



INTOSAI
Working Group
on Environmental
Auditing

MINUTES 10th Meeting of the INTOSAI WGEA Steering Committee (SC10)

Marrakech, Morocco
8-11 March 2011



Day 1 Tuesday, 8 March 2011



The participants went on an environmental excursion, visiting the High Atlas area. The SAI of Morocco hosted the welcoming dinner in the evening.

Day 2 Wednesday, 9 March 2011 Welcome and Introductions



Address by President of Supreme Audit Court of Morocco Dr Ahmed El Midaoui

The host Dr Ahmed El Midaoui welcomed everyone to SC10 and thanked the WGEA for choosing Morocco as host of the meeting. Due to its geographical position Morocco has rich ecosystems, natural resources and a varied culture, as demonstrated by the environmental excursion the day before. However, the modern world is interdependent and interconnected, thus environmental problems are not limited to one single country, but affect the whole planet. This is why true collaboration is required. The SAIs play an

important role in ensuring respect for the environment and rational use of natural resources.

Dr El Midaoui then gave a brief insight into the situation in Morocco regarding the environment.

Under the enlightened guidance of His Majesty, King Mohammed VI Morocco is firmly committed to democracy, liberalism and open economy, with deep transformations going on in its economy and social behaviours. The country has also embarked on the path of sustainable development, including all its

aspects. Awareness about environmental matters has increased, in particular since the Rio summit in 1992, bringing all stakeholders together in addressing environmental challenges.

Dr El Midaoui listed the key actions:

In 1995 the Ministry of the Environment was created.

An integrated environmental strategy and the relevant policies have been adopted, geared towards sustainable development; these are accompanied by strategies in key sectors – agriculture, forestry, energy, water, air, transport, housing, marine etc.

Morocco has acceded to the majority of international environmental agreements and has adopted new environmental laws.

Currently a framework law for the environment and sustainable development is being drafted and is to be adopted in the coming months. The National Charter for the Environment and Sustainable Development, launched by the King in 2009, serves as a major point of reference for all economic and social activities.

Along with growing environmental awareness the pressing need for monitoring, control and evaluation has emerged. Since 2003 SAI Morocco has an expanded mandate, assigning special importance to auditing environmental issues. Help in this work has been received from many international organisations, especially UNDP and UNEP.

Morocco joined WGEA in 2007 and its Steering Committee in 2010.

In 2006 a special task force was created in SAI Morocco to work on environmental issues, develop methodologies, share knowledge, incorporate environmental issues into its audit work and cooperate with INTOSAI, the regional bodies of AFROSAI, ARABOSAI, EUROSAI and others.

The environment has become one of the main aspects for performance audits, covering a whole range of topics – water management, solid waste, renewable energy, impact studies. Every year many performance audits are conducted both on the national and regional levels.

Dr El Midaoui thanked Mihkel Oviir, President of SAI Estonia and current President of WGEA for his exceptional efforts and dedication. He also thanked former WGEA presidents from Canada and The Netherlands and recalled the very important consequences the 2004 tsunami in Indonesia had had on the WGEA work in focusing attention to natural catastrophes.

Dr El Midaoui thanked the participants for travelling to Morocco from around the world, and from such faraway countries as New Zealand, Indonesia, Brazil and China. He extended a warm welcome to all, wished everyone a pleasant stay in Marrakech and Morocco and expressed his conviction that through the efforts of the WGEA the humanity as a whole would benefit.

Address by Auditor General of Estonia Mr Mihkel Oviir

Mr Oviir thanked the Moroccan hosts for organising the SC10 meeting in Marrakech. He acknowledged the fact that North Africa was currently undergoing very turbulent times and expressed a hope for peaceful solutions.

Mr Oviir welcomed the participants and said that the success of the meeting depended entirely on their participation and support. He was confident that previous work by WGEA had been very successful. This is proven by positive feedback from XX INCOSAI in South Africa, where environmental auditing and

sustainable development were main themes. As a result there can be no doubt that presidents of all SAIs will lend their support to environmental auditing and that will encourage everyone to be even more ambitious.

Mr Oviir hoped that as a result of the work done at the SC10 meeting a holistic picture would develop on what the next three years would look like. The new work plan is challenging and follows a somewhat different approach: in addition to the two guidance papers (on water and on fraud and corruption) five research projects have been undertaken.

An important theme of the new work plan is environmental training, with training modules being prepared for climate change, forestry and mining and a global training facility on environmental auditing. All this should form a solid foundation for capacity building in environmental auditing.

Mr Oviir welcomed cooperation with partners from IDI, UNEP, UNFCCC and the regional WGEA organisations.

Mr Oviir also welcomed the new Steering Committee members: Finland, India and Lesotho. Mr Oviir greeted the Auditor General of SAI Lesotho Mrs Limakatso Lucy Liphafa and thanked her for participating personally at the meeting. He also acknowledged the work undertaken by SAI Lesotho to date and hoped that there would be even more to gain from working in the SC.

Mr Oviir wished everyone a successful meeting. As a token of appreciation and thanks Mr Oviir gave to the Moroccan hosts a gift by the Estonian artist Eduard Viiralt, who had been working in Marrakech in 1938.

The first session ended with taking a family photo of the SC.



Introduction of the Agenda

Chair's Update on Progress Report and General Issues

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia



Mr Saar introduced the agenda and the items to be discussed during the three days of the meeting. As the agenda would be tight, he hoped that all items would get properly covered. The discussions had already started the day before during the excursion with people coming forward with thoughts, interests and ideas.

Mr Saar emphasised that the SC10 meeting was very important, because the intention was to approve the work plan and define the work to be undertaken during the next three years.

Progress Report

The Chair continued by presenting the Progress Report. He hoped that the SC members had already read the full report and thus he went over the main points briefly, explaining and expanding on some issues as he felt necessary.

The WGEA has currently 71 members: the most recent addition is the European Court of Auditors; Austria left, first the SC, then WGEA, in order to be more active at the EUROSAI level.

The SC has 16 members. The Chair thanked those who had left – Poland, Fiji, Cameroon and the Czech Republic and welcomed the newcomers Finland, India and Lesotho.

He explained that a decision had been taken that in order to keep the SC of a reasonable, manageable size, countries who actively led projects or led the RWGEAs were SC members. He added that further changes could be made in the future. He expressed appreciation and thanks to all countries that had contributed during the previous period and hoped that those countries would become actively involved again to undertake future work.

There are no changes in lead countries for the regions. The Chair thanked the regional leaders New Zealand, Tanzania, Egypt, China, Norway and Argentina for their cooperation and pledged continued support and help for the regions in the future. He also promised to accommodate the request made by the regional leaders to have a meeting in the fringes of SC10 in order to discuss matters of mutual interest.

As regards the projects undertaken during the previous work plan period, they have all been successfully completed. The Chair thanked each and every one involved in the process. Given all the cooperation going on “behind the scenes”, the Chair said that the Secretariat had had a very easy task. Speaking on the basis of his experience from the Knowledge Sharing Committee he firmly believed that the WGEA was the most active INTOSAI working group.

The coordinated climate change audit led by Canada was completed and the report was released at XX INCOSAI and received a lot of attention and good media coverage. This can be really deemed as a landmark of cooperation. Following on from this, the IDI has proposed undertaking transregional audits.

The Chair also mentioned a side document accompanying the climate change audit report, concerning lessons learned, prepared by John Reed, Canada, and expressing his own views, which had gained much attention at XX INCOSAI. There was a discussion as to disclosing the document and it was decided to make it available on the WGEA website. The Chair invited everyone to study the document, now that it was posted on the WGEA website.

The primer for auditing implementation of multilateral environmental agreements has been completed, the result is positive in two aspects – delivery of the product itself plus good experience from cooperating with UNEP.

Regional cooperative audits are in place in 4 out of the 6 regions. The Chair thanked the regions for dynamic work and producing excellent results.

The biodiversity training course and web page have been finished and several training courses have been conducted in different regions, based thereon.

The WGEA-IDI training course was delivered in French in AFROSAI –F.

The Chair once again touched upon the issue of translating the WGEA documents. This is work to be undertaken by volunteers. The Chair thanked Argentina and Paraguay for pursuing the translations into Spanish. He called for volunteers for French and Arabic translations and informed the group about the decision not to translate the documents into German, given that there were not many countries willing to take on the work and that the German-speakers could probably make do with the English versions.

The Chair briefly went over the plans for 2011-2013. A new approach has been taken with the five research projects/studies. They will be shorter documents, highlighting major issues. Two guidance documents shall be prepared as well (water and fraud and corruption). The process is going well, the project leaders have already put in a lot of effort, with all project plans ready for discussion at SC10.

The WGEA is also looking for a partner for a global training facility, India has been expressing an interest.

The Chair thanked the USA for continuing work with Greenlines.

The Chair gave some feedback about other international events. At XX INCOSAI WGEA received an amazing amount of support and recognition. WGEA also participated at COP15 in Copenhagen and COP16 in Cancun. The latter meeting was more successful for WGEA, which had its own stand there. Even so, not many people know what environmental auditors do and thus a lot of missionary work lies ahead – explaining and information sharing. The Secretariat has a set of introductory slides and brochures that everyone is welcome to use.

Research Projects

Organisation of Research Project Discussions

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

The Chair outlined expectations regarding the research projects. The current discussion would be followed by brainstorming the next day concerning the need to develop a guide for research projects. He reminded the SC of the definition of a research project, as agreed in Dar es Salaam. He also agreed to modify the definition, should that be necessary.

One of the criteria is to keep a research project to manageable size, 20-30 pages in most cases. The overall aim is to introduce the relevance of the topic and current situation, resources available, and maybe share

audit related work in the area. The aim, however is not to give audit recommendations. Given the newness of the exercise, it is impossible to know exactly what this work will lead to, some topics might need further work and guidance materials developed, some not. Thus the project leaders cannot be expected to come to the same conclusions at the end.

The proposed timeline has been slightly modified since the last meeting, resulting from the fact that instead of the former 3 SC meetings 2 are planned for the next work plan period. There is a possibility of having a one-day SC meeting in the fringes of WG14 in Buenos Aires in November 2011, to measure the progress of the projects, to have an extended, elaborated table of contents ready, which is less extensive than a first draft.

Final drafts would be approved at SC meeting in mid2012. Thereafter there will be time for tidying up and desktop editing, with final adoption scheduled for April-May 2013 and presentation at the end of 2013, at XXI INCOSAI in Beijing.

The aim for this SC10 meeting is to have a discussion followed by approval of the project plans. At the discussion each of the project leaders has 30 minutes for a thorough presentation of the theme, followed by 30 minutes of comments and suggestions by the SC members, country by country. SC members are expected to comment on the objectives, outcomes, scope, methodology and timeline. It should be noted that different project leaders have proposed different timelines. If a project needs to deviate from the proposed general timeline, the project leaders should indicate this in their presentation.

Several project leaders have intentions to reach out to the WGEA and INTOSAI members, seeking surveys and case studies. This should better be undertaken as a coordinated effort in order to secure maximum efficiency and best responses. Project leaders are invited to state in their presentations if they intend to collect survey and case study data.

Research Project: Land Use/Land Management Practices in Environmental Perspective

Mr Mohammed Diyer, SAI of Morocco



Presentation by Project Leader

The Project Leader welcomed the SC members to Morocco and Marrakech.

He then introduced the research project on land use/land management practices in environmental perspective, as defined in the WGEA 2011-13 work plan under goal I. He explained the importance of the topic: impact of human activities on land, degradation of land and its resources and the dependence of current and future human activities on land. He listed the subcommittee members:

Morocco, Afghanistan, Argentina, Botswana, Cameroon, China, the Czech Republic, Ethiopia, Ghana, Indonesia, Lesotho, Swaziland, Turkey, Tanzania and Vietnam, thanking them for their commitment and thanking all SAIs who had offered comments to finalise the project plan.

The Project Leader went on to discuss the project objectives: comprehensive data about improper and unsustainable land use/management practices, auditable land use/management issues, increasing interest among SAIs concerning the environmental dimension in land use/management audits. He defined the scope

and subtopics of the project: concepts and definitions of land use/management, key international conventions and standards, country practices, INTOSAI experiences in land use/management audits.

Going into more detail, the presenter dealt with the concept and definitions related to the subject, retrieved from literature and from international organisations, e.g. definitions for land and land resources (FAO 1997), land use (LCCS), land resources management (FAO 1995), land use planning (FAO 1999b). He discussed the many functions of land and environmental degradation of land - the concept is wide and land use has several links with other environmental issues.

Next the policies and methods of planning land management were discussed – some have adverse impact, some positive effect, e.g. the sustainable use and management of land. The role of international agreements in land use and management was also mentioned.

The final section of the project is to deal with auditing of land use/management, involving exchange of experience, best practices. However, the aim of the research project is not how to audit, this will be left for guidance materials, should these be deemed necessary.

The Project Leader invited the SC to contemplate on how and what to pick from the wide range of topics stemming from the subject. Finally he described the methodology planned, explained how work would be conducted and communication (mainly electronic) achieved.

Given that the provisional timeline differed slightly from that proposed by the Chair, the Project Leader was ready to adapt the timeline to the Chair's proposal.

Discussion

The Chair thanked SAI Morocco and the subcommittee for their great work, and admitted that it was a very difficult task, given the wide topic. But a very good start had been made already.

Mr Rafael Lopes Torres, Brazil thanked the Moroccan colleagues for a very warm reception and wished them good luck on developing the work. He found the material very useful. He recommended that in addition to stating the risks of improper land use/management maybe it would be a good idea to set out the benefits of proper use/management. He also thought the role of SAIs could be emphasised showing how they could contribute towards proper land use/management. Other connections, e.g. the rising of greenhouse gas emissions, food security, floods etc could also be brought in.

Mr George Stuetz, Canada, offered suggestions on how to simplify the complex topic (e.g. expert group review for the first part of the study) and proposed to use the best cases of audits available to illustrate the different themes, acknowledging the fact that there might not be examples to cover all.

Ms AN Zhirong, China appreciated the hard work of the SAI of Morocco. The research project on land use was according to her opinion comprehensive in accordance with the Work Plan of the INTOSAI WGEA 2011-2013.

Ms Zhirong noted that although the research on the concepts, scope, policies, etc. of land use was necessary and important, and the research project didn't give audit guidance, yet as auditors, more focus could be placed on the definition, scope and methodology of land use audit. She proposed that a simple introduction of land use and land management auditing would be given through case studies, including the definition, scope, types, objectives and so on. This could be provided by the subcommittee members of this project. Ms Zhirong also noticed that the auditing land of use had been amended in the Axis III of the recent

project framework, such as adding the risk/problem 1 to 3. But, to her opinion, they were not clear and concrete enough and needed specific case studies and practical applications.

Mrs Hanadi Mohamed, Egypt praised Morocco for choosing this very useful and important topic for a research project.

Dr Vivi Niemenmaa, Finland thanked Morocco for producing an excellent paper on a very important issue for both developing and developed countries. She proposed mentioning in section 2.2 urban planning policies. The list on land functions could include land as an important economic asset/resource, and the way that land is developed can have a huge impact on wealth, causing possible controversies between the interests of land owners and conservation and protection of the land. Mention could also be made of involvement of local communities.

Mr Raj Ganesh Viswanathan, India suggested that in each of the participating countries stakeholders in the area of land use/management could be identified and asked (in a questionnaire) to list the critical issues and environmental matters related to their work. In the section on auditing land use/management, drawing upon examples from SAs who had conducted audits, a checklist of specific questions, which an auditor can pose, could be useful.

Dr Ali Masykur Musa, Indonesia thanked Morocco for a well prepared and comprehensive project plan and also for accommodating in the project plan Indonesia's comments sent earlier by e-mail.

Mrs Limakatso Lucy Liphafa, Lesotho thanked Morocco for a good job done and especially for seeking comments for the project plan before finalising the draft.

Mr Jonathan Keate, New Zealand thanked Morocco for a comprehensive, well-scoped paper. Drawing on New Zealand's good experience in using the model of sustainable land management he proposed to put more emphasis on sustainable development and good land management practices in the project. Mr Keate supported Brazil's suggestion to elaborate more on poor land management. He also thought the risks and harmful impact of intensification of land use in agriculture could be stressed in the paper. Commenting on the idea of conducting a survey, Mr Keate recalled their experience with the fisheries project where most of the case studies had actually been derived from the relevant subcommittee members and proposed that the same approach could be used here. Another source would be the Secretariat database, possibly doing away with the survey altogether.

Ms Herdis Laupsa, Norway, proposed to include a reference to climate change in the paper and look into historical trends and future expectations. To avoid going into country level detail, she proposed to design the paper by regions, e.g. challenges in Europe, Asia, Africa. She mentioned the abundance of data on the issue in Europe, including a recent EEA State of the Environment Report, which had a chapter on land use/management. She also supported Mr Keate's proposal to use subcommittee members (and possibly SC members) for case studies, instead of a survey and offered a case study from Norway.

Mr Robert Michael Cheyo, Tanzania suggested emphasising in the scope of the paper urbanisation and its impact (e.g. solid waste), as well as industrialisation and the impact of agriculture (pesticides, fertilizers).

Ms Jill Goldsmith, UK saw the project plan as a good basis for going forward with the complex topic. The value of the paper should lie in summarising the topic at a simple, high-end level for people who are new to it. There would be no need to go into the "how to" for the auditors. She supported New Zealand and Norway as regards the survey.

Mr Steven Elstein, US congratulated Morocco upon a very well thought out and delivered project plan. Mr Elstein agreed with the UK comments. He pointed out the differences among countries in defining and regulating land use issues. This very emotional issue arises from the fact that historically and culturally land use is seen as being outside the domain of the federal government in the U.S., and is seen rather as a local or regional issue. This aspect could be looked into when dealing with case studies – setting out examples of different countries which regulate land use at different levels.

Mr Elstein also pointed to the need to avoid duplication, especially in the part describing risks.

Ms Tuuli Rasso, Estonia thanked Morocco for good work on an ambitious topic. She cautioned against trying to cover everything, instead the key approach could be to focus on land use management and planning, as other speakers had said. She thought it would be interesting to find data about future trends, especially in light of the impact of climate change. She also pointed to environmental impact assessment, used extensively in Europe for land use purposes. Ms Rasso offered to share Estonia's experience in the field and mentioned the case studies available.

The Project Leader thanked all speakers for comments and suggestions that will enrich the paper. They will be discussed with the subcommittee.

Mr Hassan Namrani, Morocco added a comment regarding the approach: the plan started originally from the idea that land was the focal point of all human activities. On the other hand there must be a balance between human activities and land functions. The intention is to have maximum information about all manifestations of land uses and of degradation and vulnerabilities, followed by a description of policies that cause negative effects and positive, sustainable effects.

The Chair thanked all speakers for their great support and summarised their comments. He promised to return to the issue of conducting a survey, discussing it in light of the proposals voiced by the SC members. Given the complexity of the topic he emphasised the need of a strong chapter 1, which would make work on the subsequent parts easier.

He proposed that the project plan be adopted by acclamation, which the SC gladly did.

Research Project: Environmental Data

Mr Steven Elstein, Assistant Director, on behalf of SAI USA and SAI Canada



Presentation by Project Leader

This is a joint project between Canada and USA.

Mr Elstein started by relaying some personal experiences to illustrate the importance of data and reliability thereof in environmental auditing. He gave a relevant quote from the recent multi-lateral climate change evaluation to prove the point and listed the consequences of the lack of high quality data that lead to wrong decisions and a waste of money.

The Project Leader described the intentions – general tips and examples of where and how to find good data and what innovative methods can be used by SAIs if quality data are lacking.

He presented a set of two photographs taken with a 50 year interval to show the dramatic retreat of a glacier as an illustration of the importance of being able to make comparisons between the past and the present and to determine trends through historical records. Without such data it is hard to even convince some people that there is a problem, much less to determine what should be done about it.

The Project Leader discussed the three objectives and scope of the research project (main ways that auditors use the data and considerations when using the data; key sources of environmental data; alternative tools for SAIs, if quality data is lacking). In response to these objectives the primary outcome will be describing key environmental data sources (from international organisations etc); case studies (how SAIs use environmental data in their work and what they do, if reliable data is not available).

More specifically the paper will look into how SAIs use environmental data to plan audits, select an audit topic (e.g. using trend data), conduct audits (e.g. evaluating the quality of environmental information used by various environmental programme managers).

The reliability of data is a key concern. It may emerge in the course of an audit that the data is not reliable and therefore should not be used for managing an environmental programme and thus the focus of an audit may shift from evaluating the programme to commenting on the data.

As regards the project scope, the main international governmental and non-governmental data sources will be identified (and set out in an appendix); systems of data quality or reliability will be presented, without conducting a separate reliability assessment; standards for data collection will be discussed. The paper cannot provide a comprehensive inventory, given that the universe of data is evolving constantly.

An important part of the study will be devoted to how to cope if quality data is not available or if the data is not reliable. This is a frequent reality in environmental auditing. Among the alternative tools that can be applied by auditors is using the absence of data as a central message of the report. Other options to resort to in the case of limited data can be supplementing data with strong scientific consensus, obtain scientific expert opinions, even develop alternative databases.

The planned working methods include a literature search for all three objectives, input from SAIs (for case studies), interviews with experts from SAIs and other organisations (e.g. FAO, UNEP, OECD etc). The Project Leader invited suggestions from the SC members on how to achieve these aims.

Speaking about the timeframe the Project Leader sought to clarify what the expectations were for the next phase, i.e. what was meant by the “elaborated table of contents” mentioned by the Chair in the introduction. He ventured that maybe all research projects need not follow exactly the same format. The environmental data project could take the form of an expanded outline (not quite a draft report yet) by the next deadline.

The Project Leader confirmed that the proposed timeline was suitable and that they expected to have the draft ready by March 2012.

The **co-Project Leader, Mr George Stuetz from Canada** agreed with what was presented by Mr Elstein and thanked him for a fine job.

Discussion

The Chair thanked the presenter and emphasised the importance of environmental data. The issue has been on the INTOSAI agenda for a long time, since 1995 INCOSAI, which discussed environmental data for

the first time. Environmental data has emerged as a challenge in all the projects WGEA has undertaken, this is another proof of how important and tough topic it is. Finally it is necessary to understand, also for the governments, that data needs investment and that the investment is not huge in comparison with the cost of making wrong decisions.

Ms Jill Goldsmith, UK thought the plan was superb and acknowledged that such a huge and evolving subject needed some flexibility. The paper raises important questions, and will be helpful for auditors, especially the section on alternative options. It is also necessary to understand that getting environmental data is costly and that governments need to weigh the costs against benefits and not everything can always be quantified. The appendix will be very useful, for very often the question is raised concerning the reliability of data from various sources. It is also a very good idea to describe a routine data quality assurance process. Some categorisation of the environmental data would be useful as well (e.g. related to environmental assets, or programme related data etc).

Ms Goldsmith wished to know how those not included in the subcommittee could get involved to offer their case studies etc.

Mr Robert Michael Cheyo, Tanzania thanked Mr Elstein for a simple and easy to follow presentation. He suggested that another area that could be included in the paper was to look at the consequences of events that occur (e.g. an earthquake) and analyse and draw conclusions on that basis.

Ms Herdis Laupsa, Norway thanked Mr Elstein for a very good proposal. SAI Norway is using and would like to increase the use of environmental data in audit reports. Ms Laupsa suggested some European data sources: EEA, Eurostat, Joint Research Centre. She pointed to the need to distinguish between the various uses of the data which require different sorts of data (e.g. assessing the quality of a monitoring programme vs assessing actual pollution). She also proposed contacting the data owners to get a better understanding of how the data is collected.

Mr Jonathan Keate, New Zealand: New Zealand is member of the project subcommittee and as such very keen on making it a success. The consistency and quality of environmental data was the main subject at the most recent working group meeting in the Pacific region. He had shown the project plan to expert environmental organisations in New Zealand who are keen to support the work. A water related study currently underway could serve as a case study for the project.

Mr Keate supported Ms Goldsmith in that the purpose of measuring environmental data was important, and one must also ask if it was always useful to measure everything.

Mr Keate suggested that regional coordinators be asked to come up with ideas regarding the case studies. Further comments have been sent directly to the project leaders.

Mr Edward Simanjuntak, Indonesia congratulated the project leaders on excellent plans. He was glad that the planned methods proposed to distinguish between the developed and developing countries. He proposed to add in the scope a general section on what is meant by high quality data and what auditors have to consider if they want to use data from outside sources. He also suggested that before taking a case study a survey could be conducted to find out what kind of environmental data SAIs needed in the future, and based on the needs, the case study can be then chosen.

Lesotho, Morocco – no specific comments.

Mr Raj Ganesh Viswanathan, India agreed that the main issue of recent years had been environmental data. He acknowledged that the paper would not be able to present an exhaustive inventory of data, but proposed to categorise the data sources subject wise, e.g. the preferred source for climate change would be

UNFCCC, for meteorology the WMO etc. The auditors could then maybe mention those sources in the audit methodology.

Dr Vivi Niemenmaa, Finland thanked the project leaders for an excellent plan and for coming up with the innovative methods.

Mrs Hanadi Mohamed, Egypt noted that there might also be cases where data cannot be trusted (e.g. even fraud) and this needs auditor's attention.

Ms AN Zhirong, China was of the opinion that the research project on environmental data was well done and would be very useful to the other SAIs. She informed that in China, auditors had also realized the importance of collecting and identifying the enormous environmental data available. In 2010 the National Audit Office of China had launched the database building project of environmental audits concerning water issues. It was intended to develop the databases covering water issues, land use, forestry, solid waste etc. Ms Zhirong thought the research project was going to provide more information and help the SAI of China to do better in the area and said that the SAI of China was looking forward to it.

The Chair thanked the Project Leader for a superb presentation and underlined that the definition of data is important when trying to establish links with accountability.

The SC approved the project plan by acclamation.

Research Project: Environment and Sustainability Reporting

Dr Vivi Niemenmaa, Principal Performance Auditor, Finland



Presentation by Project Leader

Dr Niemenmaa started by sharing with the SC some of the outcomes of XX INCOSAI, which served as additional motivation for undertaking the research project:

- SAIs should encourage developments in environmental accounting as well as sustainable development reporting.
- Encourage the WGEA to promote and actively participate in the development of sustainability reporting frameworks for the public sector and develop guidance for SAIs how to audit sustainability reports.

She then explained briefly the concept of sustainable development (economic, social and environmental aspects), explained why the word "environment" appeared in the title and gave some background on the history of sustainable development reporting (originally started in private sector).

This research project will deal with the public sector: reporting by organisations, e.g. a ministry, state agency, but not reporting by states. There are different ways for reporting: as part of an annual financial report or as a separate report etc.

It is important to define the concepts and be very precise about what sustainability reporting means. There are also various related concepts (integrated reporting, non-financial reporting) and their relationship with the current topic needs to be set out as well.

There are many actors involved in setting standards, ranging from international organisations (UN, OECD, WB) to non-government organisations (CERES network etc).

There are also 2 international standards on assurance:

- AA1000AS(2008)by AccountAbility (1995) (NGO type)
- ISAE 3000(2000)by IAASC (IFAC) (more of an old school type, develops standards and has a standard setting board)

However, there is no generally accepted standard on assurance of sustainability reporting.

Dr Niemenmaa described the project objectives: determining the state of sustainability reporting, especially in the public sector, establishing the obstacles to reporting, analysing the different ways of reporting, auditing and assurance and the role of SAIs therein, case studies and best practices.

The project team includes Finland (lead), Estonia, New Zealand and UK. Paraguay withdrew, Mauritius first expressed interest but then the contact was lost.

The scoping of the research project: even if the concept was developed in private sector and some private sector experience could be used, the main focus will be on the public sector (all government levels), looking at organisations. Excluded are national sustainability strategies and national environmental accounting. There will be cross-references to the related fields of environmental accounting and environment management systems.

The methodology:

- literature review (see appendix 1 of the project plan for tentative questions for literature review), to be completed in 2011, early 2012;
- contacts with organisations active in the field, could also be used to provide expert review, on an as needed basis, during 2011;
- empirical part: a survey to SAIs. It will be a web based survey seeking to establish to what extent SAIs are familiar with sustainability reporting, the current state by countries and existing audits of sustainability reporting (to get quantitative data), May-June, 2011;
- case studies. The cases from New Zealand, UK, Sweden (mandatory for state organisations). Work is scheduled for 2011, to be finished early 2012.

The Project Leader has developed a web based forum in the Finnish SAI for the project. The material will be collected on this site and there is a forum for online discussions.

Dr Niemenmaa finished by calling for cooperation between performance and financial auditors for this project. As a performance auditor herself, she is aware that the issue touches a lot on financial auditing, but the knowledge about sustainability reporting among financial auditors is scarce, which gives her added confidence in the need to undertake the work.

Discussion

The Chair acknowledged that the topic was very encouraging. He praised Ms Goldsmith for having started the discussion a long time ago. This has led now to expectations and a "great confusion" with many questions raised as to the nature of the subject and the actors who should be involved.

The Chair recalled the discussions at XX INCOSAI, where the same issues had come up. He had asked, should INTOSAI take the lead for public sector sustainability reporting and the response had been positive. That was a clear mandate for WGEA to approach the standard setters and offer to be part of the process.

Mr Steven Elstein, US praised both the project plan and the presentation. In his opinion for some SAIs the concept of sustainability reporting is very clear (e.g. Canada), in some countries it is not built into

government thinking (e.g. the USA). Thus it might be a good idea to put together a kind of a continuum, so that organisations could see where they fit in.

Ms Jill Goldsmith, UK described the use of sustainability reporting in the UK. The interest has been there for a long time. The Prince of Wales is a big supporter. The private sector reports their impact in sustainability terms either in annual reports, separate reports or corporate social responsibility reports. There are a variety of standards and the players decide what sustainability means. The Treasury Department defined sustainability for the public sector, but only basic impacts are measured: energy use, carbon emissions, water use, waste, other finite resources. From next year all central government related organisations shall be reporting on actual use and emissions and also on the money associated, some commentary is included in the reports as well. Ms Goldsmith offered to provide the relevant case studies, once they became available.

Mr Robert Michael Cheyo, Tanzania took up the Chair's comment on XX INCOSAI and the idea of integrated reporting, which went further (than sustainability reporting). Mr Cheyo suggested that in addition to measuring compliance, also impacts had to be measured and comments written.

Mr Kjell Kristian Dørum, Norway thanked the presenter for taking up an interesting and important topic. Sustainability is at the core of WGEA. It has been a key concept in public policies, public debate and media for the last 25 years. But at the same time, it is a concept which is very difficult to grasp and definitions vary a lot. Therefore sustainable development is one of the most misused and corrupted terms in the field of environment. This research paper could provide some good international benchmarks or common denominators for use in the organisation/agency level in the public sector. That would serve as a good foundation for the next level – integrated reporting. Mr Dørum sought confirmation if this was the aim of the research paper. He also raised the question of how it would be possible to convert the experience of the private sector into public sector use. As regards case studies – he sounded a word of caution, as collecting and aggregating the different country data into the scope of the paper could be quite challenging. Mr Dørum also offered to assist the project team.

Mr Jonathan Keate, New Zealand gave some background to the state of sustainability reporting in New Zealand. New Zealand was moving forward similarly to the UK, but the current government did not consider sustainability reporting a priority. Still, there are case studies on the local government level that can be useful for the research project. Mr Keate thought it very useful to establish the state of play and map the role of different agencies. He also thought that it would be useful to point to existing research (if any) on the value of sustainability reporting, which could back up the findings of the research paper. He also commended the choice of the topic of the role of SAIs regarding assurance.

Mrs Limakatso Lucy Liphafa, Lesotho thanked the Project Leader for a comprehensive account of a complicated subject and looked forward to the case studies from which there would be a lot to learn.

Mr Mohammed Diyer, Morocco thanked the Project Leader for an interesting presentation. He recommended paying additional attention in the paper to regular financial reporting/auditing as well.

Mr Raj Ganesh Viswanathan, India thanked the Project Leader for an excellent presentation. He explained the situation in India, where in the private sector Corporate Social Responsibility and Sustainability Reporting was desired but not mandatory. For the public sector the Indian Chartered Accountants Institute is working on sustainability reporting standards. The research paper, once completed would show a way forward, as public sector reporting in this field is bound to gain in importance. Mr Viswanathan agreed that a performance auditor would be better placed to undertake the research project than a financial auditor.

The Chair added that he had been in contact with the various standard setting bodies for the public sector and they had not considered sustainability reporting a high priority. This gives all the more reason for WGEA to take on the work.

Ms Airi Andresson, Estonia thanked the Project Leader for her efforts and for putting forward a very good project plan. The Estonian SAI has the following suggestions: the definitions must be clear; financial auditors should also be approached for their insight of the subject; in searching for case studies also those should be looked into which may make no comment on environmental matters, but solely on economic and social viability.

China had no further comments.

Mr George Stuetz, Canada thanked the Project Leader for excellent scoping and acknowledging the need for clarity. He also supported the US idea of using a continuum in which every country could position itself. He described the situation in Canada, which was quite advanced. There is basic reporting and sustainable development strategies are produced, crown corporations must do Corporate Social Responsibility reports. There are also case studies available and a study on sustainability reporting from the Canadian perspective, compared with the rest of the world. Some suggestions have been forwarded to the project team already in writing.

Mr Rafael Lopes Torres, Brazil expressed some doubts due to the fact that SAI Brazil had done nothing related to the subject, given that sustainability reporting was not mandatory in Brazil. Therefore it would be very important to take into account the different situations in different countries. He proposed that one of the objectives of the research paper would be for SAIs to stimulate public entities to undertake such reporting.

Dr Niemenmaa thanked all the speakers for their comments and told the SC that the project team was meeting later in the day to discuss the comments just received.

The Chair thanked the Project Leader for a great job and was also glad to note that the timeline fit with the overall timeline. He admitted that expectations were high, but that did not mean that the WGEA would have to do more than possible at the moment. The current priority is mapping the current state and if possible going further. Maybe a recommendation would emerge, as to what INTOSAI should do about sustainability reporting. The topic would probably stay longer on the agenda than the next three years.

The SC approved the project plan by acclamation.

Research Project: Environmental Issues Associated with Infrastructure

Ms Jill Goldsmith, DECC VFM Director, UK



Presentation by Project Leader

Ms Goldsmith explained that the objective of the research project was to help SAIs understand what environmental issues were associated with infrastructure and what governance arrangements they might find within the government. The UK was keen on leading the work. Infrastructure always means major government spending and the subject is important for both developed and developing countries. Infrastructure projects involve large amounts of money and last for a long time. Therefore if the environmental impact was addressed up front, there would be better opportunities to make the right decisions early

on and do things better from the start. It is also an opportunity for SAIs to look at whether the governments have done everything properly from the start.

The aim is to come up with information and ideas for auditors, but not prepare a guide.

The active subcommittee members worked together on the plan. Given its early stage, all comments are welcome.

The product of the work will be a generic model of infrastructure development, setting out the possible impact at each key stage of its life cycle and also setting out the governance structures that the governments might be expected to use.

What is included in infrastructure: big energy, transport, health, education, water services investment, but not defence or housing.

The project team realises that there will be overlaps with other research projects, e.g. land use, etc and thus will be coordinating the work with those to achieve consistency.

The Project Leader discussed the generic model in more detail, describing the various stages of the life cycle of an infrastructure project. There had been a debate about whether disposal should be included. A nuclear power plant was given as an example – in this case disposal is critical and safe decommissioning must clearly be part of the plan from the very beginning.

The project team had also discussed whether it would be possible to produce a generic model, given the different ways infrastructure projects are funded (government, private sector or a combination of both), but had concluded that despite the differences, it would still be possible to work out a single model.

The second part of the paper will be devoted to the impact at each of the key stages of an infrastructure project life cycle, both environmental and sustainability impacts.

The third part will deal with governance arrangements that governments are expected to have in place in relation to the various stages of the project life cycle, e.g. cost benefit analysis in the early design stage and so on. The first question to be asked should be whether there is an actual need for the infrastructure; maybe another solution would have less impact.

The paper would follow broadly the same methodology as other research projects: literature review, contacts with key organisations with an interest in infrastructure (WB); search of the INTOSAI database to establish the range of audit work in this field, developing the generic model by the subcommittee, consultations with experts in the UK and elsewhere.

A workshop is planned at the WGEA meeting later in the year to test the developed model and the set of impacts in a wider group.

Case studies and audits will be taken from the database, but subcommittee members and the WGEA meeting participants are also invited to offer material that they might have.

The project timetable fits with the general timeframe for the projects.

The project subcommittee is fairly large, based on the list of those who expressed their interest at the meeting in China. All were contacted by the Project Leader, but not everyone has responded.

The Project Leader invited the SC to discuss the following:

- what is to be done about the subcommittee members who have not responded;
- would the project intranet be sufficient for carrying out the work or are other ways of communication required;
- how to manage the fairly broad scope of the research project;
- what are the expectations regarding the workshop scheduled for the WGEA meeting in Argentina;
- how strict is the length limit of the paper?

Discussion

The Chair thanked the project team for good work on the project which had been given high priority votes at the Dar es Salaam meeting. He also offered to help contact the missing subcommittee members.

Mr Rafael Lopes Torres, Brazil apologised for the communication problems that had not permitted Brazil to actively participate in the project team until this stage, but those have been eliminated now and Brazil is ready to contribute more actively. In SAI Brazil infrastructure projects have been a high priority for some years already and ca 10% of auditors are specialised in auditing infrastructure projects. Unfortunately audit work on the environmental aspects of those projects is not following the same speed and a lot of improvement is still needed. Mr Torres hoped that the research project would help improve the situation. He

thought the generic model was a very interesting idea. However, it would be a good idea to provide some typology for the infrastructure projects, given that there were different kinds, which produced different impacts.

Mr George Stuetz, Canada thanked the Project Leader for a marvellous presentation. Given the global economic recession, governments have rushed to help by starting many infrastructure projects. This is also the case in Canada, which prepared an economic action plan, consisting basically of infrastructure projects – thus the research paper comes at the right moment.

Mr Stuetz considered the scope of this project great, even if a little ambitious. He saw the pluses and minuses arising from the subcommittee size, but hoped that would result in a lot of input by the subcommittee members. The generic model would be very useful, especially for those who know little about the issue. Maybe some concrete examples could be included (a highway or a dam project). Also in addition to the environmental impact assessment, other types of assessments could be shown to complete the package, e.g. economic impact assessments.

Ms AN Zhirong, China saw the research project as very useful, given that the government was undertaking ever more infrastructure projects in China and that SAI China had been conducting many audits of infrastructure projects (e.g. of the Tibet railway) in recent years (e.g. of the funds of environmental protection along Qinghai-Tibet railway) in recent years. She hoped that the case studies should be more comprehensive including roads, railways, hospitals and so on, as it can provide more examples to all the SAIs.

Mrs Hanadi Mohamed, Egypt considered the topic very important and useful. According to Egyptian law, the government has to carry out feasibility studies and environmental impact assessments before making decisions concerning infrastructure projects.

Ms Airi Andresson, Estonia had no further comments, since all suggestions had been submitted during drafting the project plan and were taken into account. SAI Estonia is very enthusiastic about the outcome. As regards case studies, Estonia has finalised an audit about district heating systems, an audit of road construction is underway and an overview about generation of electricity will also be available.

Dr Vivi Niemenmaa, Finland praised the project plan and thought the generic model an excellent idea. She also supported the idea that sometimes the most sustainable decision would be not to build at all. Dr Niemenmaa suggested mentioning investments in intelligent transport systems that use IT to optimise trips, as an example.

Mr Raj Ganesh Viswanathan, India proposed to add at the end of the report an example of the life cycle for an infrastructure project, e.g. roads or buildings etc. He mentioned the specific guidelines for different sectors that could be taken also on board. He supported the idea of a generic model that could apply to any kind of project and would make it easier for auditors to audit, intervene, make comments etc.

Mr Mohammed Diyer, Morocco thanked the Project Leader for a very good and clear presentation. As project leader for the land use/management research project he proposed to work together and exchange ideas in order to avoid repetitions and improve the quality of both papers.

Mr Edward Simanjuntak, Indonesia thanked the Project Leader for a good project plan. In Indonesia there are infrastructure audits every year and thus the results of this work are very much expected. Mr Simanjuntak supported the idea of a generic model but suggested categorising the types of infrastructure, since there were big differences between them, e.g. some were very permanent in nature and would never

be disposed, as roads, for example. The typology should distinguish between more permanent and less permanent infrastructure. Mr Simanjuntak also wished to know, if both direct and indirect impact will be taken into account in the project. As another suggestion improvement (for example, road improvement), as opposed to regular maintenance, could be added as one step in the life cycle of an infrastructure project.

Mrs Limakatso Lucy Liphafa, Lesotho thanked the Project Leader for clear presentation. She hoped that the final product would be very helpful for developing countries, where disposal was often a problem. She also mentioned donor funded projects and the need for good governance structures concerning such projects.

Mr Jonathan Keate, New Zealand was looking forward to the product of the project, since it would fit very well into work undertaken in New Zealand in the area of asset management. As a subcommittee member New Zealand had sent its more specific comments earlier and these had been taken into account already. Mr Keate wished to know, if the project scope involved only new infrastructure projects or existing ones as well.

Ms Herdis Laupsa, Norway commented on the relevance of this research project for EUROSAL; which has selected transport infrastructure as one of its topics for the current year.

Mr Godfrey Blassius Ngowi, Tanzania liked the idea of a generic model and suggested to add the requirement for transparency, which had to be taken into account from the planning stage through to the completion of the project.

Mr Robert Michael Cheyo, Tanzania suggested creating a link between environmental impact assessment and the environmental management system. He also commented on the need to classify the different types of infrastructure.

Mr Steven Elstein, USA had at first shared some concerns about the applicability of the generic model as raised by other speakers. However, he thought that as the generic model was developed at a high enough level, there would not be problems. Mr Elstein thought the concept chosen made it one of the more important research projects currently undertaken: that would serve as a message to other SAls on the kind of work they should focus on and how they should go about it. He explained how major infrastructure decisions were sometimes made in a very short-sighted manner and cited the aftermath of hurricane Katrina as an example: there had been a lot of political pressure and decisions were made on an emotional basis. However, what were needed were dispassionate analyses on how infrastructure should be designed and built. Instead of emotions and passions running high, an analytical debate is necessary. This is what SAls should be doing. Speaking about the project methodology Mr Elstein commended the Project Leader for the bold decision to involve external stakeholders as reviewers of the material. Mr Elstein also offered to share the many case studies available in the USA in this field.

The Chair shared with the SC some information concerning the closing of an INTOSAI working group that had been dealing with Public-Private Partnerships (PPP) and suggested that their existing materials be checked. He also mentioned another working group, dealing with disaster related funds and working on the aspects of donor funding and the relevant auditing standards. The Chair saw a good opportunity to approach the Knowledge Sharing Network with the proposal to take into account environmental aspects as well.

Mr Rafael Lopes Torres on behalf of minister Mr Jose Mucio Monteiro Filho, Brazil: Mr Torres informed that it had been decided at the last meeting of the PPP group that although the group had been officially closed, participating countries were still willing to continue maintaining the network. The next meeting of participating countries would take place in Brazil in September 2011.

The Project Leader thanked all the speakers for their contributions and noted that links to relevant sources would be established.

The SC approved the project plan by acclamation.

Research Project: Wildlife Conservation and Tourism

Mrs Limakatso Lucy Liphafa, Auditor General of Lesotho



Presentation by Project Leader

The Project Leader described the main project objective – to facilitate preparation of a research paper on auditing countries management of wildlife and tourism as well as the related impact on the environment.

She listed the aims of wildlife conservation:

- Ensure sustainability of wildlife;
- Attract tourism;
- Impart knowledge to citizens and tourists on the natural behaviour of different species of wildlife;
- Create employment for local communities.

The scope of the project shall include the impact on human beings, flora and fauna; tourism practices (which could also be unsustainable); international accords and public policy tools.

The document shall consist of 5 chapters:

Chapter 1 deals with the importance of wildlife and tourism resources, provides an overview of the expansion of wildlife and tourism activities over the years in the world, discusses international awareness regarding wildlife and activities and the essence of conducting environmental audit on wildlife and tourism as INTOSAI WGEA recommends.

Chapter 2 is devoted to wildlife impacts on land, water and air, social and economic impact, the nature of wildlife and tourism (world protected areas), government's regulation and management of the environmental impact of tourism on protected areas, tools (such as licensing, wildlife off-take and trading) and the impact on flora, fauna and human beings.

Chapter 3 describes national and international responses and contains the relevant conventions.

Chapter 4 will have case studies of audits and chapter 5 will be devoted to good audit practices.

There are 7 subcommittee members, Tanzania has been very active, whereas the other members have not offered much support.

Mr Robert Michael Cheyo, Tanzania continued the presentation by discussing in more detail the impacts concerning wildlife and tourism: mostly the pressures exerted on wildlife conservation are related to human activity, e.g. building hotels in national parks, the numbers of tourists visiting these areas, creating waste, noise, traffic, affecting the habitats, using up water resources. Professional hunting, if not properly managed, will have an impact on wildlife.

As regards the timeframe – the project fits into the general timeline proposed, with the draft contents expected to be presented by November 2011.

A meeting of the subcommittee is scheduled for the next day, 10 March to discuss further steps.

Discussion

The Chair reminded the SC members how the topic for this research project had emerged at the WGEA meeting in China, promoted by the Auditors General of Lesotho, Tanzania and Swaziland. The Chair acknowledged that a topic bringing together wildlife, conservation and tourism would be a big challenge to be tackled in one project.

Mr Steven Elstein, USA was very happy that the issue was being addressed for the first time in WGEA history. He thought that some clarity about the methods and a rigorously systematic approach was needed for getting the desired outcome. As a first step he proposed to define the problems to be addressed and look at existing studies in the area. He suggested that the (all-African) subcommittee decide whether to focus only on wildlife and parks or to broaden the scope to other areas. If input is needed from other parts of the world, then there are the relevant agencies in other countries, which would be happy to contribute.

Ms Jill Goldsmith, UK was very much looking forward to the outcome of the project. She suggested that some work needed to be done on methodology. She doubted though, that the UK would be able to contribute much, given that the UK focus was different, mainly on biodiversity and given that tourism remained very much in the private sector.

Mr Kjell Kristian Dørum, Norway pointed to the environmental excursion of the day before as a good illustration as to the potential of such projects and on how sustainable development was dealt with on the local level. He suggested clarifying the scope, deciding what the main focus would be. Whether the focus is entirely on the impact of tourism on wildlife or whether the more general indirect effects of tourism on land, water and air should also be included.

Mr Dørum also had specific comments regarding the structure of the paper:

- Maybe the government regulations and tools, i.e. government responses could be moved from chapter 2 to chapter 3;
- The list of international conventions could be critically reviewed for relevance;
- When dealing with international response the foreign aid and donor funding aspect could be looked into as well;
- The division of audits into financial, compliance and performance audits in chapter 4 could be somewhat problematic, given the sometimes artificial boundaries between them;
- Perhaps the best practices in chapter 5 would remain outside the scope of the research paper;
- Consulting with external actors could be considered (e.g. NGOs, government organisations, African Wildlife Organisation, WWF, CITES Secretariat).

Mr Jonathan Keate, New Zealand after having been to safari in Tanzania during the last meeting, saw particularly keenly the importance of looking after wildlife. In the Pacific region tourism in the islands is important as well, thus tourism could also be a good subject for cooperative audits. The research project would be very useful for this purpose. PASAI would also be willing to contribute to this project by way of providing comments.

Mr Edward Simanjuntak, Indonesia thanked both speakers for an interesting presentation. He suggested that in chapter 1 some general terms be defined up front, so as to better shape the scope. In chapter 4 he recommended that the case studies be selected in the way it had been done by Morocco - based on the most important impacts. Mr Simanjuntak also thought that information from and comparison with other regions, in addition to Africa, should be added.

Mr Hassan Namrani, Morocco mentioned the importance of tourism for rural activities and hoped that that had been well demonstrated by the environmental excursion the day before. He proposed to include ecological tourism in the project as well.

Mr Raj Ganesh Viswanathan, India agreed with the Chair that the topic raised a lot of expectations, bringing together three major issues – tourism, wildlife and conservation. He proposed to give the following title to the project: The Impact of Tourism on the Conservation of Wildlife. In that manner a lot of issues would be excluded and it would make it easier scope the work.

Mr Viswanathan was of the opinion that the definition of wildlife should also include coral reef, fishes, reptiles, insects. There would probably be a need to find other contributors with the relevant knowledge. He offered the help of SAI India, which has undertaken many wildlife conservation audits (tigers, elephants, reptiles, biodiversity), although the focus had not been directly on the impacts of tourism, but rather on the impacts of human settlement.

Dr Vivi Niemenmaa, Finland saw the research project as a very important theme, which could sometimes be an area of possible conflicts, but could also offer good win-win solutions.

Mrs Hanadi Mohamed, Egypt proposed additional themes to be covered under the important topic, e.g. protection of the marine environment and coral reefs.

Ms AN Zhirong, China suggested adding a further objective, namely providing information to SAIs about wildlife conservation and tourism. She pointed to an inconsistency on pages 2 and 3 concerning the contents of chapter 5 - did the project team mean to discuss good practices or good audit practices? A better approach would be the latter: good audit practices, because chapter 4 demonstrated audits of wildlife activities and it should be logical that chapter 5 is described as good audit practices.

Mr George Stuetz, Canada pointed to the need to decide on the focus: if the current paper deals only with Africa, then maybe another research paper with a wider scope would follow later. He agreed with the comments from India regarding the title. Mr Stuetz made a general observation that could be applicable to all research papers. In the beginning they could have a paragraph setting out how the topic was connected with the three main pillars of sustainable development – economic, social and environmental impacts. Also the value of the relevant sectors in financial terms could be set out, to give an indication about their size.

Mr Rafael Lopes Torres, Brazil agreed with the comments recommending clearer definition of the scope and objectives. He also pointed to the connection between wildlife and biodiversity and suggested using the guidance on biodiversity for some useful input. There is also some work done by UNEP on tourism and biodiversity (references are included in the biodiversity guidance).

Ms Tuuli Rasso, Estonia supported the idea of focussing on the impact of tourism on wildlife. Ecotourism should also be dealt with. Wildlife ought to be defined early on, so as to be clear about the scope. Would the scope include the impact on certain endangered species, should the habitat concept be included?

The Chair summarised the discussion referring to some important terms that were mentioned - impact, sustainability, sustainable development - and how they were connected with the project title. The discussion showed a huge interest in the paper.

The Chair asked the subcommittee to consider the following issues at the upcoming meeting:

- Does the title reflect what you want to do? Could you consider the proposal from India as to the title: Impact of tourism on the conservation of wildlife or the impact of tourism on sustainable wildlife
- What will the scope be – Africa only or other regions as well?
- What help is needed from the SC and subcommittee?

The Project Leader thanked all speakers for their constructive and very useful input to the project plan. She promised to discuss the proposals at the subcommittee meeting the next day and if necessary, approach the SC members for further clarifications. Also she thanked everyone who had offered to provide case studies.

The Chair invited the SC members to give their approval of the project plan and reminded the project team to respond to the questions still remaining.

The SC approved the project plan by acclamation.

The Chair's announcements:

- The subcommittee meeting for Environment and Sustainability Reporting is to be held right after the official agenda on 9 March.
- If deemed necessary, the subcommittee for Environmental Issues Associated with Infrastructure will meet on 10 March.
- The subcommittee for Wildlife Conservation and Tourism will meet after the end of the official agenda on 10 March.

- The new contact person for the research projects on behalf of the Secretariat is Ms Tuuli Rasso.
- Every country is invited to pick up a brochure by the Chinese colleagues on environmental auditing in China.

Day 3

Thursday, 10 March 2011

Auditing Water Issues: Experiences of Supreme Audit Institutions – Update of the 2004 Guidance Material

Mr Steve Elstein, Assistant Director, USA



Presentation by Project Leader

Mr Elstein explained why an update was necessary for auditing water issues: they were the major theme for WGEA during the first 10 years of its history, leading to the 2004 Dutch study. During the past seven years water issues have continued to evolve along with the audits thereof.

The project has three major objectives:

1. Examine and discuss critical global water issues, especially the implications of climate change;
2. Describe domestic and international government efforts to respond to these issues;
3. Analyze SAIs audits and evaluations focusing on creative and innovative methods.

The main focus and key aim is to provide information that can actually be used by SAIs.

Mr Elstein thanked the subcommittee members for active participation. However, some who had originally shown interest have not yet come aboard, they will still be kept informed of the developments in the hope they might respond. The subcommittee represents five continents giving the work the necessary geographical diversity.

Five subcommittee members have already identified and prioritised key water issues (with the highest priority given to surface water quality). Canada and New Zealand have also provided specific overall comments and suggestions.

Mr Elstein described the need to also focus on climate change as that would influence future developments. In the future water is bound to gain even more in importance.

Mr Elstein engaged the SC members in a game, asking them to figure out what was wrong with the map of the USA, depicting water pollution.

On the map neighbouring states, which also shared the same water bodies were depicted as having different levels of pollution. The reason: states apply different standards. Mr Elstein suggested that such differences could also be used as a theme for auditing.

The methods for achieving project objective 1 will include a literature review, examination of audits conducted by SAIs and consultations with subcommittee, SC and other WGEA members.

Objective 2 will be managed mainly by getting country specific information from the relevant ministries and water agencies, learning about their proposed and implemented mitigation strategies. This is an ambitious goal, but based on the experience gained from working with the environmental accounting project, the team is quite convinced about the possibilities of achieving their goal.

Objective 3 is the key task, which involves contacts with SAIs and would constitute the centrepiece of the project – water related audits will be analysed, but not only for results, but also for tools, findings and methods. The level of detail of this part cannot be predicted yet. However, this part would be the most useful for SAIs, resulting finally in a compendium of audit tools for water audits.

The question had been raised by Canada and New Zealand about whether the product of this project would be a research paper or guidance paper. Mr Elstein thought it should rather be a guidance document, but he had doubts as to its fitting exactly into the 4-step mould prescribed for guidance papers, given that audit approaches and the associated methodologies differed widely. Still, he was convinced that if cataloguing was successful, the result would be a useful guidance material, even if it did not follow the required structure to the dot.

Also included (in an annex) would be some matrices for the different types of audits.

The project aims to meet the general timeline and the first materials would be ready for presentation at the autumn meeting in Argentina.

Discussion

The Chair explained that water came up every time in the survey as an important topic and was ever growing in importance, both in the SC meetings and in regional cooperative audits. INCOSAI almost chose water as a topic for discussion for the last year. The Chair also praised the team for setting a good example of how a subcommittee should work.

Mr Rafael Lopes Torres, Brazil pointed out that the marine environment could be included among the water related issues in the first part of the paper: the matter had become very important for Brazil after large oil deposits had been found deep in the ocean. Another theme to be included could be contamination of underground water. As regards the form of the paper, the key question, given the variety of approaches and audit focuses, is to collect information that helps auditors identify audit scopes, approaches to different subjects, instead of trying to follow exactly the prescribed pattern of the guidance.

Mr George Stuetz, Canada agreed with Brazil on the issue of groundwater. For many countries mapping of groundwater was a problem and the question is, how one can make decisions on the basis of scarce or missing data. Mr Stuetz commended the overall approach and agreed that the combined approach put forward was the best, including the matrixes.

Ms AN Zhirong, China praised the work plan and appreciated the hard work undertaken by the subcommittee. In the past five years China had conducted 10 water audits (Yellow River, The Yangtze, drinking water, ocean pollution, waste water treatment) and is offering to share the results. In the past five years the National Audit Office of China has conducted over 10 water audits projects (Yellow River, The Yangtze River, drinking water, ocean pollution, waste water treatments and so on) and is offering to share

the results. As their comments made previously to the Questionnaire on water issues have been incorporated into the current Project Plan, they have no further comments.

Mrs Hanadi Mohamed, Egypt found the topic very important. She shared with the SC members the concerns and difficulties related to the cooperative audit of The Nile.

Ms Airi Andresson, Estonia considered the project plan great and methodology very ambitious. The inclusion of audit matrixes would give great added value. Given the wide range of problems, they might not fit under one matrix. She raised the question of maybe having to keep marine issues separate. The use of the 4-step process depended on how useful the participants have considered it. Maybe the general approach would not work and there would have to be different matrices for different problems.

Dr Vivi Niemenmaa, Finland supported keeping marine issues separate.

As the sole member of the subcommittee from Europe, she thought Slovakia could look into the European water framework directive, since that applied to 27 countries and followed the principle of integrated river basin management and was generally quite advanced. She suggested including among the water related issues water pricing, as well as agriculture as a user and polluter of water resources.

Mr Raj Ganesh Viswanathan, India pointed to the growing number of water issues in comparison with the 2004 study.

Stakeholders in India were asked a few years ago to indicate the most important topic and the quality of water had come first. There is a performance audit currently underway in 25 states of India on rivers, lakes and groundwater.

Last year SAI India organised an international conference on water issues and among the common problems that emerged were the lack of coordination and ownership and governance, the need for budgetary support, participation of the general public, need for support by the government to traditional knowledge and methods of water conservation. The management of water issues has been characterised by project based approach and localised interventions but not river basin based approach.

SAI India has used some innovative ways of connecting with stakeholders, e.g. advertisements in newspapers, inviting people to send their comments concerning water before conducting an audit on water quality. More than 2000 responses were received, 85-90% of them value added responses.

Regarding the scope of the paper Mr Viswanathan said that each sub-item could qualify for an independent INCOSAI guidance note. He suggested restricting the paper to identifying some critical issues under the broad issues.

Mr Steve Elstein asked for some clarification: did Mr Viswanathan mean that it was theoretically possible to prepare separate guidances for all the themes but that it was also possible to find common things, common methodological tools for auditors?

Mr Raj Ganesh Viswanathan, India: "The 2004 study looked at some common, crosscutting issues for auditors. Currently we are identifying specific themes. But we could go one step deeper – take for example water quality and look at 5-6 major common themes for auditors under this. If we remain completely general as in 2004, there will be not much value added, so let's go one step deeper, that would be more useful for auditors."

Mr Hassan Namrani, Morocco commended the project team for really touching the key issues. Water in Morocco has first priority – there are both quantity and quality problems. The main sources of pollution are domestic waste water, industrial and agricultural waste water. As a semiarid country Morocco suffers from water deficit. To alleviate this, domestic and industrial waste water is recycled. Mr Namrani also described the laws and bodies in place to regulate water matters.

Mr Edward Simanjuntak, Indonesia suggested adding in the scope how the governments managed water catchment areas. He shared with the SC the experience Indonesia and other countries had had in the forestry audit – they had all used the matrix from the guidance to plan the audit, despite the fact that their forests varied as widely as the water issues.

Mr Simanjuntak spoke in favour of using a general approach and methods, and designing matrices for the various water related issues.

Mrs Limakatso Lucy Liphafa, Lesotho thanked the project team for taking on such a topical issue. One should not forget that water is also a source of income. Mrs Liphafa recalled the Doha meeting where Lesotho had shared with the group their coordinated audit results on water infrastructure issues.

Given the recent inclement weather the authorities in Lesotho had learned the problems of poor water infrastructure the hard way, having to go without water for 5 days. There are also poor water disposal systems in many industries with discharges ending up directly in the water bodies, some of which are shared with neighbouring South-Africa. Mrs Liphafa hoped that the updated guidance would be helpful for Lesotho in resolving the problems.

Mr Jonathan Keate, New Zealand is active in the subcommittee and has participated in the discussion concerning the format – is it more a guidance or a research project? In the Pacific region water is very important and a cooperative audit on drinking water quality is underway. The SAI of New Zealand is undertaking a performance audit on land use and fresh water quality. Therefore more guidance is required today than can be gleaned from the 2004 work. Mr Keate supported the matrix approach as very useful.

Ms Herdis Laupsa, Norway considered the water guidance work really important for Europe. Norway shared Finland's view with regard to the European water framework directive and agreed with Finland also in that not many audits of the framework directive were known. Ms Laupsa also pointed to the European water information system that would be a useful source for the project team. She also supported the inclusion of groundwater as an important theme.

EUROSAI has started adaptation audits and many national audits are related to water issues.

Ms Laupsa also recommended an external expert for reviewing the project.

As regards the format, Ms Laupsa suggested going further than the existing guidance and including matrixes.

Mr Robert Michael Cheyo, Tanzania considered the teams' work very important. There is a joint audit of Lake Victoria underway, which could use the results of the work. He suggested adding the aspect of how pollution of water affected the fish.

Ms Jill Goldsmith, UK agreed with previous speakers as regards the scope and quality of the project plan. She suggested adding efficiency among the water issues. She saw merit for including efficiency for its own sake, since water systems use a lot of energy and it would be better both environmentally and cost-wise to use less energy. She also emphasised the importance of governance issues.

As to format, Ms Goldsmith preferred guidance rather than presenting just information and thought the matrices helpful as well.

The Project Leader thanked everyone for very thoughtful comments. The most important feedback given was the feeling that work was heading the right direction. He admitted there were challenges. He promised to give every issue and comment due consideration. He also saw the need for balancing and expected potential practical limitations, which were not visible at the current stage. Despite that he promised to aim for the widest coverage on the issues deemed of most interest by the SC.

As regards the 4-step format, he was happy to see that strict adherence was not necessary, rather the design matrix was considered more useful.

Regarding India's suggestion the Project Leader had the following comment: to the extent that there are certain commonalities of the message both in describing the nature of the problems and methods and ideas, maybe we can create a very high level design matrix. However, in order to be truly illustrative and useful, we still need to get down to specific areas – based on the audits and studies that we are going to analyse.

The Chair reiterated the key words picked up from the discussion: pricing and quality of water; how to treat marine or ocean water – whether separate or not; for the guidance of 2004 it was not easy to have information, now the world wide web is available; water scarcity and flooding are both more prominent; water issues have changed.

The Chair also argued for a practical matrix, rather than sticking to the 4-step method.

The SC approved the project plan by acclamation.

Guidance Material on How to Integrate Fraud and Corruption Issues into the Auditing of Environmental and Natural Resource Management

Mr Kjell Kristian Dørum, Senior Audit Adviser, Norway



Presentation by Project Leader

The Project Leader introduced the project plans: the product of the work will be WGEA guidance material with fraud and corruption (F&C) issues in focus. However, it will not be an ordinary guidance built on a sectoral theme, since fraud and corruption are generic themes, cutting across all environmental issues. Therefore a different approach is needed, and in particular that would mean departure from the 4-step model. This new and experimental approach will bring about lot of innovation, but will inevitably also mean

work by trial and error.

The objectives of the guidance are the following:

- Place fraud and corruption on the agenda of WGEA and make auditors more aware of the challenges;
- Introduce the basic concepts and methods to auditors;
- Become a useful reference document;
- Provide advice and tips on how to integrate F&C risk in the design and planning of environmental audits.

The Project Leader discussed the various ways of defining fraud and corruption. They are often referred to together and used interchangeably, thus they are two sides of the same coin.

For the purposes of this guidance material F&C are always referred to jointly as one concept.

The following working definition is used:

“An intentional act by one or more individuals to obtain an unjust or illegal advantage by abusing public funds and/or office.”

The definition applies to both unjust and illegal behaviour. There are many reasons for doing so, since some acts, even if not always deemed criminal, still have a damaging effect, both for the organisations involved and the society in general. Also the boundaries between acceptable and unacceptable behaviour are seldom clear cut or static. Thus F&C is a concept with many facets and can have many different names (extortion, bribery, theft etc).

The Project Leader went on to discuss why WGEA should deal with F&C. He first listed many arguments, why it should not do so: a complex, controversial matter, lack of competence, outside the mandate. But then he made it clear that there are overwhelming reasons for undertaking the work: F&C is one of the most serious challenges faced by the world community today, called even a social pandemic. F&C has been compared to cancer, against which no country or social system is totally immune.

Transparency International has listed the costs of F&C as political costs (loss of democracy, legitimacy), economic costs (misuse of public funds, depletion of national wealth, competition distortion) and social costs (endangers social security, weakens human development, causes inequality, undermines the citizens' confidence in the political system as such, may lead to social unrest, revolution). The Project Leader was not afraid of sounding too dramatic in discussing these costs. He did so to underline the importance of the matter.

He also showed extracts from the UN and INTOSAI documents concerning F&C (Official accords of 1998 INCOSAI, UN Convention against Corruption, 20th UN/INTOSAI Symposium 2009).

The Project Leader then gave examples of various studies on F&C in the environmental and natural resource sectors, and pointed out that most of the issues in question fall well within the competence of WGEA.

The final part of the presentation was devoted to the more detailed discussion of the contents of the guidance material, presenting both the theory and practice to be included in each chapter

- Chapter 2. Background on fraud and corruption and environmental and resource management
- Chapter 3. Fraud and corruption risk assessment methodology and criteria
- Chapter 4. Audit procedures to confirm or invalidate suspicion of fraud and corruption
- Chapter 5 “Generic” value chain combined with “clusters” of examples

The Project Leader listed the organisations (internal and external) which will be potential cooperation partners in this work.

The Project Leader invited the SC to contemplate on the following during the discussion:

- How extensive the guidance material should be? Number of pages?
- Any relevant experience?
- Any preferred sectors?

Discussion

The Chair thanked the Project Leader for the presentation and noted that the project could benefit from the work of the INTOSAI Working Group on the Fight Against Corruption and Money Laundering.

Mr Steven Elstein, USA also underlined that the already existing INTOSAI experience in the field could be of help for the Project Leader and thought it useful to collect the experience of the audit community. He

brought the oil crisis of the Gulf of Mexico as a possible example of F&C in the environmental field. Mr Elstein noted that when looking specifically for cases where SAIs have discovered F&C, results may be scarce if nonexistent. However, when looked for vulnerability towards F&C, more examples and issues could be revealed. He elaborated on F&C in private institutes as a possible illustration.

Ms Jill Goldsmith, UK was glad to learn that the guide focussed on how to integrate F&C issues in the auditing of environmental topics. She questioned whether identifying F&C as such was necessarily the auditors' role and proposed to focus on the public sector as a regulator – from this viewpoint, risks and regulation issues are significant. Ms Goldsmith also pointed out the different roles of financial versus performance auditors, e.g. routine audit of financial statements conducted by financial auditors. She brought European Union Emission Trading Scheme as an example – not much is known about this and the regular financial audit does probably not always discover fraud cases.

Ms Goldsmith supported the idea of a short guidance with embedded references, underlining specifically the importance of F&C for SAIs.

Mr Robert Michael Cheyo, Tanzania commended the Project Leader for taking up a demanding subject. He wished to see the document deal specifically with environmental issues and identify key controls in compliance monitoring.

Mr Jonathan Keate, New Zealand informed that the research and development team of the SAI of New Zealand is currently undertaking a survey of public entities and their systems for managing fraud risks. He also pointed out emissions trading schemes, donor funding and fisheries sector as fields where F&C issues could be of significance to auditors.

Mrs Limakatso Lucy Liphafa, Lesotho thanked the Project Leader for a comprehensive presentation and expressed her interest towards the results, hoping that it would give auditors a better understanding of how to integrate F&C into environmental audit.

Mr Edward Simanjuntak, Indonesia emphasised that bribery and theft were complicated topics as they were often difficult to prove without having an access to delicate information. He deemed it important to contemplate on the scope of the document as auditors for example do not possess special skills to detect F&C. Mr Simanjuntak proposed to keep the guidance material simpler, e.g. narrow the scope and stick to auditing natural resources.

Mr Hassan Namrani, Morocco proposed to consider the aspect of SAI mandate when scoping the project and underlined the lack of skills of auditors in dealing with F&C issues.

Mr Raj Ganesh Viswanathan, India noted that there were several UN documents already linking important F&C issues; recommended that the Project focussed on environmental issues specifically and, in future, evolved further from the guidance document. He underlined infrastructure as one major area that could be of interest to auditors from F&C perspective and proposed also following topics to be dealt with in the guidance material: common issues in F&C areas, environmental impact of F&C, specific F&C issues in environment sector.

Dr Vivi Niemenmaa, Finland reiterated the example of European Union Emission Trading Scheme as an example of how F&C could threaten the credibility of the whole system. She underlined the questions of how to audit F&C and to overcome lack of experience in the field as crucial for the topic from an environmental audit perspective. Dr Niemenmaa supported the example of infrastructure and construction in general as important

aspects to be dealt with and noted that individuals could also provide an impetus by submitting claims to SAIs on possible F&C cases.

Ms Airi Andresson, Estonia thought it sensible to contact other INTOSAI working groups dealing with F&C issues. She considered highlighting risks in the environmental sector, presentation of links between F&C and environmental impacts, issue of the lack of experience of auditors being important topics; noted that some SAIs acted as courts whereas others had a significantly weaker mandate; suggested to keep the guidance material as short as possible and as comprehensive as necessary.

Mrs Hanadi Mohamed, Egypt drew attention to the matter that many countries issued licences not really necessary for factories as an example of a potential auditable F&C topic.

Ms AN Zhirong, China pointed out that while the title of the Project referred to the integration of F&C topics, the proposed structure itself did not present how this would be done. She suggested that it should be better to supplement the relevant contents if it is necessary. She also suggested land use and land management practices as main F&C issues to be dealt with in Chapter 5 according to their experiences on auditing environmental and natural resource.

Mr George Stuetz, Canada echoed the experience problem and advised to keep the guide initially brief, expand it perhaps later on. He proposed the questions of which were the symptoms of F&C and how the evidence could be recognized as ones to be elaborated upon in the guidance material. Mr Stuetz also wondered whether F&C could be an interesting topic for cooperative audits and whether there were cases of corruption being corruption in one country whereas not in another.

Mr Rafael Lopes Torres, Brazil praised the Project Leader for modelling the Project well and expressed an interest to participate in the sub-committee. He also imparted that the SAI of Brazil had some officials who conducted intelligence work and had access to numerous databases. The SAI had also conducted an audit on the system. Mr Torres wondered what kind of information was needed to detect F&C and noted that public money is also allotted to NGOs for various environmental activities e.g. the Amazon Fund.

The Chair agreed that F&C was a new area and thus developing guidelines for auditors in the field became highly relevant. He also brought examples of cross-border F&C issues – illegal logging in one region could end up as “legal” furniture in another while legal waste management in one country turned into in another. The Chair stated that the function of guidelines on F&C was to firsthand build awareness, e.g. list “red flags” to help auditors recognize threats in different sectors.

Ms Herdis Laupsa, Norway informed the SC that F&C related issues were going to be discussed as well at the EUROSAI seminar on waste in Oslo, May 2011.

The Project Leader thanked the SC for feedback and comments and underlined that auditor’s role was rather about preventing corruption than looking for criminals. He agreed that a list of “red flags” would be valuable and that environmental impact was necessary to include in addition to the loss of revenues. He described how the SAI of Norway had to look into F&C matters by law and had good contacts with the police, tax office etc. The Project Leader also praised Mr Stuetz’s suggestion to have a 2-step approach as useful advice.

The SC approved the project plan by acclamation.

Brainstorming on Research Projects – Is There A Need for A Guide?

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

The Chair explained the change of the agenda: discussions on guidance and research projects will be completed next and the Rio+20 discussion follows after lunch.

The Chair put three questions to the SC:

- 1) *Is there a need for a separate guidance document for writing research projects, with the additional question of how much do we need the guidance for guidances?*

He reminded the SC of the characteristic features of a research project as agreed in the work plan and presented it on a slide and asked the project leaders if they needed anything more than that.

Mr Steve Elstein, USA was not sure a guidance document for research projects was necessary, some parameters, as listed in the slide would serve the purpose equally well. Mr Elstein saw the value in having consistency, but sometimes the nature of the subject matter called for flexibility and deviation from the prescribed format. He did not think though, that the dichotomy between the two formats was a problem. Both the guidance and research project should have some fixed parameters and some flexibility.

The Chair agreed with Mr Elstein's opinion. There is a need for a common understanding. The discussion revealed that what existed already might be enough.

The Norwegian colleagues have prepared a very good document on how to write guidance materials. This includes the 4-step process, but also other important advice, e.g. how to use references, what case studies should look like etc.

The Chair proposed to review the guidance for guidance materials for the purposes of research projects and see what parts were relevant. The same principles should be followed for guidance documents. For a research project the 4-step process would not be mandatory, although there could be references to the 4-steps if necessary. The same principles would apply to the new guidance material on fraud and corruption.

Mr Raj Ganesh Viswanathan, India thought that what was presented in the slide gave some ideas from where to start.

When topics are selected for study they are not thought about in terms of what they are going to be format wise. This should be left to the team to decide - which format it will qualify for and what the team is comfortable with. He, for example had hoped for a guidance document to emerge from the land management research project.

Mr Viswanathan invited the SC to deliberate also on scoping, sometimes the topics involved could be so varied that it would very difficult to address them as a guidance document. Many of today's topics would fit into both moulds. But it must be clear what product is expected: guidance or research study.

The Chair recalled the thinking behind creating the format of research paper: it was meant to be a shorter document, not 100 pages. The work involved to maintain high quality was also important. A research paper could, but need not, evolve into a guidance document.

The project leaders have heard the opinions of the SC members and if they want to develop guidance materials, it is possible but not definitely expected.

Mr Kjell Kristian Dørum, Norway saw merit in creating a separate guide for research papers, given that some environmental topics were more mature than others and thus one could always argue for a two step process. The discussion of the previous day on the scope and content of research projects had also showed that there was a need for instructions. The items listed in the Chair's slide would be useful points of departure.

The Chair's summary regarding question 1: the guide of guidance materials will be reviewed and probably renamed to become a guide for documents. The information from the slide will be added. In addition, guidance documents could follow the 4-step process.

2) Coordination of surveys and the search for case studies

The Chair called for coordination, instead of every project leader sending a separate letter seeking to conduct a survey.

Mr George Stuetz, Canada pointed to the difference in timelines – the RIO+20 information needed to be collected separately, but otherwise he agreed with the need for coordinated actions whenever possible.

The Chair recalled that the project leaders had received many suggestions for changing the project scope during discussions the previous day and that they might want refresh the scope. The project leaders could then let the Secretariat know what questions needed to be surveyed and what kind of case studies were needed from WGEA members or the wider audience.

The Chair proposed to prepare a common questionnaire for the project surveys. He also proposed that in the invitation letter to WG14 in Buenos Aires countries could be invited to offer case studies and country papers, based on short descriptions of what was needed.

Ms Jill Goldsmith, UK did not think that all projects were going to conduct surveys, there had originally been only two proposals plus the material needed for RIO+20. Also one of the two projects decided they did not need a survey after all, thus there is no need to build an extra layer of bureaucracy. The communication would go through the Secretariat anyway.

Ms Goldsmith thought that the project leaders should be in charge of case studies and that it would be difficult for countries to bring case studies to the WG14 meeting. It would be better if this could be done after that meeting, when countries knew better what was expected of them.

Mr Steve Elstein, USA thought that the Chair's proposal would cause some difficulties with meeting the project timelines.

The Chair said that the intention was not for the Secretariat to take the initiative from project leaders. He had got the impression that all projects wanted surveys or information from others.

The Chair invited the project leaders to consider carefully their needs for information and surveys, approach first the subcommittee members for case studies. The main purpose is to avoid duplication.

Mr Steve Elstein, USA listed the existing sources of information that could be used to get the required material and reduce substantially the need for another survey: the annual surveys, 5 years of Greenlines, containing many case studies, the websites of SAIs with their own inventories of studies.

Mr Jonathan Keate, New Zealand supported Mr Elstein, and recommended the regional coordinators as an additional source of information, especially concerning audits that were still underway.

Dr Vivi Niemenmaa, Finland informed the SC that the subcommittee for sustainability reporting had dropped the idea of conducting the survey and would use other ways of collecting the required information, as proposed by the previous speakers.

Mr Kjell Kristian Dørum, Norway called upon the SC members to give any help they could for the fraud and corruption project, which covered entirely new ground.

The Chair's summary regarding question 2:

Project leaders update the project plans and define their information needs. They first approach their subcommittees for information, review the WGEA web based databases, check the Greenlines, and approach regional coordinators. If still some information is required, approach the Secretariat.

The Chair also asked the countries to reflect on their case studies keeping in mind WG14 in Buenos Aires.

The Chair maintained that the project leaders were free to find any partners and pledged the help of the Secretariat in doing so.

Ms Jill Goldsmith, UK sought clarification on whether country papers really needed to be produced in advance of the Buenos Aires meeting on all the 8 subjects?

The Chair promised to discuss the matter the next day under the relevant agenda item.

3. Overall timeline of the projects

The Chair went over the timeline and sought agreement by the SC:

- An extended outline by WG14 in Buenos Aires;
- Draft version by March-April 2012;
- Drafts by Aug-Sept 2012;
- Final documents by the end of 2012.

The Rio+20 will have a different time schedule.

The SC had no objections to the timeline.

Project Extranet Presentation

Dr Vivi Niemenmaa, Finland

Dr Niemenmaa could not demonstrate the extranet solution created for the Environment and Sustainability Reporting Research Project during the presentation the day before due to some technical problems. With the problems solved, she now presented the extranet for the SC members. A similar solution had been successfully used in two other international projects by the Finnish SAI. The extranet is password protected; it has a document library for uploading material by the subcommittee members and links to reports from other organisations and a discussion forum.

Rio+20 Agenda Compendium

Mr George Stuetz, Director, Canada and Mr Rafael Lopes Torres, Secretary, Brazil



Mr George Stuetz explained the background for choosing the topic.

Under goal 4 of the WGEA work plan for 2011-2013 a compendium of SAI country papers focusing on the topics in Rio+20 agenda was to be developed. Country papers would summarize developments and implementation challenges within the country in the SAIs perspective and WGEA would share the experience with Rio+20 participants.

However, Rio+20 conference plans were modified (focus on green economy, sustainable development and poverty

eradication, as well as institutional framework for sustainable development) and the time was brought forward to May 2012, causing WGEA to adapt its plans as well.

The original objective was slightly modified into building awareness among the participants of the Rio+20 Conference on the important role that SAIs play in contributing to develop a more sustainable environment through auditing and reporting on the governments' performance and accountability and to enable the legislatures to hold them to account.

The target groups for communication would be governments, environmental and other NGOs, the media.



Mr Rafael Lopes Torres described the project scope, methodology and outline. The plan is to use existing material, search the audits' database, but also to make a survey to supplement the information derived from the database, since sometimes it would not be possible to determine precisely, which audit topics would come under the Rio themes. Case studies will be selected from the material and SAIs will be asked to write very short descriptions of the selected cases.

The work has to go ahead right away, given the time pressures. The project timeline is the following:

- Finalising the project plan and designing and sending out the survey - May 2011;
- Searching WGEA audit database and work with material not depending on the outcome of the survey - June to Sept 2011;
- Analysing the survey – Sept 2011;

- Presenting the draft at WG14, Buenos Aires – Nov 2011;
- Final report – March 2012;
- Presentation at Rio+20 – May 2012.

The project leaders emphasised that the success of the whole project depended on communication and sought the opinions of the SC members. What activities for communication should be considered? The format of the conference is not yet known. Who would be responsible for organising activities, attending the activities, presenting the materials?

Given the venue of the conference, Brazil is ready to make the necessary contacts, facilitate the whole process, assuming that the first official steps would have to be taken by the Secretariat.

What should be done about translation of the report? It is a UN conference - should all official UN languages be used, in order to get the message across better? Should only the executive summary be translated? Who would be in charge of organising the translations? Brazil volunteered for translating into Portuguese. How will editing, layout and printing be arranged?

The project leaders thanked the other members of the project team, China and the UK.

The Chair agreed that the history of the project had been very complicated. As the plans were laid out in Dar es Salaam the expectations ran very high. It is necessary now to realise that time is limited. The Chair invited feedback from the SC members.

China had no specific comments.

Mrs Hanadi Mohamed, Egypt offered Egypt's help in translating the material into Arabic.

Ms Airi Andresson, Estonia considered all project objectives valid and important. She wished more clarification as to the nature of case studies expected, given that sustainable development in the broad sense could mean any environmental audit.

Dr Vivi Niemenmaa, Finland like the previous speaker, commented on the case studies: the themes of Rio+20 (poverty eradication, institutional framework for sustainable development) can mean also other than environmental audits, e.g. audits on development aid from the angle of sustainability, asking whether or how development aid has succeeded in preventing corruption or other social problems. She pointed out that in SAI Finland such audits were not conducted by environmental auditors, so it would be a good idea to talk to other colleagues when looking for case studies.

Mr Raj Ganesh Viswanathan, India wished clarification about what countries were kept in mind for the purposes of the Rio conference: WGEA or Rio Conference member countries, and **the Chair** specified: it is the Rio Conference member countries.

Mr Viswanathan suggested that the WGEA input could be limited to the two main Rio+20 themes. He warned of a possible disconnect between the departments who represent the country at the Rio+20 conference and SAIs (this was the case in India). He suggested that WGEA put out a recommendation in preparation for the conference to the effect that the opinion of SAIs be heard as well by those attending the conference or better even if a SAI representative be included in the delegation.

Morocco, Indonesia, Lesotho and Tanzania had no specific comments.

Mr Jonathan Keate, New Zealand saw the project as a very ambitious and worthy undertaking. It is important to get the message across in a “very crowded place”. Mr Keate also recommended preparing a document that SAIs could use in discussions with their governments before the conference.

Ms Herdis Laupsa, Norway offered by way of input a summary of EUROSAI work since 2008.

Ms Jill Goldsmith, UK acknowledged the difficulty in scoping the work, as the preparations for RIO+20 were going on at the same time and the agenda-setting meeting was taking place during the current week.

No doubt the WGEA should be actively represented, as at the COP meetings. The precise input should be specified to tie in with the 2 main agenda items, and if both themes were considered too much, then maybe only one should be picked.

Ms Goldsmith proposed to use the materials produced for XX INCOSAI for the institutional framework theme, rather than doing a survey.

She also proposed tackling the ambitious theme of principles of good governance at the international level.

Mr Steve Elstein, USA supported the proposals of the UK.

He also recommended promoting the story of WGEA: having started off as a small organisation focused on environmental protection within their own countries, it has grown via bilateral and regional cooperation into a group that can tackle global issues globally, e.g. multilateral climate change audit.

The Chair shared the following thoughts with the SC:

The experience from COP15 and COP16 showed that INTOSAI was unknown within the UNFCCC framework. The governments do not know a lot about what their audit offices are doing. This does not mean that SAIs are irrelevant. But auditors are looking into the past in their work, not ahead. Therefore SAIs are not involved in discussions involving the future.

The Chair agreed with the UK perspective that it was too late to have a say about the Rio+20 agenda. It is necessary to specify the WGEA message and back it up with examples and cases studies.

The presence should follow the line pursued at the COP meetings, to “build bridges”, to quote Mr Elstein. However, the Chair hoped to go further, if the SC agreed and point to gaps on the international arena, backing the message up with examples. The UK and Canada have brought up some international financial issues, there are problems with the large number of multilateral environmental agreements that are not properly implemented etc. Such fresh approach would also help get attention to the WGEA.

It would be too expensive an exercise, if WGEA only went out with some nice brochures and a box to RIO and did nothing else. Instead, there should be a clear message, maybe along the following lines: the SAIs are independent and if the governments’ words differ from those of SAI’s, something is not right.

Mr George Stuetz, Canada offered to pick some 5-6 topics that were really important, e.g. government accountability, quality data for good decision-making, i.e. the standard tools required for work and make a short survey and identify existing audits. He also suggested using the material produced for INCOSAI.

Mr Raj Ganesh Viswanathan, India emphasised the need to focus on existing material and on some specific themes, in order to make WGEA visible at Rio+20.

The Chair asked the SC once again, if they thought the emphasis could be put on international governance issues, where huge gaps existed that no one had ever audited. WGEA brings together auditors and auditors go where the money goes. A lot of money is moving internationally, e.g. in climate change, Kyoto quotas. Does anyone audit those? Should WGEA take this up?

Mr George Stuetz, Canada thought the WGEA could point out to the governments and NGOs these issues to be considered, in order to get them pursue them further.

Mr Raj Ganesh Viswanathan, India suggested a two-level approach, first the conference *per se* with its two subjects. The project should go on as planned for this purpose. Secondly, creating awareness about WGEA and SAIs, maybe by listing the top ten issues that SAIs have been pursuing, supported by references to the relevant reports. This format has been successfully used in India. The document need not be long, it would be an easy way of disseminating information about what WGEA and the SAIs have been doing. Although SAIs form an international organisation and are present in every country, they have remained in the periphery with regard to the Rio process.

The Chair agreed and summarised:

First it is necessary to explain what WGEA and SAIs are and do. This involves communication issues, translation, space at the conference (in plenary, side event or box?). He invited colleagues from Brazil to give a helping hand in the arrangements.

Secondly, the Chair invited the SC to express their opinions on whether they wanted to add value on the topics of Rio+20.

Mr George Stuetz, Canada offered to send an e-mail to everyone with the request to point out top five management and environmental issues that could be wrapped up in a nice and short way, suitable for press releases. The material presented with the consequences attached (e.g. unwise decisions that cost a lot of money), plus good examples of audits, both individual and joint, would help the WGEA gain the attention needed.

The Chair pushed for more ambition, through the link with global governance gaps.

Mr George Stuetz, Canada thought that attention could be brought to the international governance issues in some other way, e.g. by admitting that the UN has not been audited, but that problems have been found to exist.

Dr Vivi Niemenmaa, Finland had information about the Nairobi-Helsinki Outcome a few weeks ago, where the Finnish environment minister had participated and where quite strong suggestions had been made: UNEP needed strengthening, too many ineffective multilateral environmental agreements, more synergies needed for improving cost-effectiveness.

Mr George Stuetz, Canada summarised: they will work on the survey, which is not going to be anything large, but rather very specific and to the point. SAIs are invited to identify their relevant audits, are submit short descriptions. The principle is minimal effort but maximum result.

The Chair invited the SC to approve the project plan with some amendments (e.g. a quick survey). He also sought the help of the Brazilian colleagues for communication and general facilitation of the project.

Mr Rafael Lopes Torres, Brazil told the SC of the meeting they had had in November 2010 with the Brazilian Foreign Ministry and he proposed approaching the ministry again after the current meeting, with plans better laid out, to start building closer contacts in preparation for the conference.

The SC approved the project plan by acclamation.

Brainstorming on draft “Guide for Project Leaders: How to Develop INTOSAI WGEA Training Materials

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

Presentation

The Chair explained the reasons for developing the guidance:

- 1) On the basis of many thematic guidance documents the project leaders are developing training courses, e.g. climate change, biodiversity;
- 2) WGEA is seeking a partner for global training facility on environmental auditing (see the relevant agenda item on 11 March) and a guidance that everyone could follow would be beneficial;
- 3) Every survey has indicated a very strong need for environmental training.

The then explained the contents of the guide.

The guiding principle was not to reinvent the wheel and use existing INTOSAI materials, among them the IDI guideline for developing training courses, although in a concentrated form, focusing mainly on training materials.

The chair introduced the structure of training materials (introduction, materials for sessions, templates), the process of how the materials are to be developed and the role of the SC therein (reviewing and approval), appendixes (with templates, a glossary)

The draft has also been sent to IDI for comments, but their response is still pending.

Discussion

Mr George Stuetz, Canada praised the material for being concise and not overly long.

He recommended that in section B.3 “The Instructor’s Manual” it was necessary, whenever possible, to try to indicate what type of background should be beneficial for teaching a class.

The Chair explained that the overall idea behind the Instructor’s Manual had been to describe how the material would be presented (e.g. how long different parts of a session would take etc).

Mr Raj Ganesh Viswanathan, India emphasised that flexibility was key. Speaking from personal experience, he explained that most of the IDI material was prepared by keeping in mind a certain type of deliverer and thus would not work with other instructors. The guidance should also be subject to constant review.

He pointed to the different types of training courses – some are standalone (e.g. forestry), whereas others are hybrid, combining several specific issues into the scope of one training course. This in mind, he suggested that training courses should have an in-depth, long version, suited for a specialised course and short version, which could be integrated into a hybrid training course.

The Chair agreed about the need to maintain flexibility.

Mr Steven Elstein, USA supported idea of flexibility, and proposed articulating the principle more clearly. Instead of a very detailed guidance, it would be better to keep the guidance on a high level for it to be a useful tool.

Ms Herdis Laupsa, Norway found the proposal user-friendly for both trainers and participants. She mentioned the very useful biodiversity training course that had been undertaken in EUROSAI and also pointed to the existence of the one-day course on sustainable energy, prepared by the Czech Republic.

Ms Jill Goldsmith, UK asked whether it was really necessary to have the SC comment on the draft training materials, given that the SC had approved the guidance documents upon which the training materials were based.

The Chair explained that the SC would rather look into the overview of the sessions, and maybe add some case studies, recommendations, if the project leader so wished. The SC would not be expected to approve all the materials.

Mr Mohammed Diyer, Morocco emphasised that before developing any training materials training needs must be assessed and priorities defined.

He suggested starting the process of developing a training course by brainstorming among the SAIs interested and WGEA Secretariat to define the general objectives and strategies, a questionnaire could also be helpful.

He also recommended adopting the IDI and other specialised bodies' approach to training.

The Chair explained that the draft guidance material made reference to the IDI guidance. The recommendation is that whoever uses the material shall first undertake a needs assessment.

To sum up the discussion: flexibility will be given more emphasis. The Instructor's Manual should be seen as an overview, instead of giving very detailed instructions.

The Chair asked the SC if they could approve the project plan, subject to the modifications agreed above (more stress on flexibility, clarification of the SC's role).

The SC approved the project plan by acclamation.

Training Module on Forestry

Dr Ali Masykur Musa, Board Member IV, Mr Edward Simanjuntak, Audit Director, Indonesia



The Project Leaders explained the reasons for preparing the training module: the existing INTOSAI guidance on auditing forests can give additional value if many SAIs and auditors implement the guidance. This work started with a pilot audit in collaboration with IDI (15 participating SAIs from AFROSAI, ASOSAI and CARABOSAI). In order to disseminate information to even a bigger number of auditors the training module is now being developed.

The training module will first introduce the role of forests, the impact of unsustainable forest management and the role SAIs in improving the quality of the government's ability to manage the forests by improving the auditors' skills.

In 2010 a planning meeting was held in Jakarta, where also the audit needs were assessed.

The objective and outcome of training materials is to give guidance and help build the capacity of SAIs.

The product will be an integrated and comprehensive training module, which consists of participants' notes, instructor guide and a slide presentation. Particular emphasis shall be on teaching the participants how to use the IT tools of GPS, GIS and remote sensing.

Integrated and evolving case studies and exercises will be developed to support the material, to be used at every step. A special field exercise is planned for practicing the use of GPS and GIS.

The Project Leaders also explained the scope and substance of the training module and the planned methodology.

They are seeking to find out what kind of case studies auditors need, planning to use the results of the IDI pilot project.

The draft training module will be sent to the subcommittee and SC for comments.

Finally the timeline and key milestones were discussed, the final milestone will be at WG15 in Tallinn, to pilot the training module.

The length of the training pursuant to the module would be ca one week, incl. field exercise.

Mr George Stuetz, Canada suggested some very good documentaries, to add some visual impact.

Mr Kjell Kristian Dørum, Norway asked about involving the other regions, to facilitate adaptation of the module to other regions both during the developing and delivery phase and offered that cases and experience could be exchanged with EUROSAI.

Mr Raj Ganesh Viswanathan, India proposed some areas that could be added:

- The adequacy of legislation on forest programmes;
- Diversion of forest land for non-forest use (e.g. in India if as a result of a mining project a forest has to go, new trees have to be planted elsewhere)

He sought clarification on how GIS and GPS would help auditors.

Mr Edward Simanjuntak explained that the IT tools were mostly used to improve the quality of audit evidence.

The Chair added that IT was used to get the evidence of how much forest there was and to test the claims of the governments to that effect. He also mentioned Google Earth as an inexpensive tool which has been used for similar purposes, and for getting information about illegal logging in developing countries.

Ms Herdis Laupsa, Norway wished to know, if the module could also be turned into one-day training. And if a lot of adjustment of case studies was needed to suit the European context.

Mr Edward Simanjuntak said that a one-day course would be possible, minus the field exercise. He welcomed any case studies coming from EUROSAI.

The Chair approved the idea of using the material from the pilot audit that involved 15 SAIs and from the forestry guideline itself for as a good base for case studies, especially given that they were not very specifically region-based. Instead of the SC, the Secretariat would review the draft and then decide whether the SC needed to comment as well.

The finished product will be shared by all WGEA members and the regions.

The SC approved the project plan by acclamation

Training Module on Mining

Mr Robert Michael Cheyo, Principal Auditor, Tanzania



The Project Leader introduced the project plan and described the project objective:

- Improving the capacity of auditors in mining issues;
- Encouraging auditors to undertake mining audits;
- Developing a training module on environmental auditing in mining

The target group of the project is the SAI community.

The Project Leader took the SC through the scope and structure of the project:

The project consists of 3 phases:

- Development of the global training module, addressing of the training needs of each region;
- Development of pilot training module where selected SAIs in each region conduct pilot audits;
- Delivery of the training module to other SAIs by regions.

The layout of the training module shall follow the mining guidance, incl. its methodology, consisting of:

1. Background;
2. 4-step approach of choosing and designing audit;
3. Case studies and exercises.

The methods:

- Assessment of training needs by regional coordinators;
- Revisiting the audits conducting to identify weaknesses and priorities;
- Consultation with regional coordinators on lessons learned regarding training.

Communication shall be conducted via regional coordinators.

The possible final output will be a training module. The project will take 3 years to complete, with plans to discuss the initial draft at WG14 in Buenos Aires in November 2011.

The Chair thanked Tanzania for taking leadership in developing the training module. As regards the timeline the Chair proposed that the Secretariat would conduct the first review of the draft and then decide on the further role of the SC.

Ms Airi Andresson, Estonia suggested organising the pilot audits sooner than presented in the timeline, given the long planning process of audits in SAIs.

Mr Robert Michael Cheyo expected the regional coordinators to start planning immediately after the current meeting.

The SC approved the project plan by acclamation

The Chair's Announcements:

The Chair thanked SAI Norway for preparing the first e-learning tool on climate change, which was available on the WGEA website and suggested that all SAIs make use of it, but also advertise and recommend it.

The Chair also thanked SAI Norway for completing the climate change training materials on paper, already last fall.

The Chair announced a lunch meeting the next day for the regional coordinators to share experience about coordinated audits.

Day 3 Friday, 11 March 2011

The Chair shared with the SC the tragic news concerning the 8.9 magnitude **earthquake** that had hit Japan early that morning, followed by a tsunami warning. He expressed his condolences for those perished and hoped that friends were safe.

The Chair invited the Project Leaders to briefly recount the results of the subcommittee meetings that had taken place the day before after the main agenda had been exhausted.

Wildlife Conservation and Tourism

Mr Robert Michael Cheyo, Tanzania

The subcommittee had followed up on all the comments received from the SC and made the following changes and adjustments:

- The title of the research paper is now: Impact of Tourism on Conservation of Wildlife.
- The project objective is now to highlight the impact and related risks of tourism on wildlife conservation.
- Slight changes were made in the structure:
 - a) In chapter 2 definition of terms, management of tourism and issue of risks were added;
 - b) In chapter 4 audits related to wildlife conservation and impact of human activities, especially tourism, on wildlife, were added.
- As regards scope, the project will cut across all regions.
- SAI India has kindly offered to be part of the subcommittee; contact will be sought with SAI Poland, to offer a European perspective and SAIs from Latin America are invited to cooperate as well.

Environmental Issues Associated with Infrastructure

Ms Jill Goldsmith, UK

The subcommittee discussed next steps and revision of the project plan in light of the SC comments and what needed to be achieved by WG14 in Argentina.

Rio+20

Mr George Stuetz, Canada

The subcommittee decided to compile a short e-mail to SC members, soliciting them to come up with top environmental issues and some examples. Based on the responses a one page questionnaire will be sent to all WGEA members. The aim is also to identify case studies, using in addition to the questionnaire material from existing sources.

Global Training Facility on Environmental Auditing

Mr Raj Ganesh Viswanathan, Principal Director, India

The Chair gave some background information: when the issue of a global training facility was discussed in Dar es Salaam and earlier, some had been sceptical. Training is a coin with two sides: on the one hand, every survey lists training as a major challenge for capacity building. On the other hand, training is very expensive and many consider training a waste of money, given that it is not sustainable (in light of staff turnover).

But, the WGEA training courses have always been very popular (e.g. the attendance at biodiversity training), the tutorials have been the magnets through the history of the WGEA meetings.

Therefore a decision was made to merge the material available worldwide and in WGEA. India turned out to have a one-month training course and a number of training courses have been created within the organisation.

It is necessary to seek WGEA approval for a combined environmental training course, aimed first, at beginners and subsequently also at more advanced learners.

A permanent facility for training is needed to make it more sustainable. The SAI of India has kindly offered to cooperate.



Mr Raj Ganesh Viswanathan recounted the issues for discussion that had already been circulated in advance among the SC members:

1. Training facility, living conditions etc
 2. Training programmes, topics, objectives and duration
- Would the topics be combined into a general course, spanning all areas of environmental concern or specific themes (e g biodiversity, mining, forestry)?
- As regards duration, a 4-week course seems to be considered ideal for an omnibus course. A 2-week course can also be considered for specialised areas. A one-week course would be too short, especially given the distance to travel.

3. Participants: auditors involved in field audit or audit managers, dealing with policy and planning? Officials from other line departments (mining, forestry)?
4. Speakers: international and from SAI India. Funding issues to be resolved.
5. Source of funding for both participants and some trainers:
Three funding models used in India:
 - Paid under a bilateral exchange programme (existing with ca 30 countries) by India;
 - Paid by respective SAIs;
 - Self-financing by individuals.
 -
 - Would it be possible to get a multilateral agency (WB etc) interested in funding?

SAI India has formally offered to partner WGEA in providing the infrastructure for a global environment training facility.

More particularly, the following facilities are offered to be used:

- 1) *International Centre for Environment and Sustainable Development (ICED)* in Jaipur – construction is underway and will be operational in early 2013.

The objectives for ICED:

- Become centre of excellence in environmental audit training;
- Become centre for increasing environmental awareness;
- Become centre for environmental policy research;
- Offer professional certification in environmental studies (seeking to collaborate with a university of international renown)

Planned activities at ICED:

- Capacity building via training officers of other SAIs and SAI India, employees of other line departments
- Knowledge sharing: guidelines, status papers, seminars and stakeholder meetings
- Web-based compendium to become a single platform of knowledge sharing

The practical facilities (both academic and accommodation) in Jaipur will allow the running of two parallel courses of 30-35 participants each. The best time climate-wise would be between August and March.

Innovative green technologies will be used to build the facilities.

- 2) *International Centre for Information Systems and Audit (ICISA)* in Delhi, which has been in operation since 2002.

The main training facility for SAI India and international participants from more than 124 countries. Similarly to ICED the Delhi centre has enough capacity to handle 2 courses simultaneously.

Among the courses in place is a one month environmental audit training course which has been taken by more than 200 persons from over 60 countries (the themes range from trends and developments, international accords, climate change and the CDM, sustainable energy etc)

Faculty consist of professionals from the environmental and environmental auditing sectors, NGOs, SAI India.

- 3) *Regional training institute in Mumbai* – has been operating for 6 months

The facilities are smaller, the environmental auditing courses are shorter, mostly 5 days.

SAI India is looking forward to a mutually beneficial cooperation with WGEA.

The Chair cordially thanked SAI India for offering to cooperate with WGEA and for volunteering to lead the project together with SAI Estonia.

The Chair sought the support of the SC to the proposals and welcomed the input of the SC members.

All SC members praised India for a very comprehensive and impressive proposal. They offered to help in any way the project team saw fit. More specific comments were the following:

Mr Steven Elstein, USA was impressed by the whole layout and holistic approach.

Ms Jill Goldsmith, UK proposed to include the new ICED building as a case study for the infrastructure research paper.

Mr Robert Michael Cheyo, Tanzania had firsthand experience to share having taken the 1-month course in India. He offered to ask the Tanzanian Auditor General for help.

Mr Kjell Kristian Dørum, Norway asked India to explain how individual SAIs could contribute.

Mr Jonathan Keate, New Zealand explained that in PASAI a lot of training took place on the job. But the Pacific countries would be interested in such training as well, however, given financial constraints a shorter course might be preferable. Mr Keate suggested involving the regional coordinators in the project.

Mrs Limakatso Lucy Liphafa added that the possibility of getting a certificate upon finishing the course, would serve as an additional motivation. Participation depended on available funds.

Mr Edward Simanjuntak, Indonesia knew that some auditors from Indonesia had participated in courses in India. He proposed using the training materials being currently prepared in WGEA in the training programme.

Mr Mohammed Diyer, Morocco said that also Morocco had had close cooperation with India, sending each year environmental auditors to courses and that the feedback was very good.

Dr Vivi Niemenmaa, Finland promised some ideas on speakers and trainers.

Ms Airi Andresson, Estonia praised the ICISA course she herself had taken 4 years ago. She thought that the current programme was well suited for auditors who had little knowledge yet of environmental matters. Adding INTOSAI materials and international trainers would make the course even better.

Ms ZHOU Wenhua, China offered to provide more information and case studies for the course from China.

Mr George Stuetz, Canada forwarded the greetings and comments by **Ms Carolle Mathieu**:

- the trainers should have experience in environmental auditing;
- the students appreciate concrete examples of environmental audits;
- not all SAIs would have funds to send their staff on a one-month course, maybe a 2-week course could be also considered;
- follow-up on results after taking the course would be a good idea, either via distance mentoring or coaching or even having an instructor visit the SAI;

- international speakers should be involved as well.

Mr George Stuetz supported the idea of having some trainers go to deliver the training in a country, instead of the SAI sending staff abroad for a month. He also had some recommendations regarding certification (e.g. sustainable development assurance certificate from the UK). Based on the experience of Canada, he recommended striving for certification on a narrower subject (environmental auditing), rather than a broad one (environmental studies).

Mr Rafael Lopes Torres, Brazil had also some colleagues from SAI Brazil who had participated in courses in India. He offered any help needed and hoped to send further pupils for training to India.

Mr Raj Ganesh Viswanathan in response thanked the SC for excellent support. He agreed with the suggestion of seeking certification in environmental audit, instead of the broader subject of environmental studies. He invited the SC members and in particular the UK, to help in contacting some certification agencies. He also saw as an option that students, after the course would take an exam directly with the certification institute.

The Chair admitted that certification was one of the more difficult elements of the whole process. He thought that the development of a research centre in ICED would help in that effort. He pledged the Secretariat's help in the process, but saw it rather as a step by step process starting from gathering the material and getting the course running.

The Chair had discussed the project and sought partners among the regional leaders at XX INCOSAI. It appeared that Mr Marthinus Wessel Pretorius from South Africa had been about to propose a similar training facility in Africa, so he had been very interested in cooperation. The connection between certificates and funding had been pointed to: funds would be easier to come by, if the training included the possibility of getting a certificate upon completion the course.

The Chair thanked the SC for their huge support and offers of cooperation. The Secretariat would be the contact point for anyone wishing to get involved and will be contacting those who had expressed interest in participating. As the next step the Secretariat and India will set out an action plan for the next 2-3 years. The ambition is to have a training course bearing both the stamp of WGEA and the stamp of India.

The SC approved the plan by acclamation.

Greenlines

Mr Steven Elstein, Assistant Director, USA

Mr Steven Elstein invited the SC members to pick up hard copies of the Greenlines, one per each delegation. 240 hard copies had been printed for distribution at XX INCOSAI to inform the auditors general about WGEA work.

Mr Elstein thanked the numerous contributors of news briefs and China for the feature story concerning their experience in chairing Theme II.

The timing of Greelines is such as to allow both looking back and forward, i.e. between the major meetings. The editor is flexible both as regard the content and timing.

An upcoming article fulfils a promise given to Mr John Reed: the lessons learned from the multilateral climate change audit.

Mr Elstein invited everyone to contribute, offer new ideas on how to improve Greenlines and better serve the needs of WGEA.

Mr Raj Ganesh Viswanathan, India commended Greenlines for being one of the most innovative ways of putting across news. He requested sending each SAI 2-3 printed copies, despite the environmental implications of such a move.

He thought hard copies would add to the value and get more people to read them. Hard copies should also be distributed at the Rio+20 meeting.

The Chair thanked Mr Elstein for leading the project and agreeing to continue doing so and supported his call for ideas of advancing Greenlines.

The Chair proposed finding out via the annual survey how many SAIs would like to have hard copies. For distribution the cooperation of regional coordinators could be sought. At any rate, hard copies should only be sent to those SAIs requesting it. The Chair thought that the online version had quite a considerable number of readers.

Mr Elstein replied that ca 200 hard copies were usually printed and distributed at major meetings. He promised to look into the possibility of mailing hard copies.

Ms Jill Goldsmith, UK suggested giving advance notification of materials to be distributed at meetings like Rio+20 or COP, so that the participants would be briefed about what to look for.

The SC approved the plans by acclamation.

Seventh Survey, Annual Audit Collection and Web Enhancements

Ms Kaire Kesküla, Senior Advisor of INTOSAI WGEA Secretariat, Estonia



The 7th Survey will be similar to the 6th Survey, with some questions revised to make them more understandable. The Secretariat is considering offering the survey again online, but has to weigh the pros and cons, given that not very many responses were filed via the web last time. The questionnaire will be in four of the INTOSAI languages, with German excluded (only one country responded in German last time). The survey report will be in English.

Most important milestones:

- Approval of SC members to the questionnaire sought in May 2011
- 7th Survey launched in February 2012

- Responses expected by May 2012
- Data analysis in summer 2012
- Draft report for SC approval in July 2012
- Final report for WGEA approval in April-May 2013
- Presentation at WG15 in Estonia June 2013
- Submission to XXI INCOSAI in autumn 2013

The Annual Audit Collection will follow a similar path as previous collections. In addition, SAI contacts will be updated on the web site.

The web enhancements planned include modification of the search engine so as to make it more user friendly; improving the photo section so that photos can be seen directly in the web browser; looking into the possibilities to add functions such as electronic commenting, editing and creating live documents.

Ms Herdis Laupsa, Norway suggested adding in the 7th Survey a question regarding the new training facilities planned in India, in order to establish training needs.

Mr Raj Ganesh Viswanathan, India proposed linking the WGEA website with the UNDP network on water issues, building a joint discussion platform.

The Chair had been contemplating the idea of linking for some time already, but given the dislike of many people towards additional passwords and given the cost of developing the platform, the matter had not been taken further.

Instead, the Chair asked the SC to consider creating a Facebook account. Maybe it was time to give it a try, especially that the idea first came up four years ago in Canada, but then people had been sceptical about it. Another option is a LinkedIn account, which is also a social networking platform, but more based on professional grounds.

SAI Estonia is preparing its own Facebook account. Once it is finished the Secretariat would offer the same model for WGEA's consideration.

The SC approved the plan by acclamation.

UNEP-WGEA Cooperation – Project Brainstorming

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

The Chair was very glad that UNEP wished to continue cooperation with WGEA. He explained the offer for cooperation on the new project: Development of A Review System for the Effective National Implementation of Multilateral Environmental Agreements (MEAs).

Given that the representative of UNEP Mr Arnold Kreilhuber could not participate at the meeting the Chair introduced the topic on the basis of a slide presentation approved by Mr Kreilhuber:

Background:

- Despite the fact the MEAs are one of the best ways of institutionalised intergovernmental cooperation the state of the environment continues deteriorating at an unprecedented rate;
- Little evidence on countries' compliance and impact of MEAs at national level;
- Not known, if countries' implementation is sufficient and what the gaps are;
- Are the MEAs themselves weak and need strengthening;

- What are the capacity gaps and what can be done.

The Chair admitted that answers to these straightforward questions were quite difficult to come by. The new project by UNEP is aimed at enhancing the capacity of countries to implement their commitments under MEAs.

The main project activities:

- Develop a method for a review system on the effectiveness of implementation of MEAs on the national level, focusing on clusters of MEAs (waste, biodiversity etc);
- Conduct pilot reviews;
- Publicise the aggregate findings;
- Organise workshops in countries in light of the findings.

UNEP would like to cooperate with WGEA on developing the methodology for the review and identifying volunteer countries, whose audit offices would undertake the pilot review. The review methodology and pilot reviews would be completed in 2011, the aggregated results would be prepared and distributed in 2012. UNEP also has secured funding for the project.

It is not clear if the project would in any way be related to the Rio+20 conference, but time wise this would be possible.

The Chair had already pointed out to Mr Kreilhuber, that the work could not be left entirely to be undertaken by audit offices, for their annual plans were in place already. The option he saw was to involve outside experts, whether from UNEP or WGEA, provided UNEP can fund them.

Discussion

All speakers considered cooperation with UNEP important, but asked for more information before making any commitments.

Mr Rafael Lopes Torres, Brazil was not clear about how much effort was expected from the side of WGEA. More information was needed to decide whether Brazil could volunteer for working on the methodology and as a pilot country. Also the criteria of choosing the pilot countries are not clear.

He also pointed out that if there was to be joint work with the UN, institutional permission had to be sought.

Mr George Stuetz, Canada offered input into a general review and promised to bring the matter up with the Commissioner. He was doubtful about volunteering as a pilot country.

He also pointed to a possible lesson learned already, namely that most MEAs did not have a built-in review process, apart from the UNFCCC.

He also pointed to the tight schedule foreseen for the project as an obstacle to participation.

Ms ZHOU Wenhua, China pointed to the need to have more information and more time for a project of this scale.

Ms Airi Andresson, Estonia agreed that information about the proposed project was scarce. Estonia would be able to contribute with methodology. SAI Estonia has audited reports already checked by international

bodies and found faults in them (e.g. reports Estonia had submitted to UNFCCC regarding greenhouse gases).

There is a need to know more about what kind of pilot review UNEP is keeping in mind, if it is similar to their 2-3-day country checks. In most cases during those checks questions are on a high level, and do not go into great detail. Also, during the interviews the officials tend to make the picture look nicer.

The Chair had got the idea that UNEP was maybe looking to spend a week and a half for the pilot reviews.

Dr Vivi Niemenmaa, Finland thought cooperation with UNEP was a good idea but the subject of MEAs would not be a priority topic in SAI Finland.

Mr Raj Ganesh Viswanathan, India required a great deal more information before committing. India has conducted an audit about the implementation of the UN Convention to Combat Desertification, which involved India, Pakistan and Afghanistan, but the report eventually was not made public.

Mr Viswanathan suggested that in order to really get honest answers and get the governments to support the project, some anonymity needed to be maintained about the data.

Mr Mohammed Diyer, Morocco asked for clarification about the framework of cooperation. It would be difficult to see how audits could be conducted with the participation of UNEP. He suggested including the question in the survey, or else, writing a formal letter to Auditors General so that they can decide whether to cooperate.

The Chair saw the point Morocco was making – there were legal questions involved in getting outsiders participating in audits. UNEP was planning to sign legally binding agreements to the effect with the countries involved.

Mr Edward Simanjuntak, Indonesia thought WGEA could participate in developing the methodology.

Mrs Limakatso Lucy Liphafa, Lesotho wished to know more about the criteria of selecting the countries for the pilot review.

Mr Jonathan Keate, New Zealand suggested that the role of WGEA would constitute reviewing the methodology rather than producing it. He offered to look for a SAI in the region that would be interested in participating in the pilot review.

Ms Herdis Laupsa, Norway needed to seek confirmation from the authorities in Norway as well as internal approval in the OAGN in order to participate.

Ms Jill Goldsmith, UK emphasised the need to help strengthen UNEP and suggested contributing to the methodology as auditors. She agreed with the Indian proposal about anonymity.

Mr Steven Elstein, USA stressed the importance of a strong relationship with UNEP.

The Chair's summary:

- WGEA SC is supportive of cooperation with UNEP;
- More information is needed, very clearly defining the role of WGEA;

- WGEA is inclined to act in a more advisory role, reviewing and offering comments about the methodology;
- Some countries might be interested in pilot review. But agreement is needed between the governments and UNEP;
- The schedule is very tight, more information is needed about timeframe.

The SC agreed with the Chair's summary.

IDI-WGEA Trans-regional Capacity Building Programme

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

The Chair introduced the topic: Trans-regional Capacity Building Programme for Performance Audit on Environmental Issues in Forestry.

The project is under way, IDI has taken the WGEA guidance on forestry for the capacity building exercise. This is a perfect example of how to put guidance materials into good use.

The Chair emphasised that the project was not a forestry cooperative audit, but a capacity building exercise for SAIs.

The Chair thanked IDI for 10 years of cooperation with WGEA.

The project is also included in the WGEA current work plan.

The objective is two-fold: build institutional capacity and individual professional development in target SAIs.

The expected results are the following:

- Review of audit plans, setting audit calendars;
- Planning, conducting and reporting pilot audits;
- Disseminating the guidance material and feedback on how to improve;
- Pilot audits are posted on the web as case studies;
- Compendium of findings and recommendations developed;
- Similar forest audits institutionalised in participating SAIs on a regular basis;
- Eventually enhancing forest management in target countries.

The participating countries signed a trilateral agreement with IDI and WGEA, taking on some of the responsibilities listed above.

There are 3 partners: IDI, WGEA (SAI Estonia) and Indonesia as Global Project Leader on Forest Audit Guidance

The Chair described the criteria of selecting target SAIs – must be English speaking, WGEA member, have forest (!) and have a performance audit mandate.

15 SAIs from 4 regions were selected.

The Chair thanked the Norwegian government for generously funding the project (“Shared natural resources”).

In return, the donor wishes to see certain results: similar forest audits conducted without external assistance in the future, continued internal capacity building, making use of the project outcomes.

The Chair described the past and future milestones of the project:

- The programme planning meeting took place in May 2010;
- Audit planning was conducted completely online and worked very well;
- In October 2010 in Indonesia the audit planning meeting took place where the draft was finalised and the course on Forestry Audit Guidance was conducted;
- As of now, 13 SAIs have approved the plan, with 2 SAIs (China and Tanzania) still pending;
- Pilot audits to be conducted until September 2011, with IDI and WGEA experts offering online advice and draft national audit reports prepared;
- Review meeting in Arusha, Tanzania, 2nd week of October 2011: to discuss audits, get feedback for the, prepare the compendium, prepare plans for institutionalising outputs;
- Wrap-up meeting in April 2012, place to be announced.

The Chair demonstrated on the slide the 7 forest audit topics across the 2 areas and showed which countries had chosen which topics. He concluded that the matrix worked quite well, in the same way as it had been used in the climate change coordinated audit.

The Chair thanked IDI and promised to convey to IDI the SC satisfaction with the progress of the project.

Regional Updates OLACEFS/COMTEMA

Sadly, colleagues from Argentina could not attend SC10, but they sent the progress report, which **the Chair introduced**:

COMTEMA has become very active, the leadership is currently in the hands of Argentina, with the previous regional coordinator Brazil offering strong support.

The members of COMTEMA are: Argentina, Brazil, Bolivia, Columbia, Mexico, Panama, Paraguay, Peru, Venezuela. Honduras has had to resign, due to *force majeure*.

From last year 2 coordinated audits are under way: on the Amazon and climate change.

COMTEMA is also working on terms of reference for its work.

The Chair thanked Paraguay and in particular Mr Ignacio Avila for acting as coordinator for translating the WGEA guidance materials into Spanish. The project is well under way with the first translation delivered and already uploaded on the website.

COMTEMA also registered its website: www.comtema.org

The next regional meeting is scheduled for the end of April 2011, in Buenos Aires.

Future focus shall be on undertaking new coordinated audits, strengthening training and building stronger links with WGEA.

Mr Rafael Lopes Torres, Brazil explained that the Amazon audit had been finished in November 2010 and that the climate change audit was about to be concluded, with only the coordinated final report to be finalised by May and officially delivered in June 2011.

The Chair promised to send greetings on behalf of the SC to friends in Argentina and give them feedback about the current meeting.

EUROSAI

Ms Herdis Laupsa, Senior Audit Adviser, Norway



Basic EUROSAI statistics:

2009 - 76 national audits
2010 - 71 national audits (preliminary)

2009 – 3 cooperative audits,
2010 - 4 cooperative audits (preliminary)

The 2010 annual meeting was devoted to sustainable energy and the impact of environmental audits. 30 SAIs, 3 external organisations attended with a total of 70 people. Keynote speakers came from

International Energy Agency and a NGO speaking about renewable energy. Mr Arnold Kreilhuber was among the speakers and discussed MEAs and the related challenges. The meeting materials have been posted on the EUROSAI web site.

A one-day training seminar based on the INTOSAI guide on sustainable energy and conducted by the Czech Republic drew 40 participants; the materials can be found on the web site.

A new initiative, the cooperative audit on climate change adaptation in Europe has been launched. Formal letters have been sent to Auditor Generals. The kick-off meeting was held in February 2011 in Oslo with 9 SAIs present. The design matrix, audit questions were developed. The participating countries are Austria, Bulgaria, Cyprus, Hungary (observer), Malta, The Netherlands, Norway, Russia, Ukraine and the European Court of Auditors.

Discussions involved 5 topics – risks and vulnerabilities, strategy, cooperation, implementation and impact. The lessons learned from the global climate change audit served as a very useful tool for identifying risks and carrying out the project.

Next steps:

- Final design matrix and project framework by May 2011;
- Audits conducted by end of 2012.

Another new initiative concerns waste, given the great interest towards this subject in the region, the challenges of implementing the EU waste directives on national level and the large number of audits on waste conducted in recent years. The product will be a paper on waste, based on the review of waste audit reports in Europe, focusing on criteria, methodology, findings, tips and examples.

Timeline:

- In May 2011 a seminar on waste will be organised in Oslo, where the paper will be first presented. The programme will include workshops on hazardous and radioactive waste and general waste management, relevant information from the WGEA guidance on fraud and corruption etc.
- In October 2011 the final paper will be presented at the annual meeting.

EUROSAI has two sub target groups – the Nordic countries and the Mediterranean region. The aim is to share experience, networking and cooperation. Meetings usually take place within the framework of the annual meetings.

The Mediterranean region will hold a separate meeting in May 2011 as well, with two new attendees - Portugal and Croatia.

The EUROSAI work plan period comes to an end in 2011 and a new draft work plan for 2012-2014 stems from the current work plan with goals remaining the same and focus on climate change and sustainability. The plan is scheduled to be adopted at the annual meeting in October.

The VIII EUROSAI Congress will take place in May 2011 in Lisbon, Portugal.

9th EUROSAI WGEA meeting will be held in October 2011 in Stockholm, Sweden, focusing on transport related environmental issues and auditing the three E's (economy, efficiency and effectiveness). The meeting is combined with a one-day seminar devoted to best practise focusing on audit evidence and audit criteria and ISSAIs.

Ms Laupsa also demonstrated the EUROSAI web site and the various elements thereof: lists of internal and external experts with links to the relevant sites.

The Chair thanked Ms Laupsa for presenting progress report. He admitted that The EUROSAI region was well accessible, with no more than 1.5 hour flights taking one any place in the region. With regard to the lists of experts presented on the EUROSAI web site the Chair opined that some things really worked better regionally than globally.

ASOSAI

Ms AN Zhirong, Director, Department of Agriculture, China



The main activities of ASOSAI since the SC9 in February 2010 were the following:

1. Participation in WG13 and preparation of ASOSAI meeting as a side event of WG13. 51 delegates from 22 Asian SAIs participated. Discussions included the 2011-2013 work plan and research projects. The meeting was chaired by SAI China. SAIs of Indonesia and Malaysia presented the results of the cooperative audits of mangrove management in the Strait of Malacca.
2. Russia-China seminar on environmental auditing in Russia, September 2010. It was the 5th seminar since the regular work mechanism was established in 2006. Themes ranged from the measures of

environmental protection to audits of natural resources. Possibilities of cooperation in auditing were looked into.

3. 7 Asian SAIs (Bangladesh, Bhutan, China, Indonesia, Malaysia, Nepal and Thailand) participate in the Trans-regional Capacity Building Programme for Performance Audit on Environmental Issues in Forestry. Work started in July 2010. Phases I and II have been completed and SAIs are planning or have already started conducting audits.
4. The ASOSAI Secretariat participated in the 8th EUROSAI meeting in October 2010.
5. Theme II of XX INCOSAI "Environmental Auditing and Sustainable Development" was finalised successfully. The research results were adopted by XX INCOSAI and included in the Johannesburg Accords. SAI China extended special thanks to SAI Estonian and all SC members for attention, contributions to and help with Theme II.
6. ASOSAI work plan for 2011-2013 will focus on taking active measures to promote cooperative environmental audits and training in Asia (e.g. continuing with the IDI-WGEA capacity building programme), exchanging information with SAIs around the world and developing further the ASOSAI web site.
7. Cooperative audits between the SAIs of Russia and China on water issues will be launched during the next work plan period.

The Chair commented on the success of Theme II at XX INCOSAI, especially thanks to the very fruitful cooperation and help from various SAIs, e.g. Canada, South Africa, Poland, Mexico, Denmark.

He proposed Theme II as a topic for the upcoming EUROSAI-ASOSAI seminar in 2011, to be held in Russia.

ARABOSAI

Mrs Hanadi Mohamed, Head of Section, Egypt



Mrs Mohamed thanked SAI Morocco for hosting and the Secretariat for organising SC10.

Major achievements of ARABOSAI Working Team on Environmental Auditing (AWTEA) in 2010:

- The 1st questionnaire on environmental auditing in SAIs was launched in July 2010. 17 SAIs (77%) responded by December 2010. The results are being analysed and will be discussed at the 2011 AWTEA meeting in Tunisia.
- Experience of SAIs in environmental auditing of sanitary and industrial drainage, a first draft presentation by Egypt, scheduled for the 2011 AWTEA meeting in Tunisia.
- Performance evaluation indicators in the field of sustainable development auditing, a first draft presentation by SAI Tunisia scheduled for the 2011 AWTEA meeting in Tunisia.
- Environmental performance evaluation indicators in the field of auditing solid wastes, first draft presentation by SAI Kuwait scheduled for the 2011 AWTEA meeting in Tunisia.
- Web site enhancements: tools for e-mail, uploading documents and links with other environmental sites.

- Training programme for 2011 includes a training meeting on biodiversity auditing, the scientific material prepared by Canada and Brazil was translated into Arabic by ARABOSAI members.
- Participation in INCOSAI work includes translation of the guidances prepared in 2008-2010 into Arabic by Jordan, Egypt, Palestinian Authority, Oman, Kuwait and Tunisia. The first translation (Environmental Accounting of Natural Resources) has been completed in March 2011 by Tunisia.
- ARABOSAI also participates in preparing the WGEA guidance "Fraud and Corruption in Environmental Auditing" and in the WGEA research paper, whose title was modified the day before by the subcommittee: "Impact of Tourism on Conservation of Wildlife"

The Chair appreciated highly the participation of ARABOSAI at SC10 despite the current turbulent times in the Arab world. He praised ARABOSAI for undertaking to translate the WGEA documents into Arabic. He pledged the help of Secretariat for the upcoming meeting.

AFROSAI

Mr Godfrey Blassius Ngowi, Senior Auditor, Tanzania



The progress report covers the period July 2010 - March 2011:

AFROSAI strategic goals:

- Promotion of joint and coordinated regional audits;
- Regional capacity building through training and exchange of experience;
- Increased cooperation between AFROSAI and international organisations.

Participation in WGEA projects:

- SAI Lesotho as project leader has completed the work plan for the WGEA research paper "Impact of Tourism on Conservation of Wildlife";
- SAI Tanzania as project leader has completed the WGEA project plan for the training module on mining;
- SAI Ethiopia is project leader for a coordinated audit on the impact of tourism on the conservation of wildlife – the project is in planning stage.

Regional audits:

- Coordinated environmental audit of the Lake Victoria basin, focusing on declining fish stocks is being currently executed. Participating SAIs: Tanzania, Kenya, Uganda, Rwanda, Burundi;
- Individual audits: SAI Zambia is planning an audit of the impact of mining; SAI Botswana is drafting the audit report on the implementation of the UNFCCC.

Training:

- Environmental training in forest protection (led by Indonesia), participating SAIs: Zambia, Kenya, Tanzania, Botswana, Lesotho, Zimbabwe, Uganda

Cooperation

- is to be increased with UNEP, UNDP, IDI, UNFCCC;
- also within the AFROSAI region.

Meetings:

- As AFROSAI Chair, Tanzania participated in the EUROSAI Annual Meeting in October 2010 in the Netherlands;

- As AFROSAI Chair, Tanzania presented the AFROSAI report at the business meeting at XX INCOSAI in November 2010 in Johannesburg.

Way forward:

- The 2011-2013 work plan will be translated by the Secretariat in Pretoria into French and Arabic, to facilitate implementation throughout the region.

The Chair thanked SAI Tanzania and its representatives at SC10, Mr Cheyo and Mr Ngowi and in particular emphasised the leadership, personal courage and enormous efforts of Auditor General of Tanzania Mr Ludovick S. L. Utouh in launching the regional work and getting the audit of Lake Victoria going.

The Chair recalled a very interesting discussion at the AFROSAI meeting concerning the attention auditors pay to the local government level (he cited good examples from South Africa). There was a lesson to be learned, since often the local government level tends to be forgotten.

ACAG/PASAI

Mr Jonathan Keate, Senior Solicitor/Sector Manager, New Zealand



Mr Keate thanked the hosts and the Secretariat for organising the meeting.

In the ACAG/PASAI region the focus is on cooperative audits, which is part of a broader capacity building programme of the last few years.

Key donors are IDI, ADB, the New Zealand and Australian governments.

Capacity building is focused of the following main aspects:

- Creating a permanent secretariat in Auckland, New Zealand, led by the former Fiji Auditor General and supported by the New Zealand government;
- Raising financial audit capability in smaller Pacific Islands (sub-regional);
- Cooperative performance audits, which is a new area for many in the region;
- General training, manuals, better practices etc.

The cooperative audit programme was developed on the basis of a survey conducted a few years ago.

The results: the solid waste management audit has been completed, drinking water audit is underway and sustainable fisheries audit is being planned.

- 1) Cooperative performance audit on solid waste management:

The WGEA guidance was used and proved very useful.

The audit objective was to assess the effectiveness of solid waste management by determining whether the legal and policy framework was in place, what the process of implementation was and whether implementation was in compliance with the framework in place.

10 SAIs participated, five of them had never conducted a performance audit before. The aims were twofold – to build both institutional and individual capacity. There were two joint meetings a) for planning, b) for reporting. The audits were completed in 2009. The plans included the preparation of country reports and a

joint report. Currently three country reports are still pending, for reasons beyond the SAIs control. Due to this the overall report cannot be finalised and presented to a wider audience.

The joint audit revealed a number of successes (head of SAI support, donor funding, peer reviews, a good mix of Pacific countries involved) and challenges (jurisdictional differences, communication and internet problems, completion within SAIs for resources).

Conclusions: often good frameworks are in place but they do not get properly implemented. Both good and bad practices were established. Lack of funding is often an obstacle to implementation.

2) Cooperative audit of drinking water:

Safe drinking water is a big problem for the Pacific region. The Pacific countries are not on track for achieving the millennium development goals on safe drinking water, there are specific reasons, arising from geography, lack of human and financial resources, the local communities and the government have differing views of water governance.

The audit followed the same line and structure as the audit on solid waste management.

There were 10 participants, 7 had taken part in the previous audit as well, and three were newcomers. The planning meeting was held in September 2010 and the reporting meeting is scheduled for April 2011.

3) Cooperative audit of sustainable fisheries

The audit will be considered at the PASAI Congress in August 2011, in Tonga. One cooperative audit per year may prove too much; more time may need to be scheduled for the whole process.

The WGEA fisheries guidance will be used. The audit may be a chance to take a wider sustainable development approach.

The Chair regretted that he had never been able to participate in a PASAI regional meeting. He thanked Mr Keate for his individual leadership and bringing the environmental auditors of the region together and coordinating its relations with WGEA.

Commenting on all regional reports the Chair expressed satisfaction that cooperative audits had become a theme in all regions and that they were pursuing the audits very effectively. He was very glad that the WGEA guidance materials were put into good use. Cooperative audits also offered good opportunities for training. He hoped that the new global training facility would add more possibilities for training.

The Chair saw the role of regional coordinators as increasing even more in the future. He thanked everybody for their hard work: "You are walking the talk in the in the regions!"

Given the morning's terrible news of the earthquake in Japan, and the tsunami warning that had been given across the whole region, the Chair invited everyone to join him in good wishes and prayers for the people of Japan and of the small Pacific islands.

Impact of XX INCOSAI Recommendations to WGEA Work Plan

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

The Chair gave the SC feedback about XX INCOSAI and how the Johannesburg accords had been formed.

The official Johannesburg accords are still not out, the handouts for the SC members are excerpts to reflect Theme II as discussed and approved by the plenary.

The Chair recalled the process of how the Theme II principal paper and discussion paper had been prepared by China and reviewed at WG13. He thanked everyone who had been actively involved also during XX INCOSAI: China, Canada and Mr John Reed, colleagues from South Africa, Mexico, Denmark, Switzerland and Poland.

Among the keynote speakers at XX INCOSAI was Professor Mervyn King of the Global Reporting Initiative who noted that that reporting and indicator systems in countries needed to change and that money based indicators alone would not work any longer and would have not much value in the future, instead integrated reporting was needed. The second keynote speaker Ms Sylvie Lemmet, Director of UNEP Division of Technology, Industry and Economics, addressing the congress via video bridge, emphasised the role of SAIs on policy implementation and pointed out the need of SAIs to look forward, in addition to always looking into the past.

The Chair had also made a presentation at XX INCOSAI about WGEA, focusing on the year 2010 as compared to 1995, when environmental auditing had first been discussed at INCOSAI. The Chair thanked his colleagues (Steven Elstein and others) for help with the slides.

In his presentation the Chair had emphasised the role and importance of environmental auditing as a key change since 1995. In environmental audits it is important to take a wider perspective than in traditional audits. Given that in relation to the environment, sustainability is ever more important and that sustainability is always looking forwards, the SAIs might almost be breaching the line when they start commenting on policy; for example if the government's forestry policy is unsustainable, the SAIs must have the right to point to this.

In his presentation the Chair had also touched upon cooperative audits, emphasising that those mostly were organised in the field of environment. Another topic concerned auditing MEAs, the approach SAIs should take and what INCOSAI should recommend with that respect.

Other topics of the Chair's talk at XX INCOSAI included standardisation of environmental accounting, sustainability reporting and environmental auditing. There are not many standards in the public sector and he had asked the audience to consider the role of INTOSAI.

Cooperation with other international organisations is also very important. As the South African Minister of the Environment had put it: INTOSAI is the second largest organisation in the world after the UN.

The Chair had also referred to the key importance of capacity building. This is also reflected in the WGEA survey: 65% of the respondents have more than one per cent of staff engaged in environmental auditing, which is a huge step from 1995.

Decisions at XX INCOSAI:

- Encourage SAIs to set priority to environmental auditing and sustainable development issues in all government sectors, i.e. there is a need to take a step further from the environment to other sectors.
- SAIs, WGEA and RWGEAs to increase awareness of the importance of environmental auditing, natural resource accounting among international and regional organisations. The Chair's comment:

those words had been added in the final plenary discussions as most important, but they also reflect environmental reporting, since the word “accounting” might mean different things. However, the Chair concluded that there was a need for SAIs to know more on the governmental level, what resources they were working with, what the status and trends were. As regards the targets – SAIs and WGEA was given a full mandate for reaching out to international and regional organisations and ask for their cooperation.

- WGEA has to build a high level independent summary of findings on implementing MEAs and share it with international organisations. There had been strong support to the proposal by Argentina, backed by the Netherlands and some other countries. The existing WGEA and UNEP work in the field also got mentioned during the discussions. The Chair was not sure though, if this work could be fully accomplished within the current work plan period.
- WGEA to promote and actively develop sustainability reporting frameworks and audit guidance. The Chair: such guidance is not in the current work plan, might be undertaken in the future, once a common understanding is reached about the scope, and once there are standards and enough countries who report sustainable development.
- SAIs are to increase their impact in accuracy, reliability and completeness of environmental and sustainable development information. The Chair: there had been a discussion on whether to use “data” or “information” in that context. Environmental data had been the key issue in the 1995 discussions and the fact that is still there in 2010 shows that the problem remains unsolved.
- SAIs are to undertake more coordinated audits in environmental auditing.
- SAIs are to increase their capacity and make full use of the guidance materials. The Chair noted the recognition and praise given to WGEA for the work accomplished.
- WGEA should further develop methodologies and techniques, knowledge sharing and training and use modern IT The Chair: the latter was brought up by developing countries as an area requiring more attention.

The Chair’s conclusion: the WGEA accomplished even more than expected at XX INCOSAI. The only topic left out from the original plan was the theme of international funding related to the environment - mostly, due to communication problems and difficulties by persons other than environmental auditors to grasp the full meaning of the topic.

The Chair once again thanked everyone who had supported the WGEA presence at XX INCOSAI and China for leadership of Theme II.

Mr Rafael Lopes Torres, Brazil wished to know when the accords were going to be published officially.

The Chair did not know, and expected that would take some time. However, the handouts given to the SC were the same that were to Auditor Generals at INCOSAI and as such were safe to use.

Mr Steven Elstein, USA passed on the opinion of the US delegation at INCOSAI, praising the Chair for representing WGEA so well.

The Chair also thanked his team (Ms Kairi Treufeldt and others) for their active role at XX INCOSAI.

Ms Jill Goldsmith, UK wished to have some information about the Global Climate Change Report.

The Chair: The Auditors General of Canada and Estonia held a press conference regarding the release of the report at XX INCOSAI. 7-8 media representatives were present; the press conference took ca 1.5 h. The

report and press release had been sent to 250 addressees. Later interviews were given to local radios and articles appeared in the local press.

A lesson learned: given that the press was not briefed in advance and were given the materials only upon arriving the questions mostly concerned the South African issues.

The Chair had presented the report also at a COP16 side event. WGEA had a booth and exhibition in the 2nd week of COP16.

The side event was to be shared with the Climate Court, but the latter cancelled the day before. The Chair was of the opinion that the Climate Change Report had created a bigger interest at COP16 than at XX INCOSAI.

Next Meetings: WG14 and SC11

Tõnis Saar, Secretary General, Chair of INTOSAI WGEA, Estonia

SAI Argentina is generously hosting WG14 in Buenos Aires in November 2011. Preparations are well under way.

Sadly, Argentina could not participate this time, but the Secretariat is in regular contact with them. Next steps include finalising the agenda and sending invitations, soon after SC10.

The Chair presented the draft agenda:

Based on feedback from previous meetings a proposal is made to organize one day training before the beginning of the meeting on first steps on environmental auditing for newcomers.

The agenda proper:

Based on survey results, air related issues have been listed as one of the priorities, although WGEA has not undertaken any work on the subject yet. Therefore auditing air related issues is proposed as one of the themes.

One of the projects currently under way is offered as a second theme for the meeting: fraud and corruption, sustainability reporting or infrastructure. The current projects will be combined into plenary and parallel sessions.

The third theme proposed is implementing MEAs - the SAI perspective.

The final day would be mostly devoted to reporting and regional meetings.

Given the decision to cut down on meetings, the proposal is to hold a half-day or full-day SC meeting on the last day, to discuss progress of the 8 papers (5 research projects, 2 guidances and Rio+20).

The Chair put the following questions to the SC:

1. Are you in favour of a pre-meeting course for beginners and are there volunteers to help prepare and deliver?
2. Should the topic of auditing air related issues be on the agenda?
3. What is to be discussed in full plenary, what in parallel sessions?
4. Do you agree having the one-day SC meeting after WG14?

Discussion

Mr Steve Elstein, USA

1. Yes
2. Yes, maybe it is time to take up the subject.
3. Need to think more.
4. Yes, the only reservation: maybe some time needed to decompress and reflect, but probably cannot afford that.

Mr Elstein raised the question of how to more actively involve the other WGEA members with the project work. The notion seems to be that the SC is expected to do the work and then report to the WGEA. He invited the Secretariat to consider some creative ways of better integrating the whole group in WGEA work. The project leaders might need specific help from others as well.

The Chair proposed seeking the input from other participants in the invitations to WG14, and adding descriptions of the topics or short abstracts of the projects. For any call for help, the needs would have to be clear fairly soon, as the invitations will be sent soon, or else such requests would have to follow separately.

Ms Jill Goldsmith, UK

1. Yes
2. Yes, given that there are global air standards and MEAs, it would be interesting to see how they are being implemented.
3. Need to think more. The research paper on infrastructure would be suited for a parallel session.
4. Yes, but maybe half a day is sufficient.

Ms Goldsmith wished to know if any free slots were left in the agenda, for SAIs with interesting work experience to fill.

She also proposed the topic of money flows that was left out at XX INCOSAI, as a plenary topic.

The Chair had not yet set aside any free slots, but will consider it.

Mr Robert Michael Cheyo, Tanzania

1. Yes
2. Yes
3. Parallel sessions are more fruitful.
4. Yes

Ms Herdis Laupsa, Norway

1. Yes
2. Yes, there are EU directives on air quality, the topic ties in with transport, energy etc.
3. -
4. SC meeting could be held on Monday, to coincide with the training session.

Mr Kjell Kristian Dørum, Norway

- 3 It would be premature to have fraud and corruption in a parallel session, rather it could be an inspirational topic for the plenary and would be dealt with at a parallel session during WG15.

Mr Jonathan Keate, New Zealand

1. Yes, but doubts about the number of participants from the Pacific region.
2. Yes, as air topics have been growing in importance in New Zealand and there is an air quality standard that is not going to be met, thus an audit thereof is contemplated for the next few years.
3. No strong views, experience from China showed that parallel sessions afforded a more focused meeting.
4. Yes, but maybe if the SC meeting was held before the official agenda, it would be more focused.

Ms Limakatso Lucy Liphafa, Lesotho

1. and 4. Yes, but the SC meeting could be held simultaneously with the training.
2. Any technical subject could be suggested as a theme for the plenary.
3. Parallel sessions could be held for presenting coordinated or joint audits, and case studies so that participants could pick what is relevant for them.

Mr Edward Simanjuntak, Indonesia

1. Yes
2. Yes
3. Supported Lesotho in proposing parallel sessions for sharing regional experience in cooperative audits.
4. Yes

Mr Mohammed Diyer, Morocco

1. Doubts about the duration of the course – one day is not sufficient. Better to integrate this into a training framework rather than combine training with a WGEA meeting.
2. Yes
3. –
4. Yes

Mr Raj Viswanathan, India

1. Maybe instead of a training course for beginners it could be a session on appreciating environmental audits.
2. Air is an important topic, but discussing the topic for half a day at the plenary would lead finally to quite a detailed approach. Maybe with such a large audience five critical areas (including, but not limited to air) could be picked and discussed.
3. The topics could be introduced at the plenary, thereafter a more detailed discussion in parallel sessions.
4. Yes

Dr Vivi Niemenmaa, Finland

1. Yes
2. Yes
3. The topic of sustainability reporting would suit either the plenary with a key note speaker or a parallel session, with input from others.
4. Yes, preferably after the WG meeting.

Dr Niemenmaa developed further Ms Goldsmith's idea about free slots for interesting cases – a poster session could well serve such a purpose.

Ms Airi Andresson, Estonia

1. Yes
2. Yes
3. Supported Ms Goldsmith's idea of SAIs being able to share their experience, maybe in a parallel session. She also supported Mr Simanjuntak's proposal to discuss cooperative audits. Country presentations would work better in a parallel session.
Like Ms Goldsmith, she thought that climate change funding could be a topic for the plenary, as it needed to be drawn attention to, given the big money involved and big impacts expected. All the more so that nobody has audited the topic yet.
4. Combining the SC meeting with the WG meeting is a good idea, no preference whether before or after.

Ms ZHOU Wenhua, China

1. Yes, but content must suit the participants.
2. The topic of air can be combined with one of the parallel sessions.
3. Discussion more comfortable in a parallel session, can go into more technical detail.

Mr George Stuetz, Canada

1. Yes. The International Association for Impact Assessment always organises 2 training sessions prior to their conferences: one day for beginners, the second day for more advanced learners. The WGEA could follow their example; maybe have a expert talk for half a day on fraud, hazardous goods transportation etc.

Mr Stuetz also expressed his interest in teaching himself.

2. Yes. Mr Stuetz has directed 3 air emission audits in SAI Canada, the topic is very important and should grow in importance among other SAIs as well.
3. More support to parallel session: pick maybe 3 topics, have an expert to introduce the topic and then a discussion panel. A session on cooperative audits proposed by Mr Simanjuntak and the poster session proposed by Dr Niemenmaa are good ideas.
4. Best option for the SC meeting – leave a day in between for reflection and hold the meeting on Saturday.

Mr Rafael Lopes Torres, Brazil

1. Yes. However there are some doubts, since some countries might not be able to send a beginner for the course and another person for the meeting.
2. Despite the issue of air being very important, it could get lost among other things, given that the WGEA has nothing scheduled on this topic for the current work plan period. Better focus on subjects currently at hand.
3. Parallel sessions allow more input by participants. The projects at a more advanced stage could be brought to the plenary, if there is a need for dividing the time.
4. Yes, but after the WG meeting.

The Chair's summary:

He thanked everybody for sharing their thoughts. Some kind of introduction to environmental auditing will be included in the agenda, whether as a pre-course session or at the plenary. Any training should be very focused and well targeted, taking into account the background of the participants.

Something about air issues should be included. More reflection is needed yet.

Cooperative audits and international money flows in the field of environment and climate change are subjects to be considered as well.

Parallel sessions seem to work better, maybe there is a need to cut down on full plenary sessions. Maybe some parallel sessions can be repeated, that hopefully can be arranged on the spot. If there is a limit of 30 people per session and 60 sign up, there will be a repetition. But all this has to be decided in cooperation with the project leaders.

The Chair invited proposals regarding experts to tackle any of the new topics proposed.

The meeting could maybe shrink to 3 days, plus the pre-course and one day for the SC meeting or a combination of the SC meeting with the pre-course. The Chair had no strong views regarding the timing of the SC meeting, the important thing is to have a successful meeting.

The Chair wished to know if what he had proposed was acceptable and the SC agreed.

Closing of the Meeting

Mr Steven Elstein, US thanked the Moroccan friends for a very warm welcome, hospitality and professionalism. Even the highest expectations had been vastly exceeded.

Mr Elstein also thanked the WGEA Chair and the Secretariat whose support had made everything possible over the past few years, especially Ms Treufeldt for a positive collaboration.

The Chair thanked Mr Elstein and Ms Treufeldt.

Mr George Stuetz, Canada also thanked the hosts for a wonderful meeting.

The Chair's Conclusions:

The SC approved the project plans of 5 research projects.

In one case the heading and scope was changed, the new title is: Impact of Tourism on Wildlife Conservation.

The project leaders will review the changes and are requested to send updates by 10 April to the Secretariat. Thereafter the project plans will be posted on the WGEA web site.

For collecting case studies, input is expected from subcommittee members, the WGEA databases will be searched, then regional coordinators will be approached and if these efforts do not produce the desired results, the Secretariat will help.

The SC decided that there was no need for a separate guide for research projects, instead the existing guide for guidance materials will be reviewed, research projects will be included therein and the title will be changed in order to reflect the content. The SC also agreed that the 4-step process in the guide was not mandatory.

The most important milestones in the timeline:

- October 2011 - an extended outline of the projects to be submitted to the Secretariat;
- November 2012 - final drafts of the projects to be submitted to the Secretariat.

The following has been achieved in training:

- The project plans for the training modules of forestry and mining have been approved;
- The e-learning tool on climate change has been completed and the hard copies for climate change training are ready;
- The guide for training materials was approved with changes (added flexibility etc);
- Global training facility on environmental auditing – cooperation will continue with India for next steps.

Cooperation with UNEP:

- WGEA is interested in continuing cooperation with a new project: Development of A Review System for the Effective National Implementation of Multilateral Environmental Agreements (MEAs);
- More information is needed about expectations from WGEA regarding the new undertaking;
- WGEA sees its role as advisory;
- UNEP is expected to select pilot countries directly,
- The schedule is tight.

Rio+20 work plan was approved with changes.

Other issues discussed constituted the Greenlines, the 7th Survey, annual audit collection, web enhancements, regional updates and the agenda for WG14.

The Chair thanked all SC members for their input, his team at the Secretariat and the hosts for making it a fantastic meeting.

Closing Address by Auditor General of Estonia Mr Mihkel Oviir



Mr Oviir commented on the merry look on everybody's faces that led him to believe that many good memories would be taken back home from Marrakech.

He pointed to the need to achieve a balance between work and play. The SC was successful at what it had set out to do – review the activities set out in the work plan and those of the RWGEAs. The brainstorming exercises had opened up very useful perspectives. The SC members had benefited from knowledge gained from each other and

added to the common pool of knowledge. Mr Oviir thanked everyone for active participation and input in the meeting.

Mr Oviir also thanked the hosts for making the stay in Morocco a cultural experience, for the kindness of the people and the excellent facilities provided.

Mr Oviir extended special thanks to President of the Supreme Audit Court of Morocco Dr Ahmed El Midaoui for being such a generous host and making the event such a memorable event. Special thanks were extended to Mr Mohammed Kamal Daoudi and Mrs Nadia El Hadani, for their invaluable help in preparing for and conducting the meeting.

Wishing everyone a safe journey home, Mr Oviir was looking forward to meeting again in Buenos Aires in November.

Closing Speech by Mr Mohammed Kamal Daoudi, Head of Cabinet, Morocco

Mr Daoudi forwarded the best wishes and thanks of Dr Ahmed El Midaoui and expressed his joy over the success of the meeting.

Mr Daoudi shared the following thoughts with the SC: We all live on planet earth and the environment is a common theme for all. We share air and water and biodiversity. And this team of environmental auditors has been one of the first to unify humanity on all continents. We are a family working in the same direction.

Mr Dauodi also thanked his own team, Hassan, Mohammed, Nadia and many others for their help in making the meeting a success. He expressed thanks to Mr Oviir for his initiative and wished everyone a safe journey home.

The Chair declared the meeting closed.