15:30	-	17:00	30"					Post-test
			30"					Closing

# What Next

- After this meeting, Team Leader will finalize the draft and send it for comments.
- The next timeline and key milestone for the project :

1	Revise First Draft	November 2011-March 2012
2	Second Draft of Training Materials sent for comments	March 2012
3	Revise Second Draft	March 2012-Mid 2012
4	11 <sup>th</sup> Steering Committee meeting, approval of the Projects, discussion of the new work plan	Mid-2012
5	Final draft of the Project to the secretariat	October 2012
6	Final version of the Project – translation, editing, printing etc.	April 2013
7	15 <sup>th</sup> WGEA meeting, Tallinn, Estonia (Piloting the Training Materials)	June 2013



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**Thank You**