



INTOSAI
Working Group
on Environmental
Auditing

MINUTES 15th Meeting of the INTOSAI Working Group on Environmental Auditing

3-6 June 2013

Tallinn, Estonia



Day 1 Monday, 3 June 2013 Environmental Excursion

The participants went on an environmental excursion to Lahemaa National Park.



Day 2 Tuesday, 4 June 2013 Welcoming Remarks

Address by Ene Ergma, President of the Parliament of Estonia



environment.

Ms Ergma noted that since prehistoric times people had lived in harmony with the natural environment that surrounded them and offered them food and shelter. As time went by, the rapid development of industry and technology, urbanisation, increasing consumption of energy, the desire of some people to become rich at the expense of nature without giving anything back and consumption booms had upset the balance between nature and humans to the disadvantage of the

Estonia has prepared several strategy documents for solving the challenge of protecting the living and natural environment. One of them is the Estonian National Strategy for Sustainable Development “Sustainable Estonia 21”, in which the requirements of success that arise from global competition are combined with the principles of sustainable development and traditional values.

Ms Ergma pointed out that in the environmental issues, the efforts of one country alone were not enough as one was just a link in the global chain. As a participant in global developments, one had to continuously look for technological and organisational solutions for sustainable development.

The environmental audits show how the states and local governments perform the tasks entrusted to them; for example, it is very important to observe to what extent the environmental impact of decisions has been analysed before the decision is passed.

First environmental audits in Estonia were carried out around the turn of the Millennium, and a separate environmental auditing team was set up shortly after that. Since then the environmental audits have gradually become more visible, and today they are among the most discussed audit reports that Estonian National Audit Office produces.

Audit topics have covered all aspects of the environment, from biodiversity protection and forestry to protection of water, air and soil from industrial and agricultural pollution.

Audits are performed in the fields where there are visible problems, and even the conducting of an audit can be useful in its own way – many things are put to right already during the audit. After that come the discussions in the Committees of the Riigikogu – the State Budget Control Select Committee and the Environment Committee, and audit reports are referred to when amendments to laws are made.

But as it was already said, it is more and more important to see the situation in a broader context.

According to the surveys on environmental auditing, the number of environmental audits, as well as the number of topics covered, has been constantly growing in recent years.

In the circumstances when it has not been possible to avoid and manage environmental problems, there is often a risk that pollution crosses the state borders. Today the world is facing a number of global environmental challenges – marine pollution, desertification and loss of biodiversity are only a few examples. Environmental issues can be interrelated in most complex ways: global climate change is an example everyone has heard about.

Although the Baltic Sea Region is one of the most innovative and fastest developing regions in the European Union, it still has many problems that can be solved only by promoting the cooperation of our region through specific activities. Let us look at the issue of the pollution of the Baltic Sea, about which the scientists have reasons to be worried.

For example, the construction of the natural gas pipeline may increase the burden on the environment of the Baltic Sea above its current level. As the pipelines corrode, the compounds and materials used in manufacturing the pipeline may be released into the sea and the detonations of wartime munitions will increase the toxic substance load of the environment.

Supreme Audit Institutions can play a major role in evaluating whether the government response has given the intended results, and whether the environmental policies are implemented in an economic, efficient and effective manner.

Without doubt the use of modern technological equipment and remote monitoring will make monitoring the surrounding environment much easier. For example, the planned European monitoring programme for environment and security Copernicus will provide opportunities for very effective collecting of data about the environment. And also, Estonia is about to join the European Space Agency, which will be useful to Estonia already by giving access to their monitoring programmes to learn about the situation of our water bodies and forests.

National auditors and their audits play a critical role in supporting good governance by advancing accountability and transparency. They do it by providing practical, objective, and rigorous examinations of how environmental and sustainability programs, laws, regulations, and targets are managed, implemented, and monitored at the national and international levels.

Protection of the environment can be successful only when it has become a way of thinking: when people see it as the only possibility, and the entrepreneurs, financiers and the public sector search for and create new environmentally friendly solutions, take into use new technologies. More effective use of renewable energy is a great challenge. And we are already thinking that all printed materials do not necessarily have to be on a glossy paper...

Ms Ergma wished everyone success in their important work!

Address by Alar Karis, Auditor General of Estonia / Chair of INTOSAI WGEA



Mr Karis extended a warm welcome to all the delegates on behalf of the Estonian Audit Office and assured that Estonia had a pleasure to host the 15th meeting of INTOSAI WGEA, the biggest meeting in WGEAs history with around 160 participants from 70 SAIs attending.

Mr Karis pointed out that SAIs of different countries were more and more touching upon issues related to sustainable development. Although the surveys conducted on environmental auditing showed that there was a growing trend in conducting environmental audits and SAIs paid more attention to evaluate the impact of their work, “there was much to be done yet” would be the correct answer also concerning the issues related to environmental auditing.

There is often a question about resources, especially human resources for improving SAIs’ work. Utmost importance is to secure the continuous developments of experiences and knowledge in environmental auditing by providing training and capacity building in the field. Mr Karis noted that the WG15 meeting was excellent for sharing knowledge.

The WGEA and the SAI of India have cooperatively made great efforts to support this goal by developing a training course on environmental auditing. The SAI of India had opened couple of weeks ago a brand new International Centre for Environment Audit and Sustainable Development (iCED) in Jaipur to host the training courses. The first international training course is scheduled for November this year, all INTOSAI members have been invited to take part.

Mr Karis reminded that Estonia had been chairing the WGEA for the past six years. It had been a challenge, but also a privilege at the same time. It felt good to step into the shoes of his predecessor and successfully finalise and accomplish the goals that had been set.

Mr Karis assured that environmental auditing would remain important despite the fact that the chairmanship was to be given over. Continuing the cooperation with the SAI of India in the field of environmental auditing was one of the signs.

Mr Karis noted that during the upcoming three busy meeting days it was important that the current work plan documents would get the Working Group’s approval as well as new activities for the next working period would be decided.

Mr Karis wished everyone fruitful discussions, spirited thoughts and bright ideas. He felt it was the time and place where great knowledge and experience of environmental auditing were gathered from all the corners of the world. He encouraged everyone to make the most out of it by communicating with each other and share experiences, obtain ideas for the work at home.



Introduction of the Meeting Schedule

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG15

Mr Saar presented the meeting agenda.

Outcome of RIO+20, Future Developments

Key-note: Outcome of RIO+20, Climate Change

Andres Tarand, Estonian politician and former Member of the European Parliament

Mr Tarand started by looking into the story of mankind and its relationship with the earth environment which covered a period between 5-50 million years. However, he took a closer look at events starting about 50 years ago, with the book, "Silent Spring" written by marine biologist Rachel Carson in 1962. In the book she spoke about the massive use of pesticides and its effect on the environment. She was criticized because of simplification, but Mr Tarand mentioned her first because of the impact the book made on public awareness and the realisation that mankind could change the environment. He continued to discuss other milestones important for their significance in increasing public awareness.



Mr Tarand also gave some local insight into the effect of human activities on the Tallinn region: in the 19th century there were spas to the right and left of the port of Tallinn, but as the city grew the spas disappeared, as the spas and the sewer could not be busy at the same time.

Next he spoke about the impact on the wider public of the reports of the Club of Rome. The first report in 1972 dealt with the limits to growth, the second looked at the different levels of development in the world regions and ten more reports followed, including the 1978 report "Reshaping the International Order". Mr Tarand thought that maybe the acronym RIO, made up of the first letters of the words of the report's title, had something do with the United Nations conference organised in Rio de Janeiro in 1992, where Mr Tarand had been present as well.

Mr Tarand briefly went over the results of the conference in Rio: the framework convention on climate change and the convention on biodiversity. He had suspected at the highly ceremonial signing that many of the heads of state did not know exactly what they had committed themselves to. His suspicions proved correct, as the subsequent events have shown.

He also discussed the follow-up RIO+20 conference in June 2012 and its limited political outcome. He spoke about the real results of the 1992 RIO conventions. As regards biodiversity - the Amazonian rain forest was the hot spot and in 1992-2000 172 000 sq km of rain forest was destroyed. The change

only came in 2004 when the Brazilian government took the matter in its hands and the state of biodiversity started to improve gradually.

As a climatologist himself, climate change is a topic close to Mr Tarand's heart. Climate change is a very popular issue, especially in the EU, where the citizens considered it the most dangerous phenomenon for the future. And the EU is the best, if not very successful advocate of climate change related issues.

Next Mr Tarand touched upon the 1997 Kyoto protocol and its binding obligations. Sadly the US did not ratify the protocol, Canada left the protocol and Japan and Russia have promised to do the same. At the same time China and India have shown some flexibility in the political rhetoric.

After 1992 the IPCC has been presenting reports on global warming every 4-5 years, the latest in 2007. These reports always have opponents in the form of some scientists and fossil energy producers. However, the nature itself presents good evidence of climate change: glaciers and ice melting, permafrost going etc. Climate change is not a linear process and in order to draw any conclusions at least 30 years of temperature and 50 years of rainfall observations are required.

In conclusion Mr Tarand demonstrated how the Port of Tallinn was the best place in Northern Europe to show climate change. Tallinn was member of the Hanseatic League and its archives have survived. The port journals from the 14th century recorded every year the date that the port became free of ice and navigation began, thus presenting 800 years of data to help establish the mean winter temperatures. This is evidence of real climate change.

Key-note: Impacts of RIO+20 and Sustainable Development Issues in Estonia

Keit Pentus-Rosimannus, Minister of the Environment, Estonia



Mrs Pentus-Rosimannus spoke about buzz words, the word „challenge“ being one of them. Such words get overused and thus lose their true meaning. But sometimes there are real challenges – bringing together 193 countries in order to integrate economic, environmental and social development, is definitely one of them.

She asked, why sustainable development was difficult – and answered, because we want to achieve all these goals at the same time. Development is about quality of life. But there is a lot of inequality in the world, different levels of wealth, political systems etc. Europe is said to be able to afford sustainable development. But European countries come from vastly different backgrounds as well. Like Estonia 20 years

ago – suffering from years of neglect, cut away from the democratic world for 50 years, even today still trying to overcome this legacy.

Roughly at the same time as the Rio conference took place in 1992, launching the joint effort to turn the world back to the sustainable path, Estonia regained independence (in 1991). The time was the same and the problems Estonia faced were not so very different either. There was nothing enviable after years under the Soviet system. All this had to change. The underlying principle was that while protecting the environment, the economic and social dimension had to be taken into account as well. Estonia has not many natural resources, but its lakes, forests, semi-natural habitats are unique in the world. The nature is Estonia's treasure and responsibility. 18% of the land area and 30% of the sea area are under protection.

The government has been working to shift the tax burden from taxing labour to taxing consumption and the use of resources. The income tax rate has been falling, whereas the share of environmental taxes has been increasing. The environmental tax revenues are reinvested into the environment, thus producing a double effect by bringing closer the economic and environmental goals. 8% of tax revenues come from environment related taxes and tariffs. Mrs Pentus assured she always encouraged other countries to follow suit in this pattern of taxation, which would help reshape both the economy and encourage sustainable behaviour.

The oil shale based energy sector is Estonia's biggest challenge: on the one hand the biggest polluter and on the other the biggest employer. There is no easy solution. To limit the harmful effect there is a limit for annual extraction of oil shale, more efficient energy use is encouraged, and a diversified energy portfolio has been developed with 25% of energy coming from renewable sources (wind and biomass). Estonia is well ahead of its Kyoto target.

Another big problem is the inefficiency of buildings – 50% of energy is consumed in households. Estonia has invested heavily in the energy efficiency of buildings and hopes to have half of the apartment buildings renovated by 2020.

In order to turn the transport sector more sustainable more than 500 electric cars have been bought for the use of local and social workers, the country has an impressive recharging system for electric cars. Environmentally friendly trams are due to arrive in Tallinn in 2015.

However, even more important than investment is changing the mindset, and thinking smarter, putting IT solutions into the service of sustainable development. There are many good examples: paperless government, the e-health system, filing tax returns online. This applies to the environmental sector as well – it is possible to get a fishing permit via the mobile phone while sitting on the riverbank. Awareness efforts rely on innovation as well. Estonia has been one of the fastest growing economies in Europe. There is a lot to be proud of, but the work is not done, and even more so after Rio+20.

Estonia's priorities continue to be the following: investing in biodiversity, reducing the companies' footprint, water infrastructure, energy efficiency measures. 50% of the EU emission trading auction revenues are focused on energy efficiency and renewable solutions. Another investment priority is to use biogas in transport, thus supporting both the agriculture and pursuing environmental goals at the same time.

Recently the Estonian parliament adopted the Industrial Emissions Act, work is underway on the low carbon roadmap and climate change adaptation strategy.

Estonia is a small country and its environmental impact is small as well, but one should not sit back. Environment is very much a local concern. If we want a good life for our people we cannot ignore this. It is very much in our own interest to ensure that we live sustainably as a people and a nation. If we are an inspiration occasionally to others, it is even better.

Perspectives on Rio+20 and the UNEP World Congress on Justice, Governance and Law for Environmental Sustainability

Arnold Kreilhuber, Legal Officer, Division of Environmental Law & Conventions, UNEP



Dr Kreilhuber was very pleased that this was already his 4th WGEA meeting. He started by looking back at what had been said at WG14 in Buenos Aires. He described the road to RIO+20 and beyond.

Increased effectiveness of multilateral environmental agreements (MEAs) is crucial for achieving environmental goals. The MEAs constitute a core for cooperation. But there is a need to go further and overcome the various problems related to the implementation of MEAs on national level. He described the problems and the

consequences of failure to implement MEAs. The environmental effects are most obvious, but the auditors' work also brings out socio-economic effects.

Dr Kreilhuber explained why he believed that auditors could help overcome the negative discourse: they help improve understanding why MEAs are important, improve national laws and highlight gaps. And most importantly – provide cost benefit analysis of national laws and policies and implementation of MEAs in general.

2 years have passed from WG14. After RIO+20 there is a need for a reality check: was Rio+20 a major success or big failure? Dr Kreilhuber thought it depended on one's focus and demonstrated his point with a picture of an old tree with green leaves sprouting: whether one looks at the old branches - these would be the broad strokes - or whether one looks at the green leaves - the finer strokes.

A look at the broad strokes show that RIO+20 did not live up to the expectations, which were huge. But they did not really live up to them because of many reasons.

When one asks, what's new after RIO+20, there are no transformational changes, but a lot of reaffirmations. This conference was not on the same level as the big changes of the 1972 Stockholm conference or the Brundtland report, RIO 1992. Are we slipping backwards of existing success, asked Dr Kreilhuber and answered: No.

RIO+20 did two key things: green economy and governance reform. Green economy continues to be a controversial issue. Minister Pentus referred to green economy and Estonia's successes in her presentation. Still, getting green economy mentioned in the conference documents at least, is some measure of success, even if more was expected.

As regards the governance reform the reality is not so rosy. However, UNEP was given an increased mandate and has become a global institution. Still, UNEP continues to be a programme and not a UN agency. Thus not a really new leaf was turned.

Also multilateral negotiations are getting more and more difficult, with politicians adhering to the electoral cycle. The global financial crisis did not help either.

In conclusion, the broad strokes are quite sobering.

But a look at the finer strokes, of RIO+20 and its impact, gives more reason to be satisfied, especially the legal and auditing communities can have a more positive look at the results for 3 reasons: integration into the architecture of success; recognition of roles and importance and opportunities for effecting transformative change through our work and cooperation.

As a lawyer Dr Kreilhuber saw many avenues where lawyers and auditors can work together. He quoted South Africa's Auditor General Terence Nombembe who likened the two communities to two co-pilots who guide a plane through the storm.

Dr Kreilhuber continued by discussing more specifically the RIO+20 results for auditors and lawyers. The following important reaffirmation was made:

"Good governance and the rule of law are essential for sustainable development, including sustained and inclusive economic growth, social development, environmental protection and the eradication of poverty and hunger".

In the recent past there has been a tendency towards soft instruments, which are not legally binding. Therefore the reaffirmation is important.

It is also important that the conference document "The Future We Want" places the importance of governance and the rule of law very close to 'real people'.

Also, at RIO+20 the world's leaders have clearly stipulated that any green economy has to be based on the rule of law.

Dr Kreilhuber was glad to note that the lawyers and auditors as professions gained weight and no longer were sectoral professions in the environmental corner, but really at the heart of sustainable living and development. This opens new doors, gives a voice in many new fora. These positive readings of the outcome document are implicit – but these are the fine strokes.

More explicit are the positive outcomes from UNEP World Congress on Justice, Governance and Law for Environmental Sustainability.

Dr Kreilhuber quoted Prof. Nick Robinson: "Sure, the participants of the Congress, judges, attorneys and auditors, cannot save the planet alone, but too bad for the planet if it doesn't have them on its side." Dr Kreilhuber noted that the spirit of the congress found its way into the RIO+20 outcome documents as well. He thanked the WGEA who was partner in organizing the congress.

The meeting brought together over 250 of the world's Chief Justices, Attorneys General and Auditors General who had the opportunity to contribute to the debates on the environment and declare that any diplomatic outcomes related to the environment and sustainable development, including from Rio+20, will remain un-implemented without adherence to the rule of law, without open, just and dependable legal orders.

The key outcome of the congress were 6 principles, which Dr Kreilhuber read out in full, so that all gathered can hear them at least once:

1. Meeting environmental objectives is part of a dynamic and integrated process in which economic, social and environmental objectives are closely intertwined.
2. We recognize that environmental laws and policies adopted to achieve these objectives should be non-regressive.
3. Environmental sustainability can only be achieved in the context of fair, effective and transparent national governance arrangements and rule of law, predicated on:
 - (a) fair, clear and implementable environmental laws;

- (b) public participation in decision-making
- (c) accountability and integrity of institutions and decision-makers, including through the active engagement of environmental auditing and enforcement;
- (d) clear and coordinated mandates and roles;
- (e) accessible, fair, impartial, timely and responsive dispute resolution;
- (f) recognition of the relationship between human rights and the environment; and
- (g) specific criteria for the interpretation of environmental law.

Notably, the RIO+20 document "The Future We Want" states in para 10 that "good governance and the rule of law (...) are essential for sustainable development, including sustained and inclusive economic growth, social development, environmental protection and the eradication of poverty and hunger." This statement is repeated in paragraph 252 under 'means of implementation', highlighting the essential role accorded to law, good governance.

4. Environmental sustainability can only be achieved if there exist effective legal regimes, coupled with effective implementation and accessible legal procedures.
5. Justice, including participatory decision-making and the protection of vulnerable groups from disproportionate negative environmental impacts must be seen as an intrinsic element of environmental sustainability.
6. Only through the active engagement of all parts of society, especially national and sub-national institutions and officials responsible for addressing justice, governance and law issues, including judges, prosecutors, auditing institutions and other key functionaries, can meaningful progress be achieved that is sustained and responsive to the needs of the peoples of the world and protective of human rights.

These principles are very powerful messages for UNEP, which has to make sure that they enter into the documents and working principles of many organisations across the world.

Dr Kreilhuber listed other positive results following from RIO +20:

- UNGA Resolution A/67/L.1 on the Rule of Law at the National and International Levels highlighting and reinforcing many elements captured in the 'principles'.
- UNEP established the International Advisory Council on Environmental Justice, with the auditing community represented as well. The full list of members can be found on the UNEP web site.
- High-Level Meeting on the Rule of Law and the Environment and UNEP's 27th and first universal Governing Council and Global Ministerial Environment Forum took place in February 2013. Auditor General from Kenya and Dr Musa from the Audit Board of Indonesia represented WGEA and contributed greatly to sensitising the others to the six principles.

The meeting adopted Decision 27/9 on Advancing Justice, Governance and Law for Environmental Sustainability, which internalised and progressively developed the outcomes of the World Congress, GA developments and Rio+20. The Governments adopted language first coined by the World Congress:

Para 2 and 3 show the principles and the ideas of "The Future We Want". Auditors are prominently mentioned. For the first time environmental auditors were mentioned in a decision and environmental auditing was highlighted in such a form and fashion by the universality of Governments.

Another first is found in para 5 – for the first time mention is made of environmental rule of law. This is a new term and UNEP has to define the term, based on the general rule of law principles. Dr Kreilhuber invited the auditors to help with the definition, given that the auditing component plays a key role in filling the term with content.

Para 6 invites Governments to cooperate to support and build the capacity of, inter alia, auditors.

By way of conclusion Dr Kreilhuber made the following observations:

- The broad strokes certainly are short of ‘game changing’;
- A closer look at the ‘painting’ of actions and language that came out of Rio+20, the finer strokes, reveal why – especially lawyers and auditors – find many positive elements coming out of Rio+20 despite the shortcomings one can accuse the summit of;
- From the numerous assertions of the importance of good governance and the rule of law for sustainable development, the importance to keep evolving past agreements – particularly in light of a green economy – to the powerful messages and novel stipulations made by the world’s leading lawyers and auditors, Rio+20 has reaffirmed our professions as indispensable moving forward on the path of sustainability;
- It will depend on all of us how we fill this reaffirmation with life and tangible change where it matters. UNEP for its part is ready to continue working with you all towards this objective.

Dr Kreilhuber also spoke about a Memorandum of Understanding (MoU) negotiated between UNEP and the WGEA to institutionalise the cooperation. He thanked Estonia, its Auditor General, the Chair Mr Saar and his team for all the great work in reaching out to UNEP repeatedly, and hoped that the future would be even rosier.

Mr Saar thanked Dr Kreilhuber and UNEP for cooperation and for participating in the WGEA meetings. He highlighted the importance of lawyers and auditors working together.

He regretted that the MoU of which he was very supportive, could not be signed as planned at WG15, for consultations with INTOSAI secretary general were still ongoing.

Questions to Panellists:

Robert Cheyo, Tanzania:

A question to Mr Tarand: the periods needed to come up with conclusions on knowing how much climate has changed - 30 years for temperature and 50 years for rainfall - are too long and decisions may come too late.

A question to Mrs Pentus: Is there a policy and implementation strategy attached to the recently adopted Industrial Emissions Act to make sure that it is enforceable.

Jill Goldsmith, UK:

Can 192 countries achieve further agreement on climate change? Maybe MEAs on more restricted/precise issues are easier to deal with, e.g. mercury?

Keit Pentus-Rosimannus:

There is a plan for implementing the Industrial Emissions Act. In Estonia we have closer and closer positions with the business sector – they understand the need for investment. Also there is regular parliamentary oversight concerning implementation of legislation.

She recalled a recent conference, where Richard Branson, founder of Virgin, was asked what he thought the main challenge in the recent years was and he said it was climate change. So there has been a shift in the very recent past.

Often people seem to think that climate change and sustainable resource use issues are far away, and if they are not explained how they concern everyone, then implementation of laws can be difficult.

Andres Tarand:

To describe climate is not complicated, there are all sorts of instruments to get the data. But it is difficult to forecast – and to check the forecasting. People are never satisfied with weather forecasts, although the quality has improved considerably since WWII. One can predict the weather of the next 5 days with 90% accuracy. For climate change at least a 30 year forecast is needed. 30 years versus 5 days – it is not possible to be accurate there.

Keit Pentus-Rosimannus:

On MEAs: the attitude must be right - we will sit at the negotiating table as long as it takes to come to agreement. On the EU level the debates are always very intense and positions differ. If the will is there, there is a way. In climate matters a lot of different interests are at stake. A bad result is better than no result.

Arnold Kreilhuber:

He supported Mrs Pentus - if the political will is there, success finally is achieved. Climate change is perhaps the most difficult, but the paradigm shift will happen in the next decades, or years. There are 2 groups of countries - the ones with no sense of responsibility, the others with a sense of responsibility. It is necessary still to involve the ones with no sense of responsibility in some fashion. There have been many positive signals from multilateral processes. In 2013 the mercury convention was agreed and it will be officially signed in a diplomatic conference in Japan in October 2013.

Dr Kreilhuber noted that governments have succeeded in recent years to exploit synergies - casting aside some of their own interests and working closer together they have brought the Rotterdam, Stockholm and Basel conventions on chemicals closer together and improved their governance system.

Also a number of environment related protocols have been signed. He noted that the biodiversity regime was at least as important as climate change - once the species are lost, they are gone and cannot be brought back from extinction.

Finally he mentioned the CITES convention - in March 2013 a rigid resolution was adopted to help save several iconic species from extinction. Drastic action is needed to save African elephants and rhinos.

Mr Saar thanked all the panellists for their contribution and dwelt on how climate change was growing to be a big concern for businesses. He gave this example about textbooks on economics: they contain very little about environmental issues. Five years ago a famous American author dedicated 2 pages on the environment in his textbook. Last year's textbook of 1 400 pages had 4 pages on the matter, of which 2 pages described the environment as capital. This is a vital change - a change in mindset.

WGEA Work Plans

Chair's Progress Report

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG15

Mr Saar presented the progress report. He went over the membership (72 member SAIs, 71 countries plus the European Court of Auditors), WGEA Steering Committee, Regional Coordinators of RWGEAs, INTOSAI WGEA Secretariat, introducing once again Dr Alar Karis, the new AG of the National Audit Office of Estonia.

Next he listed the 2011-2013 Work Plan projects and project leaders

- Research projects:
 - Land use/land management practices (Morocco);
 - Environmental data (Canada/USA);
 - Environment and sustainability reporting (Finland);
 - Environmental issues associated with infrastructure (UK);
 - Impact of tourism on wildlife conservation (Lesotho, Tanzania).
- Guidance materials:
 - Integrating fraud and corruption issues to environmental auditing (Norway);
 - An update of the 2004 document Auditing Water Issues: Experiences of Supreme Audit Institutions (USA).
- Special report on RIO +20 agenda:
 - *Improving National Performance: Environmental Auditing Supports Better Governance and Management. Contribution of the INTOSAI WGEA to the United Nations Conference on Sustainable Development*
- Training modules:
 - auditing climate change (Norway and Estonia);
 - auditing mining (Tanzania);
 - auditing forestry (Indonesia).
- Global Training Facility on EA is almost ready, thanks to the great contribution by India
- IDI-WGEA trans-regional cooperative EA capacity building programme on forestry



The 7th Survey and Annual Audit Collection was carried out. 118 SAIs responded and the Final Survey report is already on WGEA website.

Two Greenlines came out with the help of USA: Volume 15 No. 1 published in June 2012 and Volume 15 No. 2 published in March 2013.

The INTOSAI WGEA website is continuously maintained. Some enhancements have been made and they include a new photo gallery, Greenlines web editor template, search engine functionality and some smaller visual enhancements.

The INTOSAI Journal had a special EA issue. The WGEA Secretariat collaborated with GAO USA. It was published in July 2012. Mr Saar thanked all the contributors to the issue. Given its time of publication, the issue got good attention and feedback.

Mr Saar then listed the WGEA meetings and thanked all the hosts:

- SC10, 8-11 March 2011, Marrakech, Morocco
- WG14, and SC11, 7-11 November 2011, Buenos Aires, Argentina,
- SC12 on 3-6 October 2012 in Jaipur, India

The long list of recent RWGEA/INTOSAI meetings attended by the WGEA shows how active a community this is.

Mr Saar briefly touched upon the other past, current and future activities of the Secretariat:

- Collaboration with the UNEP and preparation of the Memorandum of Understanding;
- Cooperation with RWGEAs
- Participation in the RIO+20 and the World Congress on Justice, Governance and Law;
- Articles in the INTOSAI Journal, EUROSAI Newsletter, Greenlines, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH publication on sustainable development.



Future activities:

- Finalise the UNEP and WGEA Memorandum of Understanding;
- Prepare for INCOSAI;
- Maintain the website and keep it updated;
- Transition of the chairmanship to the new chair.

Mr Saar spoke about the preparations for the transition of the WGEA's Chair:

- Transition of the WGEA's chair from SAI of Estonia to SAI of Indonesia is planned starting from the beginning of the next work plan period of 2014-2016.
- The Steering Committee supported the candidature of SAI Indonesia at the SC11 in Buenos Aires in November 2011.
- The INTOSAI Governing Board approved the transition of the WGEA Chair at its 63rd meeting in Chengdu in November 2012, the actual transition to take place at XXI INCOSAI.
- SAI of Indonesia has been involved in the process of developing the WGEA's work plan for 2014-2016 to secure a smooth transition of the chairmanship.
- Transition meeting held in Jakarta, Indonesia in February 2013.

Finally Mr Saar spoke about the approval of the 2011-13 documents.

Approval is based on the approval of the 12th Steering Committee (SC12) meeting, October 2012 in India; and written support from the WG members before the meeting (there have been responses from 10 countries, some with minor technical comments, which are taken into account).

Mr Saar proposed to approve the documents. There was no opposition, thus the 2011-13 documents were approved. He thanked the project leaders and subcommittees, which included more than 40 countries.

2014-2016 Work Plan Introduction

Tõnis Saar, Secretary General of the Secretariat of INTOSAI WGEA, Chair of WG15

Mr Saar listed the inputs to Work Plan 2014-16:

- INTOSAI strategic plan
- INTOSAI Knowledge Sharing Committee mandate and Terms of Reference
- 7th Survey

The 12th Steering Committee meeting in India evaluated the INTOSAI WGEA Mandate, Vision and Goals and decided the goals were still valid. SC12 also selected the 35 top priorities out of 98 ideas and projects originally suggested. It is possible to follow the discussions on www.environmental-auditing.org.

Mr Saar then spoke about the role played by SAIs: each action requires a SAI to act as overall project leader. Project leaders are responsible for preparing individual work plans and progress reports, organizing meetings and consultations (when necessary), authoring drafts, and communicating with the Steering Committee and WGEA members.

Each project leader is generally supported by a subcommittee. Subcommittee members are expected to review and comment on key documents related to the project (largely through email) and may also undertake specific tasks (such as research or writing) as agreed with the project leader.

Indonesia, the new Chair establishes overall management processes and schedules to guide the development of projects.

The WGEA Steering Committee oversees all projects.

Mr Saar also clarified what the terms used mean:

- The "Lead" is the primary author of the guidance materials or other products.
- "Co-leads" are two (or more) SAIs that share the lead role.
- "Subcommittees" support the project leads or co-leads.
- "Audit Coordinator" facilitates the coordinated audits referred to under Goal 2.

There is a document "Roles and Responsibilities of the INTOSAI WGEA Working Bodies" which describes the roles in more detail.

Research Project vs Guidance Material

- "Research project" is a relatively short study with a suggested length of 20-30 pages including:
 - introducing the relevance of the topic and giving general aspects of the topic;
 - giving hints to best practice governance, resources etc;
 - sharing the audit related work done in the respective field.
- Research projects do not give guidance nor introduce necessarily how to audit the topic. This is generally elaborated in guidance documents.
- As for general content, the guidance may include
 - technical background information on the subject;
 - suggested auditing approaches that could be used (including possible audit scopes, objectives, and criteria);
 - sources of additional information;
 - best practices inside and outside of SAIs; and
 - case studies of actual audits undertaken by SAIs.

Proposed actions for Goal 1: Up-date existing and develop new guidance materials available to SAIs, conduct research studies on emerging topics in environmental auditing.

- Prepare research projects on:
 - 2.1 (a) Environmental risks and state liabilities/ environmental liabilities, Lead: tbd
 - 2.1 (b) Renewable energy, Lead: Indonesia
 - 2.1 (c) Energy savings, Lead: Czech Republic
 - 2.1 (d) Environmental assessments, Lead: Canada / India
 - 2.1 (e) Marine environment, Lead: USA
 - 2.1 (f) Market based instruments for environmental protection and management, Lead: Estonia
 - 2.1 (g) Greening the Supreme Audit Institutions, Lead: India
- 2.1 (h) Update the INTOSAI WGEA 2004 guidance material on Towards Auditing Waste Management, Lead: Norway
- 2.1 (i) Review the four ISSAI documents on environmental audit, Lead: Indonesia

INTOSAI requested the review.

- ISSAI 5110: Guidance on Conducting Audits of Activities with an Environmental Perspective, 2001, Lead: tbd
- ISSAI 5120: Environmental Audit & Regularity Auditing, 2004, Lead: tbd
- ISSAI 5130: Sustainable Development: The Role of Supreme Audit Institutions, 2004, Lead: tbd
- ISSAI 5140: How SAIs May Co-operate on the Audit of International Environmental Accords, 1998. Lead: tbd

Proposed actions for Goal 2: Facilitate concurrent, joint, and coordinated audits

- 2.2 (a) Encourage regions to design and carry out a regional cooperative audit in each INTOSAI region. Regional coordinators and member SAIs to identify and pursue topics of common interest, select the audit coordinator, and define the precise scope and form of cooperation,
Lead: Regional coordinators
- 2.2 (b) Encourage regions to have cooperative work (e.g. audits, training courses) and to disseminate existing WGEA guidance materials, research papers, training materials.
Lead: Regional coordinators. INCOSAI encouraged this strongly 2 years ago.

Proposed actions for Goal 3: Enhance information dissemination, exchange, and training:

- 2.3 (a) Organize WG16 and WG17. Lead: Indonesia
- 2.3 (b) Regional coordinators are encouraged to convene at least one meeting of the regional working group on environmental auditing during 2014-2016 and to deliver at least one training course (i.e. biodiversity, climate change, mining, forestry) at planned meetings. Lead: Regional coordinators
- 2.3 (c) Provide training on environmental audit in the global training facility annually. Lead: Indonesia/India/Estonia
- 2.3 (d) Implement and disseminate the developed training module on the topic of forestry. Lead: Indonesia
- 2.3 (e) Continue publishing the Greenlines newsletter twice yearly. Lead: USA
- 2.3 (f) Maintain and enhance the WGEA website according to the needs of the working group. Lead: Indonesia
- 2.3 (g) Undertake the 8th survey on environmental auditing. Lead: Indonesia
- 2.3 (h) Provide for the annual collection of environmental audits worldwide (to populate the website). Lead: Indonesia

Proposed actions for Goal 4: Increase cooperation between the WGEA, international organizations and other INTOSAI bodies

- 2.4 (a) Provide on-going communication and outreach with INTOSAI community as well as external organizations (e.g. introduce and distribute the INTOSAI WGEA publications, strengthen the continuous cooperation with the UNEP, World Bank, UNFCCC). Lead: Indonesia
- 2.4 (b) Encourage and continue work among INTOSAI bodies and outreach them through Knowledge Sharing Services Committee. Lead: Indonesia
- 2.4 (c) Search for and establish new partnerships. Lead: Indonesia

Finally Mr Saar described the process to approve the WP 2014-16:

- During WG15 project leaders and sub-committee members are encouraged to sign up. Mr Saar once more emphasised that no project leader means no project!
- SAls can sign up for listed projects. If anyone wants to add another project, it should be coordinated with the Chair. It is possible to add more projects, but up to a limit. The documents approved under the previous agenda item (Chair's Progress Report) amounted to a total of 600 pages!
- The work plan is scheduled to be approved on the last day of WG15.

Latest Trends and Developments Influencing Environmental Auditing

Results of the 7th Survey on Environmental Auditing

Kaire Kesküla, Secretariat of INTOSAI WGEA



Ms Kesküla described the process of conducting the 7th Survey:

The questionnaire was sent to all INTOSAI members in February 2012, focusing on the period from 1 Jan 2009 to 31 Dec 2011. The form was available in the 4 INTOSAI languages (Arabic, English, French, Spanish), which could explain the high response rate (112 plus the 6 who responded that they were not conducting nor planning to conduct environmental audits). The overall response rate was 62% (6th Survey: 59%), with many new responses from AFROSAI and PASAI.

Ms Kesküla briefly described the individual groups of questions and the responses:

Auditing mandate

A tendency seemed to emerge that it was not so much the legal mandate, but awareness about the tools available which had contributed to the overall increasing environmental auditing practice:

- The majority of SAls have a mandate that enables to conduct performance (94%), compliance (91%) and financial audits (88%) on environmental issues;
- Awareness of environmental auditing and various existing methods for undertaking it is rising;
- Less SAls regarded their mandate a barrier to environmental auditing compared to the 6th Survey;

Topics and methods used in environmental audits:

- 48% of SAls have conducted more environmental audits from 2009-2011 than in the previous Survey period:

- Approximately 2/3rd of SAIs will increase their volume of environmental audits in the coming years;
- 1/3rd of SAIs have audited sustainable development issues and increasingly more SAIs have used MEAs in their work (UNFCCC and Kyoto Protocol are the most popular). Each region has its specific MEAs, e.g. AFROSAI and the convention on desertification.
- A new question concerned innovative audit methods and the most often mentioned methods in this regard included GPS, external expertise, best practice guidelines.
- Important environmental issues and audit topics differed by regions, but waste and water prevailed in all regions.

Impact of audits

- 86% of SAIs are considering the impact of their environmental audits - the share has increased a lot. Many noted that the impact was often hard to objectively determine, but they try all the same;
- A quarter of respondents prioritized good communication with auditees as the most effective way of increasing audit impact;
- 79% of SAIs regarded the communication of audit results as having increased audit impact either to some extent or significantly, however, 6% of SAIs do not make any parts of their audit reports public.

Auditing capacity, qualifications and plans for future:

- 35% of SAIs have a separate environmental auditing department or section;
- 65% of SAIs identified "untapped potential": employees who could theoretically conduct EAs;
- In ½ of SAIs auditors have either a higher education or work experience from the environmental field;
- Performance audit competence was most often mentioned as existing, by 76% of SAIs.

Cooperation between SAIs

- A trend is emerging here as well: last time 50% had international cooperation in environmental auditing, now two-thirds reported it.
- Frequently listed reasons for the lack of cooperation included lack of resources (62%), lack of skills of expertise within SAI (51%), and notably, even lack of partners (27%).
- The main types of collaboration included exchange of audit information or EA experience (74%) and cooperation on an audit related to an international environmental accord (66%).
- 97% of SAIs regard cooperation useful and 76% of SAIs have been involved in the activities of the environmental auditing working group in their region.

Ms Kesküla likened the last section of the survey (most used WGEA guidance materials) to a look into the mirror, asking, is our work useful?

As regards the types of products, the SAIs attributed highest estimations generally to WGEA's guidance materials, the website and training courses/seminars. 54% of SAIs have an interest in additional guidance materials on environmental auditing.

Ms Kesküla invited the WG to study the long report for further detail.

Questions

Steven Elstein, USA

Mr Elstein thanked Ms Kesküla for the huge effort undertaken. As project leader of a major project he had found that the information generated from the survey, especially given its span over time, had become crucial for the project and allowed them to pursue the project better. He said that the 66% response rate

should be increased even higher. Project leaders are relying on information from fellow SAIs and the survey is a fantastic resource, posted on the web. He invited everyone to find the time to respond when Indonesia makes the next call for the survey.

Ms Kesküla added that she had not been working completely alone, the survey was a collective effort of the whole team.

Key-note: Synergies between the audit of national climate change adaptation and the audit of disaster preparedness, and synergies in work to prevent and detect fraud and corruption

Gijs de Vries, Member of European Court of Auditors, Chairman INTOSAI Working Group on Accountability for and Audit of Disaster-related Aid



Mr de Vries spoke about the work of the INTOSAI Working Group on Accountability for and Audit of Disaster-related Aid. The work started as the tsunami hit South-East Asia in 2004. It emerged that it was difficult to establish a clear audit trail of all the money granted in aid and whether the money reached the victims. This is why the working group was set up.

First, Mr de Vries, in a personal comment, praised the Estonian colleagues and Mr Saar in particular for all their work at the WGEA: it is true, success always has many fathers and is a collective effort - it is clear that INTOSAI WGEA would not have made the enormous progress without them.

Mr de Vries started with some examples of disasters and statistical data about the number of people killed and displaced: 26 December 2004: South-East Asia earthquake and tsunami; 12 January 2010: Haiti earthquake; 2011: drought in Horn of Africa leading to emergency food insecurity in Kenya, Ethiopia; famine in Somalia; 1 February 1953: North Sea floods struck Belgium, Netherlands, UK.

He spoke about the rising costs of disasters. In 2011 alone the costs were \$380 billion (source: IPCC). In the 20 years to 2012 disasters caused more damage, than the total of development aid in the same period (source: UK).

Losses are also underestimated, because of incomplete casualty statistics. In many developing countries the death toll is difficult to establish and the economic losses are underestimated. Usually direct losses are measured and they do not include the effect on informal economy.

Mr de Vries explained the formula for disaster risk = hazard x exposure x vulnerability.

Hazard means the frequency and severity of storms; exposure - the number of people exposed to the storms; vulnerability of the population and the region – their level of preparedness.

Population growth (87% since 1970) and urbanisation also have to be taken into account, for example the number of people in flood-prone river basins grew by 114% and the number of people on cyclone-exposed coastlines grew by 192%. More than half of world's largest cities (pop. 2-15 mln) are located in areas of high earthquake risk (source: UNISDR/WHO).

The disasters affect development and put the achievement of the Millennium Development Goals at risk. The disasters disproportionately affect Least Developed Countries, Small Island Developing States and vulnerable groups, e.g. the poor, women (in the 2004 tsunami the mortality of girls was much higher than boys, as girls traditionally are not taught to swim), the elderly (in the 2011 Japan earthquake 2/3 of the

victims were aged over 60), the handicapped (again in Japan, they were not provided proper care in evacuation shelters).

Further, Mr de Vries discussed the impact of the changing climate. He started by offering some numbers:

- In May 2013 the carbon dioxide concentration in atmosphere hit 400 parts per million, a level not reached for 4 million years (source: Scripps Institution of Oceanography). Mr de Vries also referred to Mr Tarand's great example of having hundreds of years of records of ice breaking in the Port of Tallinn.
- It looks like the 2 degree target will not be achieved, instead current pledges by governments indicate a 3-5 degree Celsius temperature rise this century (UNEP, 2012 Emissions Gap Report).

Next, Mr de Vries explained how climate change increased disaster risks - it is a risk multiplier for all 3 components: hazards, vulnerability and exposure. What does this mean for example in Africa: Agriculture is most vulnerable and exposed to climate extremes and agriculture makes up 50% of Africa's export volume and 21% of Africa's GDP (source: IPCC). But not only the countryside is affected: half of Africa's 37 cities with populations above one million are within low coastal elevation zones and vulnerable to sea level rise, coastal erosion, storms and flooding (source: Africa status report on DRR).

Next, Mr de Vries spoke about the two ways of dealing with the challenges: disaster risk management and climate change adaptation. Preparations must be made to deal with the risks, proper strategies for risk management and climate change adaptation must be put in place. The estimated costs of adaptation to climate change for developing countries alone world-wide are \$70 - \$100 billion per year through 2050 (source: World Bank); for Africa: \$20 - \$30 billion per year for the next 10-20 years (source: African Development Bank).

There are common concerns of climate change adaptation and disaster risk reduction, which overlap, but there are other aspects that do not, e.g. earthquakes. It is necessary to find synergies between disaster risk reduction and climate change adaptation.

IPCC: "Incorporating a multi-hazards approach into planning and action for disasters in the short term facilitates adaptation to climate extremes in the longer term (...)."

This is true in theory, said Mr de Vries, but is it true in practise? Many countries find it difficult to have a holistic approach. National policies are often not joined up, there is weak coordination between ministries and other key national actors – here lies scope for audit by developing country SAIs.

In disaster risk reduction finance there is a need to shift aid focus from relief-rehabilitation to prevention-preparedness. The following non-binding targets have been set:

- 10% of humanitarian aid to disaster risk reduction;
- 10% of post-disaster reconstruction funding;
- 1% of national development funding and development assistance. (source: UNISDR, 2009, Global Platform for Disaster Reduction);

The reality falls short of the targets, in disaster risk reduction finance:

- 2% of humanitarian aid by OECD DAC donors;
- 0,5% of development aid spending by OECD DAC donors;
- 46% of DRR funding went to just 4 countries (Bangladesh, China, Indonesia, Philippines) (source: Global Humanitarian Assistance, 2012, Aid investments in disaster risk reduction).

In light of the above Mr de Vries suggested auditing OECD DAC countries.

Mr de Vries emphasised as the most important message to be remembered from his presentation the following:

An ounce of prevention is a pound saved in cure...

He gave as an example the cost of floods in Pakistan in 2010:

- \$ 3 billion in relief/recovery
- \$ 10 billion in damages

and quoted the Chairman of the Pakistan National Disaster Management Agency:

"Had we spent only \$40 million in making sure our flood infrastructures are maintained, these losses would've been reduced to one-tenth. We would have been able to save a lot of lives, properties, and the trauma the affected population went through."

Based on worldwide experience, the UNDP itself has calculated that every dollar spent on preparing for disasters saves around seven dollars in economic losses.

Mr de Vries focused on what SAIs have do in this field.

Many SAIs have audited national disaster risk reduction spending. He gave examples from Tanzania, where the Comptroller and Auditor General reported that the authorities were not adequately preparing for floods in 2007; Namibia, where the Auditor-General found shortcomings in the prevention and management of disasters 2008 etc; in Canada, where the Auditor General published an audit criticising the federal emergency management agency for lack of leadership, which led to a new plan being developed in response to the audit, etc.

Many SAIs have also audited disaster-management spending, i.e. what happens after a disaster (i.e. 1998 Hurricane Mitch, 2004 tsunami, floods in France in 2010). Again, the audits showed that more can be done and better.

Mr de Vries devoted the final part of his presentation to the work of the Working Group on Disaster-related Aid (AADA). He went over its history since setting up in 2005, membership (23 members), its two objectives (A. developing audit guidance and good practice for SAIs, B. developing good practice in accountability for disaster-related and humanitarian aid), and meetings. He thanked the Vice Chairs Indonesia and The Netherlands, all the other SAIs who had contributed to the work of AADA.

He dwelt more on the work of the 7th Working Group meeting, hosted in May 2013 by Chile. At the meeting the WG AADA endorsed five ISSAIs in the 5500 series on auditing disaster-related aid, presented INTOSAI GOV 9250 on Integrated Financial Accountability Framework (IFAF) and the final report of the INTOSAI WG AADA.

At the XXI INCOSAI in Beijing, the WG AADA will present the 5 ISSAIs and the INTOSAI GOV for approval by the Congress. The Congress will also be asked to take note of the final report of WG AADA and dissolve WG AADA.

He then introduced the ISSAIs, which cover the whole cycle of a disaster (i.e. from mitigation, preparedness, recovery and relief, national/international response to emergencies, rehabilitation and reconstruction), and proposed ways that SAIs can use them in their audit work:

5500 Introduction to 5500 series of ISSAIs on auditing disaster-related aid and INTOSAI GOV 9250 on the IFAF

5510 Audit of disaster risk reduction

5520 Audit of disaster-related aid

5530 Adapting audit procedures to take account of the increased risk of fraud and corruption in the emergency phase following a disaster

5540 Geospatial information in auditing disaster management and disaster-related aid

ISSAI 5510:

Based on the ISSAI, SAIs can audit national compliance with international standards, check if the fraud and corruption issues are met, if vulnerable groups are taken proper care of. They can audit national implementation of 'low-regret measures', such as early warning systems, risk communication practices, land use planning, enforcement of building codes etc, whether national ministries and agencies cooperate in disaster risk reduction (often disaster risk reduction is the responsibility of the ministry of the interior, whereas climate change comes under the ministry of the environment, e.g. Malawi has 58 institutions involved in climate change policy).

Examples about the work undertaken included a survey on SAIs' experiences of auditing disaster risk reduction. 35 SAIs replied. Turkey organised a parallel audit to collect input for the ISSAI.

ISSAI 5520:

Audits of disaster-related aid should take account of the financial risks related to the significant resources flowing into disaster-affected areas, especially given the pressure to deliver aid rapidly and that aid is disbursed by numerous actors with varying levels of experience and many foreign NGOs may not know the country. There is often a lack of coordination and no attention is paid to accountability and reporting and the audit trail remains inadequate. A good example is the Philippines, where participatory audits were organised, involving local organisations of victims and beneficiaries of aid, to find out whether the aid reached those in need and whether it was useful.

Two surveys were conducted and a parallel audit was conducted to gather data to feed into the ISSAI. An example was prepared with private sector auditors of guidelines for auditing disaster-related aid of humanitarian aid organisations.

ISSAI 5530:

There is a need for guidance on higher risk of fraud and corruption in activities carried out during initial weeks and months following a disaster, when corners may be cut. The focus is on the phase immediately following disaster.

Many practical examples were given: houses allocated to false beneficiaries for bribes; a new road built was narrower or smaller than the original road, refugees made to pay for food and water or received them in return for sexual services etc.

Mr de Vries praised Norway, the lead for the WGEA guidance on fraud and corruption, for close cooperation: the work was mutually fruitful and the two documents complement each other perfectly.

ISSAI 5540:

The document was prepared with the aim of reflecting the increasing use by auditors of tools employing modern technology and presenting the use of such tools across the disaster management cycle.

An interesting example: after the tsunami satellite pictures were taken of the Island of Java: first of the areas hit by the tsunami and then of the areas where new houses were built. The comparison of the two showed that the houses were built right back to where disasters are likely to strike again.

Mr de Vries invited WGEA members to use the ISSAIs to help prioritise and carry out audits of disaster risk reduction and climate change adaptation, to promote use of the ISSAIs, to make training proposals to IDI and to send examples to the WGEA database of audits.

Mr de Vries briefly touched upon the Guidance on Good Governance: the IFAF, its structure (it is a framework for reporting, consisting of standardised tables of receipts and payments of humanitarian aid,

which should be prepared by all stakeholders based on comparable and verified ex-post data and are made publicly available) and the benefits.

By way of summary Mr de Vries invited the SAIs to focus on capacity building and training. Many guidances have been written, but no one has time to read them. These materials are useful only, if channelled through training and capacity building. He recommended using IDI and the new India centre, as well as the new disaster risk reduction initiative CADRI (www.cadri.net). Mutual learning and sharing of information from those who have done the audits is also useful. He suggested adding on the WGEA web site list of audits and easily reachable link to "Disaster-related audits".

Mr Saar thanked the presenter for his words of praise, but maintained that his work was always a team effort. He promised further discussions and cooperation to have the link to disaster related audits on WGEA's website. He also shared the idea of basing future capacity building and cooperation on the new Indian centre. He invited the next chair and India to consider the organisational details. He thought it a great idea, to be given a lot of support.

Key-note: From Drivers to Dominoes Perspectives on How to Increase the Impact of Environmental Performance Audits

John Reed, Vice President of Performance Audit, CCAF-FCVI

Jean Cinq-Mars, Assistant Auditor General, Commissioner of Sustainable Development, VGQ, Canada



Mr Cinq-Mars thanked the Estonian Government for hosting WG15 and praised the Estonian team for doing a wonderful job. He thought the bar had been set pretty high for the next secretariat.

He asked how auditors could do a better job, and answered, that there was sometimes a need to push the envelope so as to make an impact.

Mr Reed shared his experience of the time when he was working in the Auditor General's office and was trying to measure the impact of performance audits. He thought that the implementation of recommendations, which was the usual way, was not good, because the recommendations were easy to implement and the auditors had worked hard for the audited entity to accept the recommendations. At the same time there are many things inside an audit report that do not end up in recommendations.

Mr Reed also described the preparatory work undertaken for the current presentation, with the emphasis on increasing the impact of environmental audits and thanked the team that had been helping (Jean Cinq-Mars, Scott Vaughan, Kimberley Leach and George Stuetz).

He then read out the first paragraph of the Global Environmental Outlook No 5, regarding state of the environment, which included the following key concepts: unprecedented changes in earth systems, moderate success, but not reversing adverse environmental changes, unless action is taken, soon there will be irreversible changes to the earth's life support systems, and summarised the same in his own words: we are in deep trouble.

Next the members of the audience were invited to write down one idea of how to increase the impact of environmental audits and at the end of the presentation read out all these ideas that were not touched upon.

Mr Reed and Mr Cinq-Mars then embarked on the presentation proper, giving their views of how to produce a high quality and high impact performance audit in general and environmental audit in particular. They combined the theoretical ideas with many illustrations, examples and useful stories of their own experience.

They started by stating that some elements were common to all performance audits and some were specific to environmental audits. The common elements are the so-called "process fundamentals" (sound methodological design, conforming with auditing standards (which are the absolute minimal), best practices, and quality review and quality assurance systems) and "people fundamentals" (a more robust team is made up of professional auditors and experts in the audited field, plus effective manager who helps build team spirit and caters for communications).

Mr Reed admitted that there was no universal definition of what constituted the "impact", or "value", or "value-added" of a performance audit. Each office should figure it out. He offered the various dimensions to consider. For example, legislators may perceive the value differently than managers; some impacts are quantitative, most others are qualitative (the best performance audits blend both); some impacts are short-term, others relate to outcomes achieved over the long-term. Not everything is in the control of the audit office. He listed some traditional examples of impacts: cost savings, improved service delivery, reduced risk, better compliance etc.

Mr Cinq-Mars took over to discuss the impact as regards environmental audits. He first gave several examples to show that the root causes of environmental degradation need to be made clear. Such causes could be economic, social and environmental. For example artisanal mining, deforestation or waste management in Haiti, air quality in an African city.

Mr Reed continued with audit topic selection, which has a huge influence on the impact. He suggested topics that people (e.g. one's neighbour) cared about and connected to - local issues, children, health, and not topics that only bureaucrats could love, such as administrative processes. He also emphasised the crucial importance of timing: where impact is best placed - a conference, a law adopted, etc. He also suggested taking a comprehensive rather than narrow approach to an audit topic, or undertake multiple audits on the same topic. He praised the WGEA for successfully promoting collaborative audits.

Mr Reed also recommended using the "Driver Pressure State Impact Response" analytical framework and explained how the system worked: drivers of environmental change (population growth, globalization, economic development, energy use and transport) create pressures on the environment (land use, resource extraction, emissions of pollutants and wastes) and affect the state of the environment (ozone depletion, climate change, pollution, and loss of biodiversity), which in its turn impacts human well-being and ecosystems, to which governments have to produce responses.

The conclusion: to have an impact, tackle the drivers.

Mr Cinq-Mars continued with audit objectives and criteria and suggested selecting objectives that tackled the root cause and went beyond compliance, since the latter was the easy way out. A law is usually 10

years behind the social behaviour, never ahead of its time, thus compliance leaves one 10 years behind the issue as well.

Auditing the implementation of standards does not guarantee that the impact on the environment has diminished. The focus should be on outcome of all the activities taken, not results.

In audits it is necessary to benchmark against best practices of other countries, UNEP, FAO, OECD. Finding the drivers is important, e.g. why people are burning their garbage? Maybe there is no other option. One has to look beyond the symptoms and consider the precautionary principle. Otherwise the problem comes back in 5 years.

Mr Reed spoke about the weakest part of most audit offices - not truly understanding the cause and effect analysis. Relationships are understood, but not cause and effect. To illustrate his point he told an anecdote about the relationship between his son's school graduation levels and shoe size (would buying bigger shoes eventually guarantee graduation?).

Mr Reed stressed that the most important two things to be remembered from the presentation were the questions always to be asked: Why so? and So what?

It is not possible to make a good recommendation if the root cause of the problem is not understood. He offered the simplest method - the five why's - to reach the root cause of any problem: ask, "Why?" 5 times when you observe a deficiency and you will probably come to the root cause.

Mr Cinq-Mars rendered story about a Swiss airplane crash in Halifax. The investigators of the crash responded to a journalist's question about the cause of the accident, that they did not use the word "accident" very often: "When there is a crash, we go back to the company official documents, look at the financial situation and often find that the company was in financial difficulties, which led to hiring junior pilots, using second hand spare parts, making pilots work longer hours, and we often conclude that had we been in the company 3 months before, we could have predicted that the accident would have happened on that day." The same is true for audits - one can sometimes identify a series of actions or lack of actions that can lead to a system crash, ahead of time.

Mr Reed added that root cause analysis and prevention went hand in hand.

Next, Mr Reed spoke about the importance of getting reporting right: during the many months of auditing more information has been collected than can actually be used in the report. Too much information can get in the way of the messages. The facts should be separated from assertions and opinions, everything has to be based on facts and root cause analysis. Consider the risk and significance and materiality - i.e. the question, So what? or Why should the reader care?

Mr Cinq-Mars compared auditing to a production chain where all links must be equally strong. A good reporting approach is one of the links. If it is not so the journalists will pick up no messages. Usually the legislators are very busy, and it is the media that pressures them, so it is necessary to have the media on the auditors' side, as a leverage. The reporting language must be simple, so that the next door neighbour would understand it. The use of real case studies helps people relate to them.

Mr Reed recommended that the Auditors General listening to the presentation use the so-called elevator ride trick to get the gist of an audit. This is what happened to him, when he was taking a one-minute elevator ride with his AG from the ground floor to the 11th and the latter asked him about the results of an 18 month audit, "What did you find?"

Mr Cinq-Mars explained that recommendations must have an effect, change the situation, otherwise the problem would come back. He made the analogy with the domino effect: if the problem is air pollution, it is not enough to recommend putting smokestacks in incinerators, as pollution comes from transport as well. A recommendation ought to produce a domino effect, e.g. reducing the number of cars in the city, offering free bicycle rent, that would also help reduce pollution, make people healthier, have a more enjoyable lifestyle. Such recommendation would act as dominoes - the impact would be felt in the environment, economy, social wellbeing of the population and all that is based on the root cause.

Mr Reed continued with follow-up procedures. Given the fact that most environmental issues are long term issues, it is necessary to have a long term plan for follow-up (maybe 2, 3 follow-ups or even re-audits of the same topic). In this way a sustainable impact will be ensured.

Mr Cinq-Mars described the follow-up procedures used in his office: there are 2 formal follow-ups. After the report the entity must make an action plan. After 3 years a follow-up audit is conducted to see if the recommendations have been implemented, if not, another follow-up follows in 2 years. In many provinces in Canada the recommendations are posted on the web and that puts pressure on the audited entities.

Next Mr Cinq-Mars spoke about the importance of communications. Often the lazy way out is taken: a report is presented to the parliament, a press conference is arranged and the matter stops there. But there are also local papers, TV and radio stations, specialised media, which can put additional pressure on the entities.

Mr Reed was struck by the 7th survey results presented earlier by Ms Kesküla, regarding impact and read them out. But, he said, there is another way to think about the impact, focused on the outcome. Why not increase the quality of the environment, biodiversity, health of ecosystems, reduce emissions, stop using energy and water recklessly, focus on the long-term outcomes, not the activities that get us there. Have a better understanding how the issues link, going right back to the drivers.

To finish, the presenters invited the audience to share any ideas of how to increase the impact of environmental audits they had put down at the beginning and that had not been touched upon during the presentation.

Cyrille Schott, France recommended to regularly publish the most important findings of audits, as a good audit is of no use if nobody knows about it.

Rebecca Mathai, India: In an audit on the management of water pollution the citizens were asked to share their main concerns. In this way many people learned about the auditors' work, and in addition gave the auditors good proposals. When the audit results came the people knew about the work already.

In India mandatory social audits have to be conducted for major social sector schemes (e.g. rural employment guarantee scheme). The implementers have to report results of the social audit, and this is done by civil society organisations, incl. those working with the environment. They do not really know yet how to do this and auditors and the centre in Jaipur could help these organisations, mainly by aiding awareness and dissemination of the audit results.

Gijs de Vries, ECA: In light of your plea for gaining greater visibility to our results, what is the role of social media? Facebook, Twitter, what are the pitfalls and opportunities?

Mr Cinq-Mars spoke about a recent conference he had attended in Toronto, "To Tweet or Not to Tweet, That Is the Question". Auditors tend to use traditional media, TV, newspapers etc. But the under 35s do not use those, therefore the audit offices have to come aboard in order to reach a wider share of the population. INTOSAI could publish information on the successes and pitfalls of using the new communication systems.

Mr Reed had a slightly different view: the audit offices can use social media, but they have to stay very true to their work. It is very risky to promote their work beyond what the report says. Rather the key is to covertly use interested parties, the NGOs, scientific community, especially the youth as they are angry at the present generation, for this is the generation that allowed all this to happen - and have them spread the message.

Tõnis Saar described a paradox - let's say I am a very young officer and want to make the environment better. But the first thing the director says is: auditors cannot comment on a policy. What would you say to that auditor?

Mr Cinq-Mars said there were ways of communicating information about out of date policies and laws. This can be done through using benchmarks, identifying policies and legislation used in other countries, which were successful - so people will make the link between the two policies. And the auditors are not found criticising.

Mr Reed recommended using case studies, incl. photographs, which are the most powerful way to show environmental degradation. Actually in the most recent edition of the INTOSAI journal, an AG had answered affirmatively to the question: if auditors have evidence that policies are not sustainable do they have an obligation to point it out?

INTOSAI Development Initiative (IDI) – Cooperation and Future Developments

Shefali Andaleeb, Assistant Director General, IDI



Ms Andaleeb thanked the AG of Estonia, SAI Estonia, Mr Saar and his team for organising an excellent meeting, which was very engaging both professionally and socially.

Ms Andaleeb spoke about the IDI-WGEA cooperation programme of the last 2 years and explained the IDI capacity building model.

The Trans-regional Programme on Audit of Environmental Issues in Forestry took place from 2010 to 2012.

When IDI starts a programme, it has to identify the aim. As the programmes are financed by donors, it is important to deliver value to them. The aim of this programme was to enhance professional staff development and organisational development of target SAIs in conducting performance audit of forestry. The programme was based on ISSAIs, as well as the WGEA guidance on forest audit.

Ms Andaleeb went over the programme activities year by year.

In 2010 a planning meeting was held, bringing together the partners, experts and IDI, which acted as programme manager and provider of funding. The design and scope of the programme, roles and responsibilities of stakeholders, as well as the target audience were determined. The IDI programmes are not supply driven, but are undertaken always upon the request of INTOSAI, a regional working group or SAIs.

The programme was announced at the annual WGEA meeting in 2010. A written agreement was signed, in order to get on board the top management for the expected outcomes of the programme.

The programme activities were a blend of e-learning, followed by pilot audits, in order to translate the guidance and training into practical work. Then followed the review of audit results and dissemination of knowledge gained.

The planning was conducted as an online exercise with the participating SAIs guided by the experts. Then followed a face to face meeting for audit planning.

All 15 participating SAIs are members of WGEA, representing 3 regions: AFROSAI-E, ASOSAI and CAROSAI.

In 2011 pilot audits were conducted and both online and onsite support was given. Upon completion of the pilot audits the audit review meeting was held during which the SAIs shared their results of audits and they were also reviewed by experts. The SAIs also gave feedback on the use of the guidelines.

In 2012 the wrap-up meeting was organised to share lessons learned.

The outputs and outcomes of the programme were discussed. Outputs are the immediate activities, publication of a compendium of global audit findings etc, whereas outcomes are the long-term results of the programme - institutionalisation of the system of carrying out the audits, and even more long-term - enhancement of forest management in target countries.

Ms Andaleeb repeated the key features of the programme, mentioned the innovative audit techniques (GIS, GPS) used and thanked Indonesia for the relevant training.

An important feature of the programme was the requirement for SAIs to nominate a team, not individual participants.

Mr Simanjuntak, Indonesia, added that the trans-regional nature of the programme had been very useful and helpful for two reasons, first because of the exchange of knowledge and experience between the participants from the 3 regions, and secondly, the variety of participants gave more understanding and knowledge of the various forests, how they are audited and how governments manage the forests in each country. For example, even the definition of forests differs by country and that influences how the governments manage and protect the forests.

The programme also tried out the guidelines and took note of the comments from participants for future reference by others.

Ms Andaleeb thanked the Ministry of Foreign Affairs of Norway for funding the programme (4.9 million NOK). The large amount shows the depth and intensiveness of the programme and resources required for such work. The resulting skills enhancement and knowledge sharing shows that spending the money was worth it.

Ms Andaleeb also acknowledged the support of WGEA, the Secretariat, Mr Saar, Mr Simanjuntak, Rainer Kuuba from SAI Estonia, the IDI training specialists and the SAIs hosting the meetings Indonesia, Tanzania and Estonia.

To finish, Ms Andaleeb introduced future activities:

IDI is discussing an audit of extractive industries with AFROSAI-E, and IDI is also looking for donors for the programme.

She acknowledged the expectation expressed by the Chair regarding accountability and audit of disaster related aid (ISSAI-s of the 5500 series and INTOSAI GOV 9250) and promised to take back this message to the IDI management. The relevant funding has to be looked into as well.

There are plans underway to re-run the programme in OLACEFS. The guidelines will be translated into Spanish (funds are already available for that). The plans have been discussed with Argentina within the framework of WG15.

She invited the Secretariat and the future chair to come up with future proposals to cooperate with IDI.

Mr Saar thanked IDI for their support and Norway for funding this programme that had produced very good results.

Mr Saar also commented on the working language - English. This is the current mandate and can maybe be changed in the future, but sadly not now.

Day 3

Wednesday, 5 June 2013

Mr Tõnis Saar introduced the day's agenda. It had been very difficult to select countries to present their challenges and success stories under the first agenda item, for many had sent country papers and case studies. Therefore an additional slot was added to the agenda so that more countries could present their cases.

Mr Saar also invited everyone to enjoy the posters and pick up other materials laid out outside the meeting hall. In particular, he pointed to a document put together with the help of Canada and Brazil, which contained the 10 key factors why the RIO+20 commitments had not been met.

Challenges and Success Stories in Environmental Auditing in SAIs

Bhutan

Bhanu Bhakta Chhetri, Senior Deputy Auditor General



Mr Chhetri thanked on behalf of the AG of Bhutan and himself INTOSAI WGEA and SAI Estonia for the invitation and for the opportunity to share their experiences in environmental audit.

Bhutan is unique in many respects: according to the Constitution 60% of its area must be under forest cover, the actual forest cover today is 80.9%. As regards CO₂ emissions Bhutan sequesters more than it pollutes. The country has a unique development philosophy, measuring gross national happiness, and one of its 4 pillars is preservation of the environment.

The mandate for auditing comes from the Constitution and more specifically from the 2006 Public Audit Act, which also includes environmental audits. Bhutan started environmental audits in 2007. Some examples: audits of solid waste management, medical waste management, industrial environmental compliance, mining, MEAs (4 have been audited out of the 12 Bhutan is party to), drinking water and sanitation, timber harvesting.

Mr Chhetri described the audit approach (performance audits to establish the economy, efficiency and effectiveness of using public resources, compliance with environmental legislation, support from financial audits) and methodology (from analysis to physical inspection, etc), the process of preparing reports (preliminary findings discussed with the audited entity, draft and final report and thorough vetting and quality control). The final report is submitted to HM the King, the Prime Minister, Parliament, the relevant committees and ministries and audited entities. The reports are built on factual evidence, incl. photographic evidence, which helps people really to understand the problems.

Environmental audits have made a greater impact, as the audit mandate comes from the Constitution, the audited agencies are cooperating, the attention of the parliament and the media has been caught, all this has led to increased awareness and positive changes in environmental governance (e.g. the audits of mining and waste management).

Finally, Mr Chhetri listed the challenges (lack of professional capacity, insufficient knowledge of modern methods (GIS etc), inadequate financial resources, lack of information) and lessons learned (human resources should be strengthened, cross-border environmental challenges require collective commitments and a trans-regional approach to auditing).

Indonesia

Arief Senjaya, Audit Director



Mr Senjaya spoke about the two factors that influence environmental auditing: first, a new mandate and secondly, the use of modern technology. The Audit Board of Indonesia (BPK) has an implicit mandate to audit the environmental perspective in combination with any other audits.

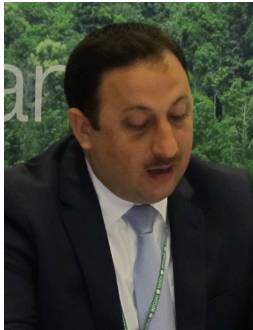
He went over the most important milestones of the past two decades. In the 1990ies there was less awareness of environmental issues and such audits were rare. In the 2000ies the resource capacity was improved and an environmental audit strategy was developed. Since 2010 international commitments have been undertaken, cooperative audits carried out, strong research and development support given to auditors, etc.

Mr Senjaya listed the success indicators: increased number and broader scope of environmental audits over the last 10 years. The use of innovative audit methods (e.g. GPS, GIS and remote sensing) which helps determine, which areas to visit and whether the situation on the spot is in compliance with what has been asserted in documents. It also helps reduce audit costs. A paradigm shift occurred among the auditors, when a special environmental department was formed in 2006 and special training and dissemination of information began. Active involvement in international environmental audit communities (e.g. INTOSAI WGEA) and joint activities with other countries (e.g. SAI Malaysia).

The important lessons learned so far are the following: top managers must be aware of their role in promoting sustainable development through environmental auditing; collaboration between the various departments is key, as is the use of new technology; new personnel should have different educational background and external experts should be used when needed.

Iraq

Rafil Al-Assady, Director General



Mr Al-Assady thanked SAI Estonia for the invitation to the meeting.

He concentrated on the last 10 years of environmental auditing in Iraq. First he gave an overview of the history of the auditing board in Iraq. It was established in 1927 and has gone through many changes since. Now there are specialised teams for special areas of auditing (agriculture, construction works, health). In 2006, a specialised body was formed for controlling the environment. There is a large number of laws and regulations with which the body has to work.

Mr Al-Assady touched upon the auditors' work methods: environmental compliance control (controls compliance with the relevant legislation, effectiveness, efficiency and economy of using the resources) and laboratory technical examination (auditors equipped with laptop computers, carry out special tests, e.g. drinking water, waste water, sewage etc).

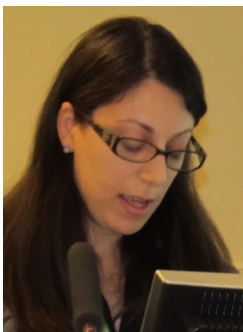
SAI Iraq has participated in ARABOSAI, ASOSAI and WGEA meetings and a training meeting was also organised in Iraq.

By 2012 89 audit reports had been completed on environmental issues.

Mr Saar thanked Mr Al-Assady for the presentation and took the opportunity of passing on a request from SAI Iran, who was looking for cooperative audit partners to audit issues related to sandstorms and dust in the Middle East.

Malta

Maria Camilleri, Senior Auditor



Environmental issues have been on the political agenda in Malta for the last 10 years. Ms Camilleri focused on the latest environmental audit conducted in Malta - groundwater, since Malta depends heavily on groundwater. Other audits undertaken: climate change adaptation, waste, renewable energy. Malta also participates actively in the work of the WGEA and EUROSAI and took part in the climate change adaptation audit on EUROSAI level.

There are the following challenges: the audit office employs auditors with general background, and their environmental expertise is limited, therefore consultants are used. There is an absence of historical data related to the environment, sometimes there are errors and the information is fragmented between different departments. As regards audit planning, the environmental subjects are new subjects for auditors (so consultants help with scientific literature), often there is limited situation analysis and limited local literature, and formal policies have not

been adopted (e.g. water policy has been discussed since 2004 and was formally adopted only after the groundwater audit was completed).

Since environmental matters take a long time to respond to the measures (e.g. groundwater measures take ca 40 years to show effect), so only the project results are reviewed by the audit and not whether the resources are safeguarded. It is also difficult to assign accountability, given that many entities are responsible for managing groundwater.

The impact of audits: auditees and stakeholders are positively disposed towards the audit results. Audits generate public discussion, especially the audit on groundwater.

Lessons learned: there is a need to narrow the scope, and to engage experts and stakeholders early on.

Zambia

Regina Mukupa Chilupula, Deputy Auditor General



Mrs Chilupula first gave some background information about environmental auditing in Zambia. In Zambia it is necessary to have legal backing to any audits, this is true for environmental auditing as well. The Public Finance Act, adopted in 2004, provided for this. In 2005 an environmental and performance audit section was created in SAI Zambia.

Environmental audits undertaken so far include medical waste management, solid waste management and forestry monitoring. Those have been successful and their impact has been felt, as the government has acted on some issues and some structural realignment has occurred in the ministries.

The challenges for SAI Zambia are the following:

There is a lack of autonomy, even if the SAI is operationally independent, the management of staff, recruitment and dismissal occurs at the central government level and the SAI cannot control it.

There is not enough staff (instead of the prescribed 20, there are only 17 employees in the relevant section). The same people do performance and environmental auditing. Capacity building is needed, as most of the auditors have financial background, but there is a need for other specialists as well. Training has been undertaken with the help of IDI and AFROSAI-E.

Lack of resources is another challenge, as environmental audits are quite expensive. SAI Zambia is not independent in controlling its budget, which is given by the Ministry of Finance. Also there is not enough motor vehicles suited for the difficult terrain.

Stakeholders (including the parliament) need awareness and capacity building in environmental issues, as environmental auditing is new in Zambia. However, some positive results have been achieved already. The INTOSAI and WGEA guidances have not been customised to the local circumstances due to the lack of resources.

Collecting data in the areas that have not been audited before is very difficult.

In conclusion, *Mrs Chilupula* stressed the importance of having the AG of SAI Zambia on board and supporting the activities of environmental auditors in pursuing the sustainable development goals. She also thanked INTOSAI WGEA and IDI for assistance and hoped the help would continue in the foreseeable future.

Mr Saar confirmed that the aim of the WGEA was to help SAIs. He also commented on the issue of independence as being very relevant, and hoped that INTOSAI and its Governing Board could help those SAIs that have problems with independence.

Questions and Answers:

Q: Ewa Borkowska-Domańska, Poland

I was really impressed that the Constitution in Bhutan requires at least 60% of the country to be covered with forest. You mentioned that the formulation of the mineral development policy was one result of the audit of mining operations. Was this one of the audit recommendations?

A: Bhanu Bhakta Chhetri, Bhutan

When the audit was conducted in 2006-07, there was a Mining Act in place. But the audit found that there was no clear policy framework, e.g. no quantity limitations existed for extracting the minerals. The audit recommendation was to formulate a clear policy, but the audit also led to discussions of the issue in parliament.

Q: John Reed, Canada praised everyone for excellent presentations. In the *Zambian paper* reference was made to tests being expensive. What kind of tests were meant?

A: Regina Mukupa Chilupula, Zambia

For example in the medical waste audit experts were used to test the waste disposed by the hospitals, and the costs were related to experts' pay. Also travelling costs can be quite high, given the vast size of the country and the long distances.

Q: Jill Goldsmith, UK wished to know more about the Gross National Happiness Index of Bhutan.

A: Bhanu Bhakta Chhetri, Bhutan

It is an all-inclusive approach to development policy, a holistic approach built on 4 pillars: equitable and sustainable socioeconomic development, preservation of culture, preservation of the environment and good governance. The pillars are further divided into 9 domains (e.g. living standard, health, education, ecological diversity etc), and there are 33 indicators, with more than 100 sub-indicators for measuring the index. The whole concept is built into planning processes and SAI Bhutan is developing how to audit the index.

Q: Jean Cinq-Mars, Canada

How do you find independent consultants, as most of them have been working in the system or a municipality?

A: Maria Camilleri, Malta

SAI Malta uses expertise from universities and researchers in the field. The amount of expertise at its disposition is limited since many experts and researchers are involved in the provision of policy advice to Government. However, until now SAI Malta has managed to engage independent consultants.

The Chair summed up the discussion: audits are getting more cross-sectoral, both as regards areas audited and the types of audits. Also, as mentioned the day before, auditors can find ways to criticise policies that are not sustainable.

Parallel Sessions 1

Auditing water issues *SAI of USA*



Session leader Mr Steven Elstein

Environment and sustainability reporting *SAI of Finland*



Session leader Ms Vivi Niemenmaa

Land use and land management practices *SAI of Morocco*



Session leaders Mr Mohammed Diyer and Mr Hassan Namrani with Mr Karis

Challenges and Success Stories in Environmental Auditing in SAIs

Estonia

Airi Andresson, Audit Manager



Ms Andresson's presentation focused on the challenges SAI Estonia faces in auditing market based instruments for environmental protection.

The market based instruments for environmental protection, or economic tools include environmental taxes, charges, excise duties for energy, emissions to air and water, waste, hazardous chemicals, etc; tradable permits (e.g. greenhouse gas emission trading, trading in other air emission permits); environmentally motivated subsidies; green public procurement; deposits and refunds systems or producer liability systems; voluntary agreements between the state and the private sector.

These instruments should be audited because there is a growing belief that they are effective and they are used more and more widely. Market based instruments are believed to have some advantages over the environmental "command and control" measures, which are in conflict with free trade and competition, thus market based instruments try to reconcile those conflicting interests by being more flexible and more efficient in reaching environmental goals.

The role of the state is smaller than in the case of "normal" command and control, the state just sets the goal, designs a general framework and ensures that the system works. Market based instruments are

cheaper to administer as all environmental costs should be internalised into the price of the product, making more polluting products more costly.

Auditing such instruments has several challenges:

The regulatory role of the government is smaller and part of the responsibility is delegated to private companies, for which most SAIs have no auditing mandate.

Market based instruments are complex; the auditor has to know the different economic theories in order to make the link between the cause and effect.

The poor quality of environmental data makes it difficult to link the state of the environment with the policy measures.

The INTOSAI WGEA audit database shows that quite many SAIs have audited some of the tools: trading in greenhouse gases, green public procurement, environmental taxes, efficiency of environmentally motivated subsidies.

Ms Andresson referred to the presentation of the Estonian Minister of the Environment the day before: the taxing system is an important tool for environmental protection in Estonia. Companies emitting pollutants beyond the threshold, and environmental resource users must pay environmental charges. The revenues go to the state budget and some is redistributed to serve environmental purposes.

Ms Andresson gave two specific examples about auditing those tools: auditing environmental charges and auditing producer liability of packaging producers.

As regards the environmental charges the audit questions were: Has the tool worked? Have the companies invested into less polluting technologies? Has the pollution load decreased? Does the state make sure that there are no free-riders in the system?

These companies have no obligation to provide the information to auditors and the state does nothing about it either. So a modelling exercise was carried out: questionnaires were sent to the biggest companies paying the pollution charges and interviews were held with officials verifying the tax-declarations, verification procedures and data were analysed.

The findings: companies said that there was no incentive to invest, as the tax rates were too low, and it was cheaper to pay than invest. There is a risk of many free-riders, as the government does not check if the pollution data is correct.

As regards effectiveness of the tool: the pollution load has not decreased, but it is impossible to know, if the levels wouldn't have been even higher without the tool.

The audit of producer liability of packaging producers had the following questions: How to make the producers package less or in more environmentally friendly packaging? Does the state supervision of packaging waste organisations guarantee, that the organisations operate in a transparent way and submit correct data on the amounts of packaging put on the market and recycled packaging waste? Are there free-riders?

The challenges were similar: the organisations are private and have no obligation to cooperate. Information from the registry was hopelessly incomplete. To overcome the challenges the data on amounts of waste submitted by the organisations was cross checked against the information collected by the Ministry of the Environment, the legal framework and procedures were analysed and supervisors of the system were interviewed.

The audit found that the information submitted by the organisations cannot possibly be right, and thus excise duty revenues had been lost. The government does not use any measures to make sure that their goals are met. The audit could not prove the actual amount of packaging waste on the market, so it is not possible to establish how far the government is from reaching the recycling goal.

Why is it necessary to audit market based instruments? 8% of state budget revenues come from environmental charges. The auditors need to know if a tool has had the planned effect or not. In case of climate change, the greenhouse gas trading systems are considered as one of the main tools for curbing emissions.

The market based tools system has to be adequate and be properly enforced - it is here that auditors can add value.

Ms Andresson invited everyone to study the English summaries of all the audits at www.riigikontroll.ee and those who wished to explore the topic further, join the project for producing an INTOSAI WGEA research paper on market based instruments.

France

Cyrille Schott, Senior Member



Mr Schott spoke about the French Cour des Comptes, which is a jurisdiction to carry out audits and is independent of legislative and executive branches. Its mandate is written in the French Constitution, so there is no need for a specific mandate for environmental audits. The Court was created 200 years ago by Napoleon, but its roots go to medieval kings. The Court is divided into seven chambers, the 7th chamber (with 50-60 auditors) deals with the environment, but also agriculture, fisheries etc.

There are two types of audits: vertical and horizontal. The chambers audit regularly the Government departments, agencies, and state owned corporations (vertical audits). The 7th chamber has to audit about 500 bodies, some very small (e.g. national parks), others huge, like the national railway company with 160 000 employees.

Horizontal audits are those which audit a state policy, for example, the biofuel support policy.

The challenge for the 7th chamber is that there are too many auditees to audit regularly so there is not so much time to carry out horizontal audits of environmental policies. Sometimes vertical audits lead to a horizontal audit. For example in 2009 after audits of all the national park authorities, the 7th chamber made an audit of the protected areas policy. The trend is to increase the share of horizontal audits in the annual work programme and in the priorities laid down in the triennial programme.

The most important audit reports are published as public thematic reports. In environmental auditing in 2012 several audits had a big impact in the French press and public opinion. Three were published as public thematic reports: "Biofuel support policy", "The costs of the nuclear power sector" and "Lessons from the 2010 floods on the Atlantic coast (Xynthia) and in the Var".

The final part of the presentation was devoted to lessons learned from the audit of the 2010 floods on the Atlantic coast (Xynthia) (winter 2010) and in the Var Region (summer 2010). In those natural disasters more than 60 people were killed and preparedness for the floods was very poor. The audit challenges included a huge field of investigation and need to audit over 50 public entities. The court does not audit local authorities, which are controlled by the *chambres régionales*. To overcome this difficulty, a special inter-jurisdictional structure was formed, with members from the Cour des Comptes and of the three concerned *chambres régionales des comptes*. It was a kind of cooperative audit. Also three territorial reports were prepared and a national synthetic public thematic report. The reports were presented to the media and the elected assemblies of the audited local authorities. They caused a lot of attention and led to action by the government.

The main findings were the following: The disasters cost more than 2 billion Euros. They affected areas, in which urban development had significantly increased the level of risk and where the desire of people to build was very strong. This desire was encouraged by property developers and supported by local elected officials. These were areas where similar disasters had occurred in the past, but were forgotten. The population warning system was faulty and prevention was imperfect. Flood risk prevention plans were not in place in all hazardous areas and flood hazard atlases were not distributed to the communes or they were insufficient in their content. Since the disasters certain improvements have been made (e.g. banning construction in hazardous areas, flood risk prevention plans must be adopted in the most dangerous areas within three years after the disasters).

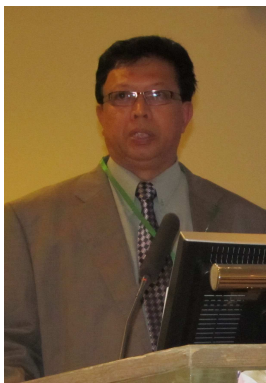
On the Atlantic coast, the flood defences (dikes) were poorly managed and maintained. In the Var, no public authority was responsible for the maintenance of the affected rivers. Since then, efforts have been made, but the governance of dikes and rivers remains to be put in order. After the disasters, the government decided to purchase houses in the most dangerous areas on the Atlantic coast. The good plan was badly and hastily conducted and led to adverse consequences and waste of public money.

The audit led to 46 recommendations to central government and its representatives as to local authorities, especially communes, in the fields of warning, prevention, protection, indemnification, e.g. the French State has to implement, despite local pressures, the measures decided after the crisis to prevent the risk and to protect inhabited areas. Also the French government has to define a national strategy for the management of flood risks in accordance with an European Directive of 2007.

To sum up, it is necessary to take more into consideration the principles of sustainable development.

Malaysia

Saharuddin Mahamud, Deputy Director, State Audit of Johor



SAI Malaysia has been actively engaged in environmental audits for the last 10 years, among them have been collaborative audits with Indonesia and Thailand. The areas audited include water management, forests, air pollution, infrastructure.

This presentation concerns an audit of three food markets. In Malaysia local authorities are in charge of markets and thus responsible for environmental issues and cleanliness related to the markets. A pilot audit of the Simpang Renggam District Council (SRDC) of the Johor State was conducted. The council

is responsible for managing three different types of food market at different locations near the Benut River. 500 m from the markets is a water treatment plant, which was audited in 2010. The results showed heavy pollution of the plant and the plant was closed. It was suspected that the markets caused the pollution. Thus the markets were audited.

The mandate for environmental audit is given in the 1957 Audit Act. The Environmental Audit guidelines based on the INTOSAI document were used.

The audit objective was to assess whether the management of public markets was done properly, efficiently and effectively as well as its environment impacts. The audit activities included work with documents for the period 2009 to 2011, observations and site visits, interviews and questionnaires, taking of water samples at the market's drain and the Benut River (assisted by the Ministry of Health and Department of Environment).

The audit showed that the activities carried out in the markets contributed to water pollution in the Benut River and caused foul odour; monitoring of scheduled cleaning was not done on a regular basis; the water quality index exceeded the parameters set; violations went unpunished; there was no scheduled maintenance of the market; and maintenance works were done on a complaints basis only.

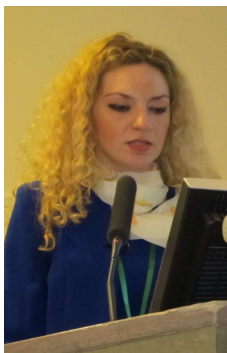
The audit recommendation was to relocate the market and this is currently being done, the market will move to a new location by the end of 2013. Also a maintenance program should be established and scheduled inspection should be carried out. Joint enforcement by the relevant agencies should be pursued and water tests must become regular.

The challenges encountered in the course of the audit were related to knowledge and experience in environmental audits; coordination and communication with the different entities involved; documentation and records and the limited data about pollution, as well as some logistical problems (water testing equipment and transportation).

The lessons learned: improper management of markets can have a potential impact to the environment, and economic and social effects; proper maintenance of the markets and the river provides a healthier environment; such audits provide possibilities to learn new skills and gain experience in environmental audits e.g. water testing/sampling, testing appliances etc.

Romania

Andreea Motoc, Public External Auditor



Romania is located in the catchment basins of the Danube River and the Black Sea. The Court of Accounts was founded in 1864, underwent many changes and was re-established in 1992, based on the relevant provisions of the Constitution. There is no special mandate for environmental audits - but in each audit the use and management of financial resources for environmental protection must be reviewed.

Ms Motoc described three recent environmental audits:

1) Compliance audit regarding the provisions of the Danube Convention on cooperation for the protection and sustainable use of the Danube River (2004, 2006), whose objective was to review the progress and the status of the provisions of the Convention by Romania and every county situated along the river.

The main findings and conclusions were the following:

The production capacity of the polluting sources was identified, but the necessary equipment to detect radioactive pollution, pesticides and other hazardous substances was lacking, so it was not possible to measure those substances. Big wastewater treatment plants used outdated equipment; there was a lack of pre-treatment plants, and the urban and industrial sewage systems did not have the required capacity; the programmes to equip the laboratories of the counties bordering the Danube were insufficient and there was no proper management of the funds made available by the European Union. The main recommendations were aimed at eliminating the above problems and also if possible, the adverse effects of cross-border transportation of hazardous substances and waste.

The main conclusion was that the Danube Convention can be implemented if the specific legislation and strategy is adopted and implemented at both state and local level.

Audit work regarding the Danube continues, as SAI Ukraine has invited Romania to participate in 2013 in an international audit regarding the protection of the Danube.

2) Compliance audit regarding the provisions of the Convention for Protection the Black Sea against Pollution (2006, 2007, 2010, 2011), whose main objective was to review the progress and the status of the provisions of the Convention, with emphasis on controlling pollution, hazardous substances and protecting living marine resources.

The main findings were the following:

Romanian coastal waters suffered from pollutant sources carried by the Danube and other rivers to the sea; there was degradation of the coastal environment and ecosystems caused by the large amount of salt nutrients;

The main recommendation was to improve coordination between national authorities regarding the sustainable development of the Black Sea coastal zone. The administrative capacity regarding the use of European funds should also be strengthened.

3) Performance audit "The conservation of the biodiversity of the ecosystems of forests, the status, evolution, management and administration of the national forest land".

The audit objective was the analysis and evaluation of efficiency markers and of result parameters related to the administration and management of the national forest land, as well as to the preservation of its biodiversity.

The main findings were the following:

In 1990-2012, public state property of forest area decreased drastically as a result of the land reform, returning the land to natural and legal persons; the administration of the forest has become unbalanced, due to prevailing economic interests. Illegal logging and chaotic deforestation are the biggest threats.

The main recommendations were to revise the restitution legislation, amend the Forest Code, carry out a forest inventory and fight illegal logging. Although the audit report was published only recently, it has already started to make an impact, with legislative proposals sent to the parliament and a reduction in the export of raw wood.

The biggest challenge for the auditors is the lack of expertise in environmental matters.

Vietnam

Phan Truong Giang, Deputy Director General



Mr Giang thanked SAI Estonia for the invitation to attend the meeting. As the State Audit of Vietnam (SAV) only started environmental audits a few years ago, it is especially important to attend such meetings and learn from everyone.

Mr Giang spoke about the SAV's experience in the parallel audit on water issues of Mekong River Basin. It was conducted jointly by 5 SAIs: Thailand (Leader), Laos, Cambodia, Myanmar and Vietnam. This was the very first environmental audit conducted by SAV. The audit topics were policies and legislation governing water issues. Because of time constraints Mr Giang only focused on lessons learned and next steps (please refer to the full presentation in the meeting folder).

Mr Giang thanked GIZ, for partly sponsoring the cooperative parallel audit, and SAI Malaysia and SAI Indonesia for sharing knowledge and experience and SAI China for their help.

The Mekong River is considered the heart and soul of mainland Southeast Asia, the Amazon of Asia. Over 60 million people in at least 6 countries (20 million in Vietnam) depend on the Mekong for food, water, transportation etc.

The audit approach was to select similar audit topics relating to water policies in each country. The audit objectives for all SAIs were to improve their capacity in implementing environmental audits, share knowledge and experience, improve cooperation among South-East Asia (ASEAN) SAIs.

SAV established itself further targets: evaluate the adequacy of policies and legislation governing water resources of the Mekong River Basin; evaluate compliance with policies and legislation, and their effectiveness; identify negative impacts on the economy, environment, climate, etc; and make recommendations to the Government/audited bodies (3 agencies on central level and 4 local provinces in the Mekong Delta).

The SAV audit took 110 days and is finished, but the joint audit is still ongoing, with Thailand working on the final report.

The audit findings (SAV) were the following: the legal system is not adequate or sufficiently detailed; general river basin planning and strategic development is lacking. There were many audit recommendations to the government and stakeholders.

The challenges were the following: it was SAV's first separate environmental audit; no standards, procedures and guidelines on environmental auditing exist; the topic was new and very complicated; there is little awareness about environmental audit at all government levels.

Among the lessons learnt the following most important were mentioned: in order to implement an environmental audit the support from management is needed, auditors must be determined to try hard; it is necessary to share knowledge and experience with other SAIs.

Next steps for SAV: more environmental audits will be undertaken, the next topic - mining - is planned in 2013. Cooperation with other SAIs will continue; standards, guidelines of INTOSAI, ASOSAI will be customised for Vietnamese context and standards, guidelines and procedures for environmental audits will be developed.

Mr Saar unfortunately had to postpone the Q&A session because of time constraints. He congratulated everyone on the World Day of Environment, sponsored by UNEP, marking the 1972 June 5 conference.

Parallel Sessions 2

Environmental data *SAI of Canada*



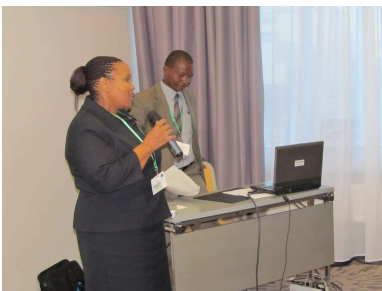
Session leader *Mr George Stuetz*

Fraud and corruption in environmental auditing *SAI of Norway*



Session leader *Mr Kjell Kristian Dørum*

Wildlife conservation and tourism *SAIs of Lesotho and Tanzania*



Session leaders *Ms 'Mamahooana Leisanyane and Mr Fumene Mhkonta*

Environmental issues associated with infrastructure *SAI of UK*



Session leader *Ms Jill Goldsmith*

Coordinated Audits

Cameroon

Lake Chad Joint Environmental Audit

Celestin J. B. Ankamtsene Mgboa, Performance Audit Specialist



Mr Mgboa presented the work on behalf of the 4 participating SAIs - Chad, Cameroon, Nigeria and Niger - bordering countries of Lake Chad. The decision to undertake a joint environmental audit on the drying up of Lake Chad was made at the second annual meeting of AFROSAI, in Yaoundé in July 2012, upon the proposal made by Chad at the INCOSAI in South Africa. Involved in the audit were also experts from the SAIs of Tanzania, Kenya, Morocco, and support came from CCAF and the GIZ.

Mr Mgboa explained why the audit was relevant. Lake Chad used to be the world's 3rd largest water reservoir in 1963; it has lost 90% of its area from 25,000 km² in 1963 to 1,500 km² in 2010. The lake may disappear in 20 years if nothing is done to save it. The speaker illustrated the facts with telling photos. There is strong population pressure, as the 30 million people living in the Lake Chad Basin compete for its water and its drying could lead to migration and conflict.

The speaker described the audit objective (to determine whether the partner states have effectively implemented monitoring, control and enforcement practices and systems to achieve sustainable use of water resources in the Lake Chad basin) and dwelt on the planning process (meeting in N'Djamena, Chad, November 2012, where the participants signed a MoU and the audit logic matrix, the work plan and budget were developed; training workshop in Yaoundé, Cameroon, March 2013, to improve the joint audit teams' knowledge of performance audits; meeting in Abuja, Nigeria, May 2013, working out 4 detailed lines of enquiry). Given the different level of knowledge among the auditors as regards environmental audits, a decision to use mentors was taken. The audit was to follow INTOSAI auditing standards and the AFROSAI guidelines.

Mr Mgboa described the expected results and their impact: short-term (identification of risks and shortcomings associated with the management of Lake Chad, contribution of the SAIs in finding viable solutions for governance of Lake Chad), medium and long term (first practical experience in environmental auditing of the participating SAIs, an important capacity building exercise with lasting effect).

The results are bound to make an impact, as the audit report will be presented to the Parliaments and Governments of the bordering countries, the Central African Economic and Monetary Community Parliament, the Pan-African Parliament, the African Union Commission, the CEMAC Commission and all other stakeholders.

Finally the speaker discussed the challenges (lack of quality control and compliance, limited finances for conducting the audit, delays in achieving key milestones, failure to detect significant issues, the need to use two working languages - French and English, the need for mentoring) and the lessons learned (the joint environmental audit is unique in involving a specialized area, multiple stakeholders and the impact can be global, regional or national, but it must be done professionally). To help overcome the challenges

the following should be undertaken: training on ISSAIs, reinforced competencies on quality control, diversification of funding sources, close monitoring of progress against the audit timeline, follow-up audit 1-2 years after the report.

Mr Mgboa also commented on the usefulness of the WGEA Guidelines and sharing of experiences among SAIs and thanked the experts from Kenya, Morocco, Tanzania, the SAIs conducting the Mekong River basin audit and SAI Estonia. All in all, the audit demonstrates the cooperation opportunities for African SAIs and the possibilities of using the expertise available in the AFROSAI region.

EUROSAI WGEA

Adaptation to Climate Change - Are Governments Prepared

Herdis Laupsa, Assistant Director General, Norway



Ms Laupsa explained why it was necessary to conduct a cooperative audit on adaptation to climate change. There had been 2 cooperative audits on climate change issues already, one global, led by Canada and addressing both mitigation and adaptation. One of the recommendations of the global audit was to look further into adaptation issues. In 2009 a European audit looked only into mitigation and therefore this audit focused on adaptation.

The work was conducted in the form of national audits, following normal procedures, based on the major adaptation issues in each participating country (Austria, Bulgaria, Cyprus, Malta, The Netherlands, Norway, Russia, Ukraine) and a report published on the national level. A joint report was compiled from national findings and it also included a fact finding study by the European Court of Auditors.

The aim of the audit was to find whether adaptation policies were in place and how they were implemented on national level across Europe. Further objectives were to increase the impact of national audits, provide knowledge across countries and share knowledge among the SAIs.

The audits looked into national adaptation strategies, risk and vulnerability assessments, sector strategies, plans, programs and measures and assessed adaptation in general, water, forestry, agriculture, tourism and spatial planning. A common framework was used to achieve more uniform results, thus the SAIs assessed the identification and quality of risk and vulnerability assessments, sector strategies, plans, programs and measures, the extent and function of coordination, implementation, results and impacts.

A really comprehensive quality control was in place, and external reviews were carried out by the European Environmental Agency, the European Commission and academia.

The main conclusion was that the governments were not sufficiently prepared for the expected impacts of climate change and did not have adequate actions in place. More specifically, most countries (with the exception of one) had high quality risk and vulnerability assessments with estimates up to 2100. 2 of the 8 countries had a comprehensive adaptation strategy, others were still developing their strategies. Frameworks for coordination existed but almost all SAIs reported insufficient actual coordination. Measures are taken mostly in response to current challenges and not initiated by anticipated medium or

long-term climate change impacts, e.g. flooding in the Netherlands and drinking water issues in Cyprus and Malta. A really important finding was the lack of cost estimates in policy documents.

The recommendations followed the findings: countries are still in an early stage in adapting to climate change, mainly identifying risks and developing policies. There is a need to develop adequate Risk and Vulnerability Assessments, develop and implement adaptation strategies and action plans at government level, ensure coordination in policies and their implementation and estimate costs and benefits, to the extent possible and meaningful, of climate change impacts and adaptation measures.

Given that plans were made early on and the existing network was used to disseminate the joint report, the coverage was comprehensive both on the international level (EU Ministers of the Environment, July 2012; official launch at UNFCCC – COP19 in Qatar, November 2012; presentation at the European Commission DG Clima in Brussels, April 2013 and an abstract on the EU Environment Policy Brief (Issue 69, February-March 2013)) and national level (ministries, agencies and experts, presentations and press releases, publication on the SAIs', INTOSAI and EUROSAI websites).

The report contained a one page summary of lessons learned, following the example of the Global Audit. The main lesson was that it was possible and highly beneficial to cooperate even though the national scope and approaches differ significantly. Other lessons include easier knowledge sharing, broadened scope of national audits, more national interest in audits, the joint report provided cross-national knowledge, identified common challenges and gave examples of good practices (incl. 30 case studies).

The Netherlands

Enforcement of EU Waste Shipment Regulation - Coordinated Audit in Eight Countries

Lieke van der Sanden, Senior Auditor



Ms van der Sanden started by asking the audience if they knew what happened to a broken computer, empty bottles and other waste? Some remains in the home country, but some gets exported. Some is recycled, some dumped, and there are related environmental and health issues. The presentation is devoted to the EU Waste Shipment Regulation.

The coordinated audit was launched in close cooperation with EUROSAI and was carried out in 8 countries (Bulgaria, Greece, Hungary, Ireland, Norway, Poland, Slovenia and The Netherlands), covering the period 2008-2011. All SAIs conducted national audits, following a common approach and same questions, to allow better comparison. The audit is in its final stage, with the joint report expected in October 2013.

The objective was to improve the enforcement of the Regulation by providing insight into the differences in enforcement strategies and performance of the participating countries.

The audit questions: to what extent do the relevant authorities comply with requirements arising from the Regulation? What are the results and impact of enforcing the regulation?

In the course of the audits the SAIs analysed the enforcement strategy and looked into a number of inspections and offences. The SAIs met in Oslo, The Hague (2011), Warsaw (2012) and Budapest (2012). The latter was a writing session by four SAIs.

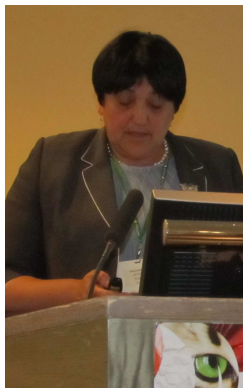
The findings at this stage are still preliminary, pending the publication of the final report (Oct 2013): the formal requirements are generally met but a closer look shows large differences in enforcement (as regards the resources, type and number of inspections, enforcement not based on risk); classification of waste is difficult and allows different interpretations; there are large differences in sanction policies (some warn only, few sanctions are applied, there is a risk of illegal shipments ending up in more lenient countries); sometimes statistics is incomplete or unreliable; there is a lack of information exchange between countries; usually the country of origin does not know what happened to the processing of waste in the country of destination. This is why there are plans to perform the same audit globally as well and the speaker invited interested SAIs to contact her.

The recommendations are also preliminary and include the following: the countries involved should develop a risk-based enforcement strategy, assess their sanction policies (are they proportionate and dissuasive?), improve the training of staff and have better guidelines for the classification of waste to help frontline officers to distinguish between the types of waste. The European Commission should improve their guidelines for the classification of waste and remove ambiguity from the classification.

Ukraine

International Coordinated Audit on Protection of the Black Sea against Pollution

Mariya Shulezhko, Head Controller



The Accounting Chamber of Ukraine initiated the coordinated audit on protection of the Black Sea against pollution at the WG12 in 2009 in Doha. The audit was conducted in 2009-2011 in collaboration with the SAIs of Turkey, Bulgaria, Romania, Georgia and Russia. The joint report was signed in 2011 at the VII EUROSAI Congress.

The audit looked at the implementation of international agreements related to pollution of the Black Sea marine environment; the efficiency of the national control and prevention systems and elimination of pollution; the efficiency of using the public funds to protect the Black Sea basin; implementation of international projects on protection, monitoring and assessment of the water quality in the Black

Sea catchment area.

The following conclusions were drawn: although the governments have taken measures to implement the Bucharest Convention, problems remain. For example, the “polluter pays” principle has not been fully implemented; the issue of oil pollution from ships remains unsolved; eutrophication of the sea caused by nutrients, mainly as a result of pollution from agricultural, domestic and industrial sources, remains the main challenge for the Black Sea marine environment; sewage and waste water treatment do not meet the requirements, discharges are not properly controlled; significant funds are required for proper river basin management.

The Black Sea Region countries created a monitoring system of water quality in the Black Sea, but there are problems in financing the existing monitoring systems in the national level, thus obtaining timely high-quality data could be at risk. There is also insufficient correlation between national standards, which leads to gaps in the Black Sea Information System (BSIS).

There is an additional need to protect the sea against pollution from rivers. Countries who have not done so yet, should prepare plans for river basin management. SAI Ukraine found that the risks related to the lack of coordination in the field of environmental safety of the Black Sea basin are still topical and therefore, together with the Russian Federation initiated an International Coordinated Audit on Protection of the Black Sea Basin against Pollution. Currently 7 SAIs have joined the audit: Belarus, Bulgaria, Hungary, Moldova, Russia and Ukraine. The kick-off meeting was held in March 2013 in Sofia. The presenter invited any other concerned SAIs to participate.

Questions and Answers:

The Chair, Edward Simanjuntak Indonesia, concluded that coordinated audits were very complex and difficult, at the same time they were a good way of sharing knowledge and experience while conducting a real audit, which is good for capacity building.

Edward Ouko, Auditor General, Kenya asked the presenters to list three key things essential for future cooperative audits.

Ms Laupsa, Norway: It is really important to have a good planning process, draw on lessons learned from other audits and have a proper mandate and support from the SAI's management.

Ms van der Sanden, The Netherlands: Frequent face to face meetings were very useful, also for writing the final report, and they are good for team building.

Mr Mgboa, Cameroon: A capacity building process and a robust quality review process must be put in place. To ensure maximum impact a communication plan has to be developed in order to plan delivery of the final report and recommendations to stakeholders on both national and regional levels. Follow-up on how the recommendations have been implemented is important as well.

Mr Simanjuntak thanked all speakers for good presentations and was sure that they all would make an impact and help auditors understand how to conduct coordinated audits.

Day 4 Thursday, 6 June 2013

RWGEA Progress Reports, Reporting of the Outcome of Regional Meetings

Mr Tõnis Saar acknowledged the role of the regions, as they are becoming more and more active, and this is important, given that many problems are regional as well. He was satisfied that 5 out of 6 regions were represented. Sadly, Egypt was unable to participate, but their report is uploaded in the meeting binder.



AFROSAI

Michael Malabeja and Robert Cheyo, Tanzania

Mr Malabeja said that the report is submitted to the INTOSAI WGEA as part of handing over document by the SAI of Tanzania to the new nominated Chair of the AFROSAI WGEA, the SAI of Cameroon.

AFROSAI has been instrumental in encouraging the African SAIs to conduct environmental audits and in helping them to build the capacity to do so. Since 2007, when Tanzania took over the role of coordinator, many environmental audits have been conducted and are now common among African SAIs.

AFROSAI has a 3 year work plan designed to help AFROSAI realise its full mandate in the priority areas of water, air pollution, mining, fisheries, forests, waste management, climate change and the impact of tourism.

During its time as coordinator SAI Tanzania has served as a focal point for exchange with WGEA and the AFROSAI SAIs, provided a regional perspective to global WGEA work plans, organized regional meetings, led and coordinated the development of regional work plans and supported regional training and capacity building and encouraged and facilitated cooperative audits.

One of the tasks in the work plan is to organise annual regional meetings. The following meetings have been organised during this period: in October 2011 in Tanzania, in July 2012 in Cameroon and in April 2013 in Cairo.

Various training sessions have been also organised during this period; the most recent in Cairo concerned mining, other training courses dealt with forests and environmental auditing for beginners in Cameroon, etc.

Cooperation with other international organisations became more active, with e.g. UNEP, UNDP, World Bank and others participating in the various regional meetings.

Awareness about environmental auditing increased considerably, with AFROSAI membership growing from 12 in 2007 to almost 40 in 2013.

In the annual meetings a variety of resolutions were adopted, the speaker mentioned some of them:

- SAI's need to conduct sustainable sensitisation workshops/training on environmental audits to members of Parliamentary Oversight Committee and Sectoral Committees, Permanent Secretaries, Ministers and CEOs, covered widely by the media in order to create more awareness;
- There is a need for a clearer definition of Environmental Auditing from the SAI's' point of view as compared to what is in the INTOSAI-WGEA documentation;
- AFROSAI Steering Committee was formed (members: Zambia, Botswana, Nigeria, Egypt, Ethiopia, Kenya, Namibia and Tanzania (*ex officio*));
- It was decided to undertake the Lake Chad audit, Nile River audit and the Congo forests audit;
- The 2014 annual meeting will take place in Kenya, 2015 in Morocco and 2016 in Nigeria;
- During the second meeting in Yaoundé, Cameroon, members of the working group agreed unanimously that SAI Cameroon assume the Chairmanship of the AFROSAI WGEA from June 2013 for a period of three years renewable.

Robert Cheyo spoke on behalf of the Auditor General of Tanzania Mr Utouh and wished to put on record that AFROSAI has been able to take up the challenges caused by environmental degradation in Africa, having taken the responsible role of coming up with solutions on how to protect the environment through the SAI's' recommendations. This has been possible through knowledge sharing in the auditing community. Tanzania as regional chair got all the support from this community and that is why AFROSAI today is a living institution. Mr Cheyo thanked his colleagues for the support and invited all WGEA members to extend the support to SAI Cameroon. With these words Mr Cheyo officially handed over the chairmanship of AFROSAI to the Auditor General of Cameroon Henri Eyebe Ayissi and presented him the report of the activities of the past 6 years.

Henri Eyebe Ayissi, AG of Cameroon taking over the task of coordinating the work of AFROSAI acknowledged and commended the work of SAI Tanzania who during the years of its mandate had achieved very significant results that helped put AFROSAI in a position to promote environmental auditing by African SAI's. He pledged to maintain the momentum gained by Tanzania and listed the activities on which focus will be put:

1. Implementing the resolutions of the 3rd annual meeting held in April 2013 in Cairo;
2. Preparing the next annual meeting in Kenya;
3. Endeavouring to complete the current work plan 2011-2013 and completing the projects (e.g. joint audit of Lake Chad);
4. Developing and implementing the next work plan 2014-2016;
5. Working towards clear visibility of the actions and work of AFROSAI via the web site, by working closely and complementing each other.

Mr Ayissi thanked the regional working group for putting their trust in Cameroon, hoped for continued help and emphasised his commitment to move forward. He also thanked SAI Estonia and the Estonian authorities for their hospitality and professional organisation of the meeting.

Mr Saar pledged continued support to AFROSAI, and expressed his admiration towards the fast growth of AFROSAI membership.

ASOSAI

Li Yongku, China

Mr Li Yongku presented the report on the work of ASOSAI since the 14th Meeting. Currently, there are 32 members in ASOSAI (SAI Iraq joined in July 2012).

The speaker described two cooperative environmental audits undertaken by the SAIs in Asia:

1) The Cooperative Environmental Audit on the Mekong River Basin's Water Management, launched within the framework of cooperation between ASOSAI and the German International Cooperation (GIZ), and aiming at enhancing the capacity of the SAIs in Southeast Asia in conducting environmental audit, especially on water issues. 5 SAIs (Thailand, Lao PDR, Vietnam, Myanmar, Cambodia) participated. SAI Indonesia and SAI Malaysia helped with their experience and SAI China provided a Subject Matter Expert (SME) to provide technical guidance. In March 2012, the 1st working meeting on training on cooperative audit was held. In the end of September, the 2nd meeting reviewed the results of cooperative audit. The 3rd working meeting was held in March of 2013 to conclude the project.

2) The Cooperative Audit on Illegal, Unreported and Unregulated (IUU) Fishing was conducted jointly by SAI Malaysia and SAI Indonesia in 2012.

From September 18 to 20, 2012, the 4th Seminar on Environmental Auditing and the 3rd Meeting of the ASOSAI WGEA was convened in Penang, Malaysia. 51 representatives from 21 countries participated in the meeting. 3 themes were discussed: "Audit on Water", "Audit on Climate Change" and "Cooperation in Environmental Auditing".

The audit on water has been widely conducted among the Asian SAIs, and the technology for the audit is relatively mature. The 8 SAIs who submitted papers focused on water pollution. The SAIs carried out compliance and performance audits of the government policies, plans, standards, supervision and management in coping with water pollution, preventing river and marine pollution and protecting the safety of drinking water.

As regards climate change, the Asian countries have all raised awareness of climate change since the Kyoto Protocol. The volumes of related projects and funds involved are huge, and work has to continue in this area. The 4 SAIs who had submitted papers focused on the reduction of emissions. SAIs have conducted compliance and performance audits of the government on the measures to cope with climate change and reduce greenhouse gas emissions, and measures to improve energy efficiency and strengthen the monitoring and management.

As regards cooperative environmental audits the SAIs think that they should play an active role in coping with trans-boundary environmental issues of common concern and that the parallel audit is the appropriate form to do so.

The 3rd Working Meeting also adopted the Procedural Rules of ASOSAI WGEA, and decided that the next working meeting will be hosted by SAI Vietnam in 2014.

In April of 2013, the Secretariat carried out the 4th Survey to collect more information about member SAIs' environmental auditing work. The results are not yet in, but eventually they will be valuable for planning the work of the group in 2014-2016.

EUROSAI

Herdís Laupsa, Norway

Ms Laupsa made a summary of the EUROSAI key activities since November 2011:

In 2012 56 national environmental audits and 4 cooperative audits were conducted in the region, in 2011 the figures were 73 and 2 respectively.

The 10th EUROSAI WGEA Annual Meeting was held in Cyprus in October 2012. The main topics were sustainable development and data in environmental auditing. There was a Skype presentation of a research paper on environmental data by Canada and the USA.

Two thematic seminars were organised in Oslo: sustainable fisheries and forest management, in May 2012 and water management, April, 2013. Key note speakers conveyed European perspectives on the subjects and Mr Elstein from the USA contributed for the water seminar via videoconference.

The EUROSAI tradition of implementing INTOSAI guidances through one-day training seminars in combination with the annual meetings has been continuing. In October 2012 the training focused on auditing forests, based on the 2010 INTOSAI WGEA Guidance on Auditing Forests. The training was organised by SAI of Indonesia.

The following European cooperative audits have been recently finalised (see the reports at <http://www.eurosaiwgea.org>):

Adaptation to climate change (Nov 2012), led by the EUROSAI WGEA Secretariat;

CO₂ emission trading systems (Dec 2012) co-led by Denmark and Norway.

A new cooperative audit on biofuels is underway. The kick-off meeting was held in April 2013. 9 SAIs are planning to conduct or have conducted such audit or are in the process of follow-up. The meeting developed key audit questions and made a preliminary plan.

Other on-going European cooperative audits are the following:

- Arctic Council (led by Russia and Norway; USA, Denmark, Sweden, plus Canada and Finland observing);
- National Parks (led by Lithuania; Bulgaria, Croatia, Denmark, Norway, Poland and Ukraine);
- The cooperative audit on shipment of waste (see presentation of the day before) (led by The Netherlands; Bulgaria, Greece, Hungary, Ireland, Norway, Poland, Slovenia).

The knowledge sharing initiatives include two short and easy-to-read subject matter documents: "Use of surveys to measure resource management" and "Vignette surveys in performance audits", with two more in the pipeline.

The EUROSAI Annual Review (2011) was published as a summary leaflet of national audits conducted by the members.

More information can be found on the EUROSAI WGEA website: www.eurosaiwgea.org and Newsletter (a new issue will be out in June).

Upcoming events include the 11th EUROSAI WGEA annual meeting, in the Czech Republic in October 2013; the topics include sustainable land use and assessing validity and reliability in quantitative and

qualitative analyses. Combined with the 11th meeting will be training on fraud and corruption issues when auditing environmental and natural resource management.

The EUROSAI Congress will take place in The Netherlands in June 2014 and the Young EUROSAI Congress (for auditors under 35) is scheduled for November 2013.

OLACEFS

Oscar S. Lamberto, Argentina

Mr Lamberto gave a brief overview of COMTEMA history (was created in 1998, the presidencies have been held by Brazil (1998-2009) and Argentina (from 2009). There are 9 member countries, but other countries may participate in coordinated audits and in meetings as observers. He also went over the mission (COMTEMA is the technical advisor body of OLACEFS in governmental environmental control), vision (become a consolidated commission that constitutes a key element for integrating governmental environmental control in the SAIs in search of regional sustainable development) and main objectives (advise OLACEFS members in developing methodological tools and technical guidelines for environmental audits, promote information and experience exchange and develop training strategies on environmental control).

The latest meeting was the 10th COMTEMA Annual Meeting in Mexico in May 2012. At the meeting the COMTEMA Work Plan 2012-2015 was discussed and adopted, and a regulation was passed that will make joining COMTEMA easier for SAIs. SAI of Argentina was elected to hold the Presidency for the new period as well.

The general objective of the Work Plan 2012-2015 is to strengthen the Commission in order to become a reference point in environmental control issues for SAIs. The specific objectives include developing cooperative environmental audits among OLACEFS members, training activities for member SAIs, strengthening knowledge exchange and promoting technical and financial cooperation from external sources.

The major activities ahead include two coordinated audits:

- on water resources: 2013
- on biodiversity: 2014

The coordinated audit on water resources is underway already, it is coordinated by the SAI of Argentina and 14 SAIs participate: Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, México, Paraguay, Peru, Venezuela. A virtual training course on performance audit was held from March - May 2013 and delivered by the SAI of Brazil.

The next steps include a planning workshop to define approach, researchable questions and will be held in Paraguay in June 2013. Field work at national level is planned for June – December 2013 and the regional report is due in March 2014. Funding for workshops and meetings comes from GIZ.

COMTEMA also participated in the 22nd OLACEFS General Assembly (Brazil, November 2012) and was selected to present on the 23rd OLACEFS General Assembly (Chile, 2013) a paper on environmental liabilities and biodiversity degradation.

COMTEMA has a new website: www.comtema.org

PASAI

Jonathan Keate, New Zealand

Mr Keate described how PASAI was building environmental auditing capability in PASAI through PRAI, i.e. the Pacific Regional Audit Initiative. The four main aspects of the initiative are: a permanent PASAI secretariat, based in Auckland, New Zealand; raising the financial audit capability in small islands Tuvalu, Nauru, Kiribati; conducting cooperative financial audits and performance audits; and developing better training materials, policies and practices in SAs.

The PASAI supporters are the Asian Development Bank, the Australian and New Zealand governments through their aid programmes, the World Bank and IDI.

PASAI has currently 26 members, 14 of them are INTOSAI members.

PASAI has completed 3 cooperative environmental audits: solid waste management – 2010; drinking water – 2011/2012 and sustainable tuna fisheries 2012/2013.

Mr Keate described the PASAI cooperative audits methodology and touched upon the results of the audits completed. The regional overview report of the solid waste audit was issued in August 2011 and is available on the PASAI and WGEA websites.

The 2nd cooperative audit asked the question of whether the Pacific countries were improving access to safe drinking water for their populations (is there a legal and policy framework to ensure access to safe drinking water and is it being implemented, is the effectiveness of implementation monitored and are there improvements?). The overall conclusion was that the Pacific islands are not on track to meet MDG drinking water goal by 2015.

The 3rd cooperative audit on sustainable fisheries assessed the effectiveness of the management of off-shore fisheries (in particular the tuna fishery) by examining in particular, if economic returns from off-shore fisheries came to the island states. There were several challenges: complex regional & sub-regional arrangements, lack of good data about fish stocks, commercially sensitive information about licensing arrangements. The main finding was that many of the fishery access agreements and vessel licensing arrangements with other nations lacked transparency, were 'shrouded in secrecy', but the regional and sub-regional arrangements were delivering some good results for Pacific countries.

The features of success were the following: 3 cooperative audits finished with good support from AGs/heads of SAs and donors/partners; the peer review approach used in planning and reporting meetings is very useful; a good mix and spread of Pacific Island Countries, new participants for each audit; a performance framework to measure capacity building in development.

A second survey was organised in 2011/2012 to see if there was interest in further cooperative audits on environmental topics. Among the topics proposed the following three were preferred: climate change adaptation, sanitation, waste management.

Based on the survey the 4th cooperative audit will be climate change adaptation and disaster risk management and recovery (CCA/DRR). The audit teams will develop an audit objective and Lines of

Enquiry relevant to their individual jurisdictions but under an umbrella audit topic: to assess the effectiveness of CCA and DRR strategies, plans and financing in the sector of (country).

The planning meeting was held in November 2012. The audit objectives were developed in the following broad clusters:

- CCA/DRR overall management framework - FSM (national office), Fiji, Palau and Samoa;
- managing impacts on coastal infrastructure - Cook Islands, Kosrae and Tuvalu;
- managing impacts on food security - Pohnpei, Solomon Islands and Tonga.

The reporting meeting is to be held on 17-22 June, Nadi, Fiji. As a new aspect one of the Australian state offices (Victorian Auditor General's Office) is assisting 2 participants as a twinning exercise.

The next PASAI cooperative audit may have a more financial focus – managing public debt.

PASAI meets every 2 years, the most recent meeting was in Sydney 2012 and the next is to be held in Canberra 2014. Mr Keate hoped that the new Chair, SAI of Indonesia, will be able to attend the RWGEA meetings.

Mr Saar added that some small island states were really suffering from climate change. He regretted that **ARABOSAI** could not be represented but briefly commented on their report: 3 meetings were held during the work plan period, a new work plan was approved and plans are underway to translate the INTOSAI guidances into Arabic.

Mr Saar praised the regions for increasing their activities and growing in numbers. He also mentioned a new project idea from Lesotho and Cameroon, which related to the topic of how to increase the impact of environmental audits, as a potential project in the new work plan.

Panel of Experts: Evolution and Trends of Environmental Auditing and the WGEA

The Chair had put three questions to the panel of experts to recap the past 20 years of activities and also to look into the future.

The panel consisted of the following members: Steven Elstein, USA, Jill Goldsmith, UK, Robert Cheyo, Tanzania, Jonathan Keate, New Zealand and John Reed, Canada.



Environmental auditing worldwide – three most intriguing developments in the past 20 years.

Steven Elstein, USA

The growth in size and diversity - 20 years ago WGEA had 12 members (a homogeneous group of Northern-European and English speaking countries), today there are more than 70 countries.

The scope of the work - in the mid1990s many SAIs had no mandate for environmental audits. Many countries did not even have environmental ministries.

The trademark of the WGEA is the evolutionary aspect, and the extent of collaboration (e.g. collaborative audits, which are now routine and professional).

One factor of success is the WGEA leadership - stunning over the course of 20 years - The Netherlands, Canada and Estonia and the particular individuals involved in each country. Estonia has been constructively building relationships with RWGEAs. No doubt whatsoever that Indonesia will continue this extraordinary leadership.

Jill Goldsmith, UK agreed with Mr Elstein. The speed of development in general and through each 3-year work plan period, has been amazing, building on the previous work and taking it further.

Regional development is of key importance, it has been even faster than envisaged. It has become clear that auditors can have a voice at the country, regional and global levels.

There is a growing sense that the auditors, while looking back in history and learning from the lessons, are also looking more ahead, bringing their voice in earlier, e.g. thinking on how to prevent and avert various risks (e.g. a dam breaking in Indonesia etc).

Robert Cheyo, Tanzania

The audit scope has changed with issues like climate change or water issues gaining more importance in recent years. Auditors have been exploring the destructive effects of (economic) development, which affect peoples' existence, basic needs and daily life. It is very important to tackle those issues well.

Jonathan Keate, New Zealand

The WGEA strategy of focusing on strengthening capacity building in the regions has worked very well, especially in the PASAI region. In 2006 it was difficult to imagine that environmental audits will be conducted in PASAI, but now the 4th cooperative environmental audit is under way.

Environmental issues have become high profile issues, awareness building is crucial and auditors can have an important role to play here, especially as regards climate change and water issues.

The WGEA products have developed considerably in the course of 20 years and have become more sophisticated, tackling challenging topics. The research papers are another good response to the needs of the WGEA.

John Reed, Canada agreed with the aforesaid. What struck him most in the current meeting was realising how erstwhile newcomers and students had grown to be veterans and teachers and how amazingly the leadership had continued. It is not just the growth in numbers but how the torch has been passed to a new crop of leaders.

The group has also become more integrated from the capacity building standpoint. In the first meeting in Ottawa, all participants were auditors. Now many others have come onboard: from AGs to audit managers, trainers, IDI, the Indian Training Facility. Such vertical integration is necessary for capacity building.

Mr Reed illustrated his 3rd message through a country song about friends: the WGEA support network is really striking: everyone will come to help if needed.

Environmental auditing trends in future – where is it heading to?

Steven Elstein, USA

The main thing is for the auditors to continue doing well what their primary mission is - to evaluate programmes and see how they are working. There will be new SAIs and new people joining and they need some assistance in those basic things. A quote about the auditor's role from a US official: "You guys show up on the battle field after the battle has been fought and then you shoot the wounded."

But auditors also have a role in looking ahead, in tackling the future problems (e.g. climate change etc) that will affect economic, military, social security of the nations in the future. Take for example the major infrastructure investments currently under way - the decisions made today will have an impact for 50-60 years and thus require careful consideration and taking into account things that are not so transparent now. Some SAIs may also have difficulties in giving future oriented advice.

Jill Goldsmith, UK agreed with Mr Elstein as regards the infrastructure issues. It is necessary to recognise that many colleges deal with environmental issues and environmental auditors are experts that have to help them in seeing the risks. Sustainable reporting: as governments get to grips with environmental issues, start collecting their own data and doing the reporting, the auditors will have to assess if the government data and reporting are credible, thus environmental auditors will be more engaged in verification and validation of data produced by others.

From that flows that auditors need to know who they are working with - the legislatures, parliaments. It is necessary to engage with them even better, than just producing reports.

Robert Cheyo, Tanzania

Auditors should focus on examining the governments' response to the commitments taken in bringing about sustainable development. Today there are many challenges - lack of water, poor soil quality, expanding deserts in Africa. Auditors should see to it that sustainable development is also part of the governance issues and support green investment.

Jonathan Keate, New Zealand

The current economic climate of cost cutting means that it is potentially done at the expense of the environment. It is necessary to remember the basics in environmental audits, namely the effectiveness of expenditure. A recent New Zealand audit on the effect of agricultural practices on fresh water quality in rivers and lakes caught a lot of attention, because it confirmed what people already suspected. But the audit could have looked at the funding side as well, which it did not. So the message for the future - look at the effectiveness of spending in the context of the environment.

John Reed, Canada referred to a 2007 paper that he had written on the evolution and trends in environmental auditing and admitted that some of it was still true - continued growth of environmental auditing, cooperative audits.

Instead of forecasting the future, Mr Reed expressed some of his wishes: Auditors should audit development aid both on the donors' and recipients' side and improve the capacity of auditors to audit that aid. 1.5 years ago the resigning chairman of the World Bank had said that the World Bank had utterly failed to help developing nations, while spending 50-60 billion USD on such aid during his tenure. Many scientists agree - the way aid is delivered is not working.

The 2007 document proposed that the SAI community could be better in auditing the Millennium Development Goals, which the world seems to be abandoning. But the MDGs are so important for humanity, not only for the environment, but other crucial areas as well, so they should not be left out of sight.

Mr Reed recalled making a report about the Brundtland commission's work in 1987 to his then boss in an oil company, whose reaction had been: "sustainable development - an interesting idea of no application whatsoever to the petroleum business". Mr Reed also regretted that the Canadian government had bureaucratised the concept of sustainable development by having all government departments writing

strategies and the auditors auditing those strategies. He invited the auditors to find a different way of auditing sustainable development.

Another important aspect is combining the youth and social media. Mr Reed spoke about a grassroots twitter initiative, fuelled by young people, that had grown to grab the front pages of the Canadian newspapers for 3 months. He recommended a youth wing for the WGEA to find out what the children want and how to engage them in tackling the right issues in the right way.

What is and could be the role of the INTOSAI WGEA to support these trends?

Steven Elstein, USA

The WGEA tradition of 20 years has been always to support capacity building, training, increase the level of participation, building networks with other international organisations. There is a fairly good track record already. 2 years ago, Mr Elstein thought, he might have proposed building a first class training facility for environmental auditing, but the Jaipur facility has happened already. As the environment more than most areas, evolves quickly, it is important to keep up with the tempo.

Jill Goldsmith, UK, asked if the group was keeping up with the communication approaches available - so much can be done outside the meetings by way of helping each other and drawing on each other's knowledge, e.g. the web sites are really good sources of information.

Robert Cheyo, Tanzania

The role of the WGEA is to insure that the audits help strike a balance between economic growth and sustainable development and the use of resources.

Jonathan Keate, New Zealand, recommended continued support to the regions through guidance and training. He praised the move towards creating shorter products. Maybe the WGEA could have a broad overarching theme.

All means of communication should be put to use, incl. the web sites. The survey is a very useful product, one should think how to make the most of the information gained through the survey.

John Reed, Canada

More of the same! Can't argue with success. The WGEA is INTOSAI's most successful working group. Build new partnerships, not only with new institutions, but with the scientific community and journalists who can help get the word out outside the auditing community. It is important to build relationships already in advance of the release of the report, so that when the report comes out the press are ready.

Find a way to tapping into what the children are thinking. This generation is working for the benefit of them.

Use the technology (e.g. webinars). There is a lot of pressure in Canada, not to have face to face meetings, but there is no substitute to working together in one room. Maybe technology could help communicate more regularly.

Mr Saar thanked the panel for their many good thoughts. Some of them have been discussed by the Steering Committee, e.g. youth and technology, enhancing the web site. In 2007 a colleague had proposed that the WGEA could start using Facebook, but to date it has not been done. An online knowledge expertise base is another idea that has been considered: people could send in their questions and the secretariat would organise an answer.

Questions and Reflections

Rogier Zelle, The Netherlands, spoke about MEAs, in which different countries play a different role, e.g. in the CITES Convention or the EU waste shipment regulation some are countries of destination, others countries of origin and their responsibilities differ. The coordinated audits should follow this distinction and integrate it into the audit design. In the end the results should be combined, and create a better understanding of the results. Even a case study could be started in one country and finalised in another.

Edward Ouko, Auditor General, Kenya

It is time to look where auditors are going. There is no doubt about climate change. But what can auditors do in balancing the climate change on the one hand and the need to develop and use resources on the other? How to reconcile this conflict: social development vs. pressures on resources. Especially in Africa more and more mines are opened, which is good for economic development. But it is necessary now to start looking beyond this - at transparency, restoration when the mines run out in 20 years. How to weigh in greenhouse gases and carbon credits?

Auditors also need to keep abreast with the fast developments in science (e.g. GMOs etc).

As regards auditing aid effectiveness - the audit should go beyond the money, to what this money should be addressing (clean water, air).

The issue of data: a lot has been done over the 20 years. Now is the time to figure out how to make sure that the data are verifiable. It is necessary to sit back and think - have auditors covered what is of key importance generally for the world.

George Stuetz, Canada, used the example of a recent marine protected areas audit to explain why it was necessary to make a business case of why the environment was important (e.g. pointing out to the MPs the value of lobster and crab caught annually).

As regards communication and reaching out to the youth, he recommended getting a WGEA channel on YouTube and running online plenary sessions - in this way it would really be possible to reach out to many more people than can attend the actual meeting. For example a video was uploaded to the web for the marine protected areas audit alongside with the audit report. While the report was downloaded 1 000 times, close to 3 000 people viewed the video.

Patrick Ndahura, Uganda

The most intriguing development has been that the WGEA has been bridging the world and breaking the barriers for environmental audit.

In order to implement the audit recommendations, the partners to be engaged, in addition to the press and scientific bodies, are the parliaments and governments. If their support is lacking nothing gets done. What is the WGEA strategy for engaging them? Mr Ndahura also requested that at the WGEA meetings more time be devoted to knowledge sharing, which was the most important aspect of the meetings.

Magaisa Phiri Sakala, Zambia suggested the introduction of peer reviews to assess and improve the quality of reports.

Jean Cinq-Mars, Canada

The day before root causes were mentioned. Sometimes it is the lack of funding, mismanagement, and quite often countries have funded a project that would create bad consequences in the future. Therefore it is necessary to look at whether the investments are made on a sustainable basis. Investors generally

want quick returns and fast. Eventually it is the auditors' responsibility to look at investment and development banks and evaluate their investment policies. For example the African Development Bank is a major investor in Africa and their investment policies need to be scrutinised as well.

Many environmental projects have health impacts or their mismanagement can have health impacts. The auditors have to look at the issues of the environment and health together. For example, an audit on air quality of primary schools was conducted in Quebec. Many schools had mould because there was no proper ventilation system. Health is a sensitive issue, especially that of children, and combining health and the environment in audits will help increase the impact and visibility of audits.

Teyib Ali Mohammed, Ethiopia

The speaker agreed with the panelists in that the WGEA had progressed a lot. The resource base created by the WGEA is a foundation for each country to develop environmental auditing first at home and then move to coordinated audits. Some issues are local, some regional, some global - and joint and coordinated audits are the answer to the regional and global issues. But the question is, how to ensure that action is taken on regional and global levels, for example in the case of Lake Chad or the big African rivers - how to get all the countries of the region to come along?

Responses from Panel

John Reed, Canada

Investment policies: this is a great idea to audit the investment policies and banks. In Canada the SAI has the mandate to audit investment banks, to follow the money. But it is also necessary to audit the investment policies of the countries. For example, there are policies in Canada for Canadian companies operating in overseas.

Restoration of mines: it is necessary to audit whether the conditions for success are in place at the beginning of a mining project. The UK national audit office has developed some material on initiating successful projects. It is an audit guidance on what has to be in place at the beginning of a major capital investment project in order for the project to be sustainable in the end, e.g. the plan for restoration, long term maintenance, local ownership.

Jonathan Keate, New Zealand

Communication: To enhance the impact of the country, regional and global environmental audit reports, the Secretariat, with the help of the authors of the idea, could undertake a small project on communication.

Robert Cheyo, Tanzania

Striking a balance between economic development and the environment: With the current resources constraints, shortage of water and scarcity of land, Mr Cheyo suggested looking at the laws and regulations that governments have in place to regulate this balance.

Extracting minerals: Bad planning creates risks in mines and quarries. Auditors should find out if the governments have procedures to ensure that after a mine is closed there is money set aside for restoration.

How to ensure that action is taken on regional level: Take the recommendations for implementation to the regional level as well, e.g. African Union or European Union.

Jill Goldsmith, UK, confirmed that the material on initiating successful projects can be found on the SAI UK web site.

Coordinated audits: Given the strict format of a coordinated audit (and given that the UK has found it difficult to undertake coordinated audits in recent years), Ms Goldsmith suggested using a less strict model of working towards environmental goals: collaborating through networking. For example, having chat rooms to address work in a particular area. It could be thought of even as a campaign aimed at achieving outcomes in a different way.

Steven Elstein, USA spoke about the 2008 presidential election campaign in the US when Obama had run on a strong environmental platform against the opponents who wanted more fossil energy to be energy independent. Obama has been in office since 2008 and there has never been more activity in developing fossil fuel energy, e.g. fracking, whose environmental consequences are not yet well understood.

Mr Elstein also focused on the environmental accounting work undertaken a few years ago, aimed at quantifying and taking into account the environmental benefits and taking a more holistic approach. He regretted that in the current economic turmoil the benefits of environmental protection took a back seat.

Youth: Reaching the age group would be a real plus, for the 20-year-olds look at the world very differently. They are going to inherit the world from this generation and they know that some of the changes are going to affect their or their children's lives.

Tõnis Saar

Countries with different roles under MEAs: this is something that the next WG meeting could tackle, e.g. if one country is doing illegal logging/shipping hazardous waste and another is buying the illegal logs/receiving the waste, can the countries do something about it together?

Communication: There is room for improvement. But the opening speeches from the Buenos Aires meeting can be seen on YouTube. Online TV - can be considered in the future.

How to respond to emerging issues: The first response is to start doing something, start working around the topic. If the Auditor General is committed, it is already a very good start. To resolve regional issues (e.g. Egypt's response to plans by Ethiopia to build a dam on the Nile), information is key - informing the public, politicians, etc.

Knowledge sharing: Mr Saar promised that more time would be set aside in the upcoming meetings for knowledge sharing.

Peer reviews: They are possible today. Every AG can ask another country to do a peer review. But it could be difficult to conduct a peer review during an actual audit. It could be more feasible during coordinated audits, reading each others' reports and suggesting improvements.

Funding and funding policies: When the Polish and Chinese colleagues were drafting the recommendations for the INCOSAI, a proposal was made concerning international financing issues, but it seemed the time was not right yet. However, huge amounts are involved in development aid and the relevant banks. This is taxpayers' money about which we have no idea where it goes and what we get in return. The auditing community should start asking these questions. One way to do that is to start responding to emerging issues. When the financial crisis struck, the private auditing community came out in 24 h, blaming public sector auditors for getting it wrong. INTOSAI did not react. At least the WGEA has already some capacity and knowledge to react to upcoming issues, so why not do it! There is enough

information from RIO+20, the Canadian and Brazilian paper - this is excellent input that can be used also today.

Mr Saar thanked the distinguished experts for their contribution.

Capacity Building and Training

Tuuli Rasso, Estonia



Training is becoming more and more important and has its own dedicated session at WG15.

Ms Rasso briefly touched upon the existing training materials. The *biodiversity* training material is 6 years old, has been used in many regions, continues to be well usable and has been praised a lot. The *climate change* training material has been developed along with the climate change guide. She advised everyone take the E-learning course. The course consists of 5 modules and can be used alone, or in a group. The *sustainable energy* course has not been so extensively used yet.

The new WGEA training materials were presented by the project leaders:

The Forest Training Module

Arief Senjaya, Indonesia

The material was released in 2010, and in 2011 a 14 SAI pilot project was carried out in Jakarta as a trans-regional programme, helped by IDI. The course follows a performance audit approach, looking at economy, efficiency and effectiveness. The course was originally designed for 5 days, but can be modified to suit any particular needs, e.g. in October 2012 a one day course was organised within the framework of the EUROSAI meeting in Cyprus. The course is suited to all, who have at least 2 years of experience in auditing.

Audit of Mining Training Course

Michael Malabeja, Tanzania

Work started with developing a mining guide, followed by the training course.

The training is composed of 4 sessions: 1. Background - impact of mining on the environment; 2. Process of mining activities and their environmental impact - exploration, mining, up to decommissioning of the project, also socio-economic impact; 3. Audit proper, the four steps etc; 4. Case studies, examples of audits by other SAIs. The course is designed for 2 days, but pilot training in Cairo was modified to fit into one day.

Ms Rasso asked both presenters if they were willing to conduct their training in other regions if there was an interest. Mr Malabeja explained that the material was designed so that experienced auditors can use it

to train junior auditors. He was also willing to conduct the training. Mr Senjaya said that the material was suitable for all SAIs and could possibly be used in Jaipur as well.

Ms Rasso promised that the Secretariat would make the training materials available on the WGEA web site.

Global Training Facility (GTF)

Rebecca Mathai and Nameeta Prasad, India



Ms Mathai thanked SAI Estonia for hosting the meeting. She gave an in-depth overview of iCED - the International Centre for Environment Audit & Sustainable Development. The concept was developed in 2011, then the facility was offered to the WGEA and the first training will take place in November 2013.

She explained how the GTF would take the knowledge sharing concept to another level: those who have developed the materials will deliver the programmes themselves, face to face interaction is very important. Each time the training takes place the material is updated. She suggested that such model could be emulated by other INTOSAI working groups.

Ms Mathai also spoke about the Indian context and GTF. SAI India has experience of over 100 environment audits, the more recent audits have been with a comprehensive sweep, e.g. water pollution in India, which was a major undertaking, given the vastness of India. The environmental challenges in India include water and air pollution, loss of biodiversity (10% of flora and fauna endangered) etc. To respond to those challenges auditors have to have an integrated approach: the development imperative must be kept in focus at the same time as the auditors point to environmental issues. One size does not fit all, for India is diverse in geography and cultures. Thus, what would work, would be decentralised, local solutions. SAI India is best placed to collate and disseminate the practices. GTF could be the platform for engaging the stakeholders, to mainstream environmental concerns amongst all of them. The best approach to audit is achieved via partnerships at all levels and a collaborative approach: GTF is one example of collaborative approach, but it is also necessary to look for bilateral/regional partnerships with other SAIs.

Ms Mathai next discussed iCED in more detail, listed the added value iCED can give (learnings from its environmental audits; the role and perspective of public auditors in dealing with developing world challenges; the experience from iCISA, the IT audit centre; continuous enhancement of quality; training enriched by research); described the vision (to be a global Centre of Excellence for improving accountability and governance in the area of environment and sustainable development); mission (develop high quality products in training and research to enrich environment audit through an interdisciplinary approach enabled by valuable partnerships); values (professional excellence, learning organisation, collaborative approach) and strategic objectives (be a knowledge centre, promote mainstreaming environment concerns, undertake research etc).

Ms Mathai then described the physical facilities at iCED: located in Jaipur, the Indian government has invested 2 million USD, aims to be the 1st green government building in India. There are 2 training halls for 75 persons, 2 meeting rooms for 35 persons, 1 auditorium for 175, rooms for research associates,

laboratory, conference room, library. The hostel facilities have 60 guest rooms, 20 faculty rooms, sports complex.

Ms Rasso spoke about the course development: the training programme is almost finalised. The project sub-committee Estonia, India, Finland, Norway, USA, Brazil had a very good meeting in the fringes of WG15.

The original plan was to prepare 2 training programmes - one for beginners and one for more experienced auditors. But it became clear that it was not so good to talk about beginners, since anyone participating will have either auditing or environmental expert background. So the decision was to name the course Environmental Auditing Training Course. In the first level topics include waste, water, biodiversity and climate change. The duration of the programme is 17 days. Thereafter other topics and shorter, more specialised programmes could be undertaken. The objective of the first course is to provide basic knowledge of auditing environmental issues.

There is also a need for training the trainers, but for the time being this remains on idea level.

The training will be delivered for the first time from 25 November to 11 December 2013. Invitation letters have been sent and it is time for sending applications. Applicants should have some performance auditing experience/experience in the field of environment, for there will be no thorough introduction to performance audit. Those chosen are to prepare a pre-course paper (template available): 2-3 pages about the environmental challenges and basic data in their country and an overview of performance auditing process - a flow chart format, so as to understand each other better.

The course evaluation will be in the form of self-evaluation; the participants will keep a course learning journal, where they write down learning points every day; and write a final paper, which differs for each participant - some may make a list of auditable ideas in environmental auditing in their country; others design an audit matrix or write a strategy plan. These will be discussed with teaching experts in face to face meetings at the end of the course.

The programme overview has been adopted by the Steering Committee. The programme consists of 3 modules: introduction to auditing, auditing the environment and sustainable development and a wrap-up module (mainly face to face meetings).

A lot of practical activities have been planned, discussion of cases, group work, field activities, site visits, role play etc. Indian experts will be invited to present local experience and cases - so as to discuss actual real life cases.

Ms Nameeta Prasad, India spoke about the course in more detail. The course was developed in conjunction with the sub-committee members: the climate change module by Norway, sustainable development by Finland, water by USA, waste by India, biodiversity by Brazil. Tanzania helped in developing the course materials as well. The modules will be presented by the different authors of the modules, thus giving a better idea of and international focus to the material, providing realtime experience and best practice sharing. The participants will not be passive recipients of information. There will be no right or wrong way of doing things but emphasis on good and bad practices. There will also be enriching evening activities, providing a flavour of Indian culture



Ms Prasad went over the practical details once again: the invitation letters signed

by SAIs of India and Estonia have been sent out by SAI India in May, 2013. Participants' names are expected by August 2013. A letter from iCED to participants goes out in September 2013, including the pre course study and details of training.

Last but not least, Ms Prasad explained the costs:

The cost to each participant is 80 USD per day. It is an all-inclusive package, which includes cost of staying on campus, food, cost of all activities like site visit, evening activities and the cost of trainers. The costs are not based on full cost recovery principle, the SAI India and the Indian government cover the remaining costs.

Travel costs have to be borne by the participants.

Further details can be obtained by writing to Ms Prasad:

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iced@cag.gov.in

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Conclusions

Approval of Work Plan 2014–2016

Mr Saar reminded the WG of the two rules for planning: if there is no project leader, the project is dropped and it is possible to introduce new projects still. As during the lunch break some countries had still been signing up, *Mr Saar* confirmed that the signing sheets would be kept for the record. He also said that anyone who needed to seek confirmation from home can do that, since those who signed up will be asked to confirm their participation at a later stage.

Mr Saar listed all the activities by goals and read out the project leaders and sub-committee members for the activities, as applicable:

Goal 1

Up-date existing and develop new guidance materials available to SAIs, conduct research studies on emerging topics in environmental auditing.

Prepare research projects on:

- Environmental risks and state liabilities/environmental liabilities
 - Lead: no lead - *Mr Saar* suggested not to include it.
 - Sub-committee: -

- Renewable energy
 - Lead: Indonesia / Morocco - co-leaders
 - Sub-committee: Lesotho, UK, Ethiopia, Namibia, Zambia, USA, China, Iran, Philippines

- Energy savings
 - Lead: Czech Republic
 - Sub-committee: Uganda (tbd), Norway, Macedonia (tbd), Ethiopia, USA, Zambia (tbd), China, UK, Philippines

- Environmental assessments

- Lead: Canada / India
- Sub-committee: Tanzania, Brazil, Ghana, Norway, Ethiopia, Iran

- Marine environment
 - Lead: USA
 - Sub-committee: Bulgaria, Norway, Senegal (tbd), Kenya (tbc), Morocco, Indonesia, Philippines

- Market based instruments for environmental protection and management
 - Lead: Estonia
 - Sub-committee: New Zealand, Brazil, UK, Senegal (tbd), Slovakia (tbd)

- Greening the Supreme Audit Institutions
 - Lead: India
 - Sub-committee: Poland (tbd), Burkina Faso, Chad, Namibia, Senegal (tbd), Swaziland

- How to increase the quality and impact of environmental audits (new)
 - Co-Leads: Lesotho / Cameroon
 - Sub-committee: Botswana, Ecuador, Ethiopia, Indonesia, Chad, Côte d'Ivoire, Burkina Faso, Iran, Estonia, Tanzania

- Update the INTOSAI WGEA 2004 guidance material on Towards Auditing Waste Management
 - Lead: Norway
 - Sub-committee: Kenya (tbc), Nigeria, Namibia, Botswana, Côte d'Ivoire, China, Iran, Ecuador, Swaziland, Philippines

- Review the four ISSAI documents on environmental audit, Lead: Indonesia
 - ISSAI 5110: Guidance on Conducting Audits of Activities with an Environmental Perspective, 2001
 - Co-Lead: European Court of Auditors (tbd)

 - ISSAI 5120: Environmental Audit & Regularity Auditing, 2004
 - Co-Lead: European Court of Auditors (tbd)

 - ISSAI 5130: Sustainable Development: The Role of Supreme Audit Institutions, 2004
 - Co-Lead: Canada

 - ISSAI 5140: How SAIs May Co-operate on the Audit of International Environmental Accords, 1998
 - Co-Lead: tbd.

Mr Saar explained that since the whole process was led by Indonesia and since INTOSAI had asked the four documents to be reviewed, the WG is committed to the whole package.

Goal 2

Facilitate concurrent, joint, and coordinated audits.

Regional coordinators have to take care of goal 2 and Mr Saar hoped that no one argues against this.

Goal 3

Enhance information dissemination, exchange, and training.

- Organize WG16 and WG17 (Indonesia)
- Regional coordinators are encouraged to convene at least one meeting and to deliver at least one training course
- Provide training on environmental audit in the global training facility annually. (Indonesia / India / Estonia)
- Implement and disseminate the developed training module on the topic of forestry. (Indonesia)
- Continue publishing the Greenlines newsletter twice yearly. (USA)
- Maintain and enhance the WGEA website. (Indonesia)
- Undertake the 8th survey on environmental auditing. (Indonesia)
- Provide for the annual collection of environmental audits worldwide (to populate the website). (Indonesia)

Goal 4

Increase cooperation between the WGEA, international organizations and other INTOSAI bodies.

- Provide on-going communication and outreach. (Indonesia)
- Encourage and continue work among INTOSAI bodies and outreach them through Knowledge Sharing Services Committee. (Indonesia)
- Search for and establish new partnerships. (Indonesia)

Mr Saar asked if the WG was ready to approve the Work Plan for 2014-2016 and the WG approved the plan acclamation. Mr Saar gladly handed over the challenging work plan to the next chair Indonesia, and thanked Indonesia for taking the WGEA family forward.

Greenlines Update

Steven Elstein, USA



Mr Elstein gave an update on the Greenlines newsletter. It is a twice yearly publication, which includes a message from the Chair, a feature story, and most importantly, news briefs with information from individual SAIs.

The feature story for the next issue will be provided by Indonesia. There will also be a feature extra: a recap of all the projects completed under the last work plan. Mr Elstein also confirmed that SAI US would continue to produce Greenlines (the news were met by applause of the WG).

Mr Elstein spent the remainder of the time allocated to him speaking as a veteran of 20 years in WGEA:

He thanked SAI Estonia and the individuals involved (Tõnis, Tuuli, Margit, Kaire and Airi) for doing a stunningly wonderful job during their 6 year tenure as the Secretariat. On a more personal note Mr Elstein added, "I have done a detailed audit of Estonia and I have come to a very important conclusion - Estonia

is not a very large country, but this is if you measure it by conventional measures, population and land area of 1.3 million and 45 000 sq km; but if you measure by other parameters, skill, determination, integrity, heart, Estonia is a very great country. Minu sõbrad, Eesti on imeline maa ja Eesti on minu imeline sõber."

Mr Elstein also let the WG know that after 20 years the current meeting was his last. In order to demonstrate how much the relationship has meant to him he asked the participants to look around at their tables and at the colleagues sitting there, and imagine that at any one table the entire WGEA was sitting. This is how it had been in 1994. Mr Elstein said that he would never have believed back then that in 19 years and 2 months there would be 160 delegates from 70 countries. He thanked the WGEA for being an important part of his life and for the gift of friendship.

Mr Saar thanked Mr Elstein, for doing so much for the WGEA and himself personally, like a father.

Acknowledgements, Key Addresses

Alar Karis, Auditor General of Estonia/Chair of INTOSAI WGEA:

Dr Karis started by referring to the 1992 novel "Ishmael" by the US writer and environmentalist Daniel Quinn. The novel examines the mythology, its relation to ethics and relations to sustainability. The main character is a gorilla in the zoo. In his room was a sign, "With man gone, will there be hope for gorilla?". After the gorilla's death, another sign appeared on the back side of the sign, "With gorilla gone, will there be hope for man?" Dr Karis next spoke about the lot of the Baltic Sea seals, whose numbers have been diminishing as a direct result of climate change and the diminishing ice cover. About a 100 years ago the population of grey seals in the Baltic Sea was 100 000, today there are only 25 000 left. One can ask the same question, "With the seals gone will there be hope for man?". In his opinion, as long as there are people who have the desire to save the world (and that includes environmental auditors), there is hope and not only for man.



He considered chairmanship of the WGEA over the 6 years as a challenge and a rewarding experience for Estonia. 10 years ago many people were not ready to admit that environmental issues were problems but by now it has become clear to almost everybody. Now the question is how to set the goals and targets and how to meet them.

He spoke about the exchange of knowledge and experience that took place during the three days of meetings, as well as the approval of the new work plan. He was glad to give the chairmanship and the work plan to the trustworthy hands of Indonesia at the next INCOSAI in October 2013.

Dr Karis assured everyone that Estonia would not be leaving, but rather joining the alumni. Dr Karis thanked all SAIs for their support and cooperation during the past 6 fruitful years, thanked all WGEA and INTOSAI members for having responded to the various requests of the Secretariat. He also thanked the presenters, members of the Steering Committee, the keynote speakers, moderators, guests from IDI and

UNEP, all environmental auditors of SAI Estonia, and in particular, his own team headed by Mr Saar for securing the success of the working group meeting. He wished all guests a safe journey home and hoped to meet again soon.

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

Dr Musa thanked SAI Estonia for the invitation to the 15th Assembly of the INTOSAI WGEA, an important milestone meeting, marking the completion of the 2011-2013 work plan and the beginning of the 2014-2016 work plan.

INTOSAI WGEA has developed and implemented audit manuals, research projects, trainings, and audit cooperation on environmental auditing, all this in true family spirit and in line with the INTOSAI motto: *Experientia mutua omnibus prodest* - Mutual experience benefits all.

Dr Musa thanked all former Chairs and Secretariats of INTOSAI WGEA for making all the successes possible, in particular the current AG of Estonia Alar Karis and the previous AG Mihkel Oviir, and the Secretary General of INTOSAI WGEA Tõnis Saar, as well as the members of the Secretariat: Ms Margit, Ms Tuuli, Ms Kaire.

On behalf of the BPK, Mr Musa extended his appreciation for the support and faith that was given to Indonesia in leading INTOSAI WGEA in the next period. He assured the WGEA that BPK was committed to carrying out the duty and responsibility as the Chair of INTOSAI WGEA for the next three-year period and hoped for the WGEA support and cooperation.

The environment and the natural resources have two opposite sides. If they are properly managed, they will bring great benefits to human and the development of countries. If they are poorly managed, they will cause disasters and great losses to human kind and countries. Many disasters are happening such as floods, droughts, diseases and climate change which increasingly affect the social and economic aspects of life. The management of environment and natural resources must be carried out, giving consideration to the environment, social and economy so that it will be sustainable and can be enjoyed by generations to come. This is why the INTOSAI WGEA, the meeting today and the future meetings have a very important and strategic meaning.

It is the duty of SAIs to encourage the governments to improve the quality in management of environment and natural resources and work together with other SAIs and international organizations for capacity building and increase the quality of environmental auditing.

BPK will carry on the efforts that have been made by the past and present INTOSAI WGEA Chairs, while still committing to increase the role of the SAI in environmental conservation. The future plans of BPK include the following activities: enhancing the capacity of auditors through trainings and development of modules, sharing knowledge through the development of audit guidance and updating the existing audit guidances and sharing experiences through cooperative audits on common issues.

The presence of data and information related to environmental audit and natural resources management are very important in supporting quality environmental auditing. The use of information technology in the process of data analysis needs to be developed in the future. All SAIs dealing with the environment can contribute to providing data and information, also in developing a data centre so that auditing becomes more efficient and effective.

Mr Musa acknowledged that being entrusted to chair the INTOSAI WGEA was a very important and new experience for Indonesia. BPK is challenged to perform this duty. He hoped that with good cooperation the vision and mission of the INTOSAI WGEA can be realised for the benefit of all.

The Chair was happy that Indonesia was taking over the chairmanship and the next work plan. He was sure that the WGEA was in safe hands.

A short film was then demonstrated about the past developments of the WGEA.

Last but not least, the Auditor General of Estonia handed over tokens to countries who had helped the Secretariat in the past 6 years:

SAI Argentina, coordinator of COMTEMA

SAI Brazil - Rio+20 Report

SAI Canada - Environmental Data Research Project and Rio+20 Report

SAI China - coordinator of ASOSAI

SAI Egypt - coordinator of ARABOSAI

SAI Finland - Environment and Sustainability Reporting Research Paper

SAI India - GTF

SAI Indonesia - Forestry Training Module

SAI Lesotho - Tourism and Wildlife Research Paper

SAI Morocco - Land Use and Land Management Research Paper

SAI New Zealand - coordinator of PASAI

SAI Norway - Fraud and Corruption Guidance, Coordinator of EUROSAI and Climate Change Training Module

SAI Tanzania - coordinator of AFROSAI, Mining Training Materials, Tourism and Wildlife Research Paper

SAI UK - Infrastructure Research Project

SAI USA - Water Guidance, Environmental Data, Greenlines and the soul of the WGEA



Mr Saar invited the participants to give a round of applause to the 15 volunteers from SAI Estonia and to the Secretariat. He thanked everyone for the collaborative effort.

The meeting was thus closed.

