

## Global Coordinated Audit on Climate Change

### Project Objectives:

As part of the WGEA 2008-2010 Work Plan, fourteen SAIs have agreed to cooperate in designing and undertaking coordinated audits of climate change: Australia, Austria, Brazil, Canada, Estonia, Greece, Indonesia, Norway, Poland, Slovenia, South Africa, United States and United Kingdom. In addition, Canada is the coordinator.

This cooperation project is the first of its kind for the WGEA and for several of the partners this is their first coordinated audit of this type. The partners are a diverse group, having a range of experiences in auditing climate change issues and a mix of audit mandates and practices. The partners represent many regions (Africa, Asia, Europe, North America, and South America) and three come from developing countries.

The **objectives** of the cooperation project are:

1. To encourage and support effective national audits of climate change by supreme audit institutions.
2. To coordinate auditing and reporting of selected climate change sub-topics in order to exploit the collective power and insights of participating SAIs in addressing a global problem.
3. To build strategic relationships with key international organizations.

### Project Scope:

The partners will work together to develop a consistent *audit approach* in each of three main topic areas - mitigation, adaptation, science and technology. The audit approach will include options for sub-topics, audit objectives, researchable questions and audit criteria. For purposes of cooperation, the audit approach will be treated as a "menu of options" from which partners will choose to undertake audit work. It is assumed that this will lead to "clusters" of SAIs who will audit the same issues at the same time.

To develop the audit approach for the three main topic areas described above, three cluster teams have been formed. Each team will elaborate suggested sub-topics, audit objectives, criteria and researchable questions, in the form of a table/matrix.

Once the "menu of options" are finalized (expected at end of April), partners will be asked to indicate the scope of planned or existing individual national audits. Clustered findings from the national audits will form the basis of the joint report (see below)

### Planned Methodology and Participants:

A fuller description of the project is available in the Partners' Status Report #2 (attached).

### Communication:

The project partners plan to meet three times during the course of the audit cycle and to communicate by email and telephone in between meetings.

In addition, the project coordinator (John Reed) will keep the Chair and Steering Committee fully informed of the project and will respect all requests for information.

Also, it is clear that there is a close relationship between this coordinated audit and the guidance materials being prepared by the SAI of Norway and the two projects will endeavor to maintain close communication.

**Possible Final Output:**

Consistent with the first project objective, this project will lead to a series of national audit reports prepared and table pursuant to the reporting practices of each SAI.

In addition, all partners are in favour of some sort of **joint reporting**. The primary purpose of such reporting is to increase the impact of our work as well as to broaden the key audiences. Joint reporting provides the opportunity to communicate common findings, lessons learned, auditor assessments, benchmarking, and best practices. It is felt that joint reporting would also provide context for – and reinforce - national findings. Potential audiences for joint reporting include National Parliaments and Parliamentarians, international organizations such as the UNFCCC, UNDP, UNEP, IISD, multilateral financial institutions, and SAIs.

With respect to the timing of a joint report, all SAIs have a similar constraint: National reporting must take place before joint reporting. This means effectively that the last national report completed is the rate-determining step for release of any joint reporting. The partners agreed that findings from relevant climate change audits that have already been undertaken could be included in the joint reporting. Partners favoured working toward a special ceremony at the XX INCOSAI scheduled for November 2010 in Johannesburg South Africa.

There is broad recognition that the final format of joint reporting depends on the extent to which the partners form natural clusters and the extent to which audit work is undertaken in a consistent fashion. Partners agreed it was too early to make decisions on the content or format of the joint report and that this would be a key discussion item at the next meeting. Other issues to be discussed and decided include the development of a robust communication strategy, detailed timing, clearance process, translation, cost and cost sharing, and how to handle 'stale dating' of findings.

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Project partner contacts:

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Austria - Mr. Heinrich Lang  
Brazil - Ms. Carla Ribeiro da Motta, Ms. Juliana Cardoso Soares  
Canada - Mr. Richard Arseneault, Mr. George Stuetz  
Estonia - Ms. Airi Andresson, Ms. Kairi Raudsepp,  
Finland - Ms. Vivi Niemenmaa  
Greece - Ms. Theologia Gnardelli  
Indonesia - Mr. Edward Simanjuntak, Mr. Syaiful Nasution, Mr. Dewi Sabardiana  
Norway - Mr. Helge Strand Ostveiten, Mr. Sigmund Nordhus, Ms. Kristine Skog  
Poland - Mr. Zbigniew Wesolowski, Ms. Ewa Borkowska-Domanska  
Slovenia - Mr. Igor Soltes, Ms. Jerneja Vrabic  
South Africa - Mr. Wessel Pretorius, Ms. Tini Laubscher, Mr. Louis Heunis  
USA - Mr. Steve Elstein, Mr. Mike Hix  
UK - Mr. Joe Cavanagh

## Timeline and Key Milestones:

The project partners have agreed on a provisional timetable as follows:

### **Preparing the Audit (2008)**

#### **January 29 – February 1, 2008**

- **First** meeting of the partners (Pretoria, South Africa)
  - Discussion of project details
  - Agreement on climate change sub-topics, degree and form of cooperation and joint reporting, process for developing audit approach, subsequent timetable,

#### **February to May 2008**

- Audit approach matrices (menus) to be provided by end of March 2008 (stable solid working draft containing sub-topics, audit objectives, audit questions and generic criteria)
- SAI's to indicate choices/inclusion by end of April 2008

- **Final Draft of Project Plan to Estonian Secretariat, 17 March 2008**
- **Receive comments on project plan from the Steering Committee, April 2008**
- **7<sup>th</sup> Steering Committee meeting, Tallinn, Estonia, reviewing and approving Project Plan, 6-9 May 2008**

#### **May 2008**

- Presentation of project work plan to WGEA Steering Committee
- Discussion draft of audit approach matrix

#### **Q4 2008**

- **Second** meeting of the partners (Venue Oslo – early October)
  - Finalize audit approach and means of coordination
  - Discuss scope, structure and content of joint report
  - Compare early experiences obtained during detailed planning
- Mutual coaching and exchange of methodologies

- **12<sup>th</sup> meeting of the WGEA, Doha, Qatar, 25-29 January 2009**

### **Conducting the Audit (2008-09)**

#### **Q4 2008 to end 2009**

- National audit teams conduct national audits
- Data collection according to the audit approach agreed upon
- Possibility of combined/joint enquiries to international organizations.

### **Reporting the Audit (2009-10)**

#### **Late 2009 to early 2010**

- National reports are completed, verified and submitted to the relevant national authorities.
- Summaries in English of national reports (including comparative data) are finalised and forwarded to the Coordinator.

#### **November 2009**

- **Third** meeting of the partners (Venue TBD)
  - Discussion on national reports
  - Finalize the scope, structure and content of the joint communiqué/report joint (includes re-visiting initial decision re joint report)

- **8<sup>th</sup> Steering Committee meeting, review and approve the draft of the Project, December 2009**

**Early to Mid 2010 (January – June)**

- The joint communiqué/report is written, agreed upon and issued.
  
- **Final draft of the Project to the secretariat, April 2010**
- **13<sup>th</sup> WGEA meeting, June 2010**
- **Final version of the Project – translation, editing, printing etc., September 2010**
- **INCOSAI XX 15-20 November 2010**
  - Signing Ceremony at XX INCOSAI

## ATTACHMENT

### **WGEA Climate Change Global Audit Cooperation Project: Partners' Status Report #2**

#### **Introduction:**

At the 11<sup>th</sup> meeting of the WGEA in Arusha, Tanzania in June 2007 (WG11), a number of SAIs agreed to cooperate in designing and undertaking coordinated audits of climate change. There are currently thirteen participating SAIs, hereinafter referred to as "the partners": Australia, Austria, Brazil, Canada, Estonia, Greece, Indonesia, Norway, Poland, South Africa, United States and United Kingdom. In addition, Canada is the coordinator.

This document keeps a running record of the project status, decisions taken, and decisions to be made. It is structured on the paper *Cooperation Between Supreme Audit Institutions: Tips and Example For Cooperative Audits* recently adopted by the working group (hereafter referred to as the *Cooperation* paper). It will record the **status** of a given Tip (as known) and will be used to pose **questions to partners**.

This report now supersedes the Partner's Status Report #1 and is derived largely from the responses received from partners in reply to questions posed in version #1.

#### Partner Contacts:

*Australia - Mr. Peter McVay*

*Austria - Mr. Heinrich Lang*

*Brazil - Mr. Ismar Barbosa Cruz, Mr. Omir Pereira Levinas, Mr. Sebastião Ednaldo Prazeres de Castro, Ms. Carla Ribeiro da Motta, Ms. Juliana Cardoso Soares*

*Canada - Mr. Richard Arseneault, Mr. George Stuetz*

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*Greece - Ms. Theoligia Gnardelli*

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*Poland - Mr. Zbigniew Wesolowski, Ms. Ewa Borkowska-Domanska*

*Slovenia – Mr. Igor Soltes, Ms. Jerneja Vrabic*

*South Africa - Mr. Wessel Pretorius, Ms. Tini Laubscher*

*USA - Mr. Steve Elstein*

*UK - Mr. Joe Cavanaugh*

#### **Overview of Project Objectives:**

This cooperation project is the first of its kind for the WGEA and for several of the partners this is their first coordinated audit of this type. The partners are a diverse group, having a range of experiences in auditing climate change issues and a mix of audit mandates and practices. The partners represent many regions (Africa, Asia, Europe, North America, and South America) and three come from developing countries. While the partners share a commitment to success, naturally, there are different expectations for this project. For most partners, this project is more than just a coordinated audit and includes elements of methodology development, capacity building and relationship building.

In addition, there are important linkages between this audit cooperation project and the WGEA projects to develop guidance materials on climate change and sustainable energy that are being led by Norway and the Czech Republic respectively. (For example, these guidance materials could set the "big picture" for each topic and include methodology, case studies and lessons learned that are developed through the audit cooperation project.)

Taking all of this into account, the objectives of the audit cooperation project are proposed as:

4. To encourage and support effective national audits of climate change by supreme audit institutions.
5. To coordinate auditing and reporting of selected climate change sub-topics in order to exploit the collective power and insights of participating SAIs in addressing a global problem.
6. To build strategic relationships with key international organizations.

In effect, national audits may include climate change issues that are being coordinated with other SAIs as well as issues that are not. To support both the national audits and the coordinated elements, the partners will collaborate in developing relevant audit guidance (taking into account both the similarities and differences of audit institutions) and in helping each other to apply it. This will involve identifying options for climate change sub-topics (that is, auditable lines of enquiry) as well as suggested audit approaches (audit objectives, criteria, questions, methods, etc.) for some or all of these.

Although the partners are committed to coordination in principle, the precise *degree* of such coordination still needs to be determined as does the nature and content of and the audience for joint reporting. As described under TIP 7, a “cluster” model of harmonization is proposed.

Finally, with respect to building strategic relationships, the partners will work with selected organizations in planning and reporting on the audits and in extending the benefits to other organizations.

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**TIP 1 Communicate!**

*“Communicate during all phases of the audit and communicate as informally as possible. Personal and especially face-to-face contact is essential for good communication. Hold a kick-off meeting where all participants can meet in person; this will make future contacts easier. Use all possible methods of communicating, such as meetings, e-mail, telephone, and video conferencing. Try to avoid personnel changes within teams.”*

**Status:**

The first partners meeting (kick-off meeting) will take place January 29 – February 1 2008 in Pretoria South Africa. Three face to face partner’s meetings are planned through the duration of the cooperation project (see the Timeline in Tip 8).

In addition, it is proposed to hold teleconference meetings at a frequency and duration to be determined by the partners. This will be discussed in Pretoria.

Partners will be invited to raise any other communication ‘ground rules’ at the first meeting.

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**TIP 2 Get general consensus on the mutual desire to cooperate and the topics to be audited.**

*“Choose a topic that is of interest to all SAIs involved.”*

**Status:**

While climate change has been chosen as the topic, the partners recognize it is too broad and complex to be considered as a single audit topic. There is a need to break it into auditable sub-topics.

Set out below are the sub-topics of interest to the partners as expressed in replies to John Reed's September 13 2007 e-mail.

<b>Australia</b> - Mitigation of, and possibly measurement of, GHG emissions.
<b>Austria</b> – Implementation of national CC strategy; sectoral approach to meeting Kyoto; granting systems; emission trading system; energy saving in housing sector; energy efficiency in general
<b>Brazil</b> – none identified
<b>Canada</b> – Follow-up to 2006 work on national government management, adaptation, specific programs in renewable energy.
<b>Estonia</b> - Quality of accounting and reporting of CO2 equivalents (with special attention to emissions from transport); Effectiveness of reducing GHG emissions by studying the use of money received from CO2 market (regarding the objectives of Kyoto protocol)
<b>Greece</b> – National framework, government's management of emission-trading
<b>Indonesia</b> – Mitigation and control of GHG emissions from energy, industrial and forest sectors
<b>Norway</b> – Mitigation of emissions; national framework and the government's management of climate change; emission-trading; Kyoto mechanisms – joint implementation (JI) and clean-development mechanisms (CDM)
<b>Poland</b> – Implementation of national climate change programme, national emissions-trading systems, energy sector
<b>Slovenia</b> -
<b>South Africa</b> – Compliance with conventions/protocols; good governance practices
<b>United States</b> - Identifying best (and successful) practices to establish meaningful and accurate estimates of baseline emissions levels; identifying and implementing cost effective, low-cost or no-cost strategies for reducing greenhouse gas emissions; inventorying approaches to adaptation and identifying progress in developing adaptation strategies.
<b>United Kingdom</b> – Effectiveness of key policy instruments

There is clear convergence in many topic areas, especially in relation to mitigation. That said, there is a need to create a more complete list of potential sub-topics (and to frame these topic areas into more traditional auditable lines of enquiry) from which partners can choose.

A first draft of this longer list appears as Appendix 1 to this Report, *Options for Climate Change Sub-Topics*. It has been developed drawing on the responses above, on the *Climate Change Options* document in use within the Eurosai WGEA as well as on recent reports of the UN IPCC. These sub-topics have been organized under four themes: Mitigation, Adaptation, Technology Development, and Science Research and Monitoring. These are the four intersecting domains identified as being critical in UN IPCC documents.

It is suggested that we can use this list to determine the sub-topics that are to be included in national audits and also which ones are to be coordinated. This will help to guide methodology development as well as joint reporting.

**Questions to Partners:**

- 2.1. Do you have comments, additions or deletions to suggest to the long-list of options?
- 2.2 For each sub-topic, please indicate 1) whether you are planning to include this sub-topic in your national audit(s) (or have done so already) and 2) whether it should be included in the scope of coordination and joint reporting.

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**TIP 3 From the very beginning, get (and keep) commitment at the highest level within the SAI**

*“Commitment of the auditor general or president and board of auditors is crucial for a successful cooperative audit. A cooperative audit generally has lengthy timelines, making it very important to stick to the timetable in the international agreement on audit cooperation. The cooperative audit must have the ability to survive internal competition within the SAI structure. The best guarantee of its survival is support from the auditor general, which encourages commitment at lower organizational levels as well. The support may be reinforced by including the audit in the SAI’s annual work plan.”*

**Status:**

All of the partners have indicated that the cooperation project has explicit support of the head of institution.

The extent to which SAIs have included the audit in existing audit plans varies – some have some have not (so far). Several are awaiting further elaboration of the audit approach. No SAIs anticipated any difficulty in including the audit in their Office’s plan or in allocating the resources necessary to complete the audit and participate in the cooperation project.

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**TIP 4 Take time to get acquainted with each other and discuss how to deal with differences—for example in mandate, legislation and rules, procedures, and work habits.**

*“Cooperation yields the best results when participating SAIs understand each other. To cooperate successfully, SAIs need to know about each others’ capacities and limitations. Good mutual understanding makes it possible to design an optimal form of cooperation.”*

**Status:**

To be discussed explicitly at the first meeting of the partners. Each partner will be asked to give a brief presentation on its overall vision for the cooperation project.

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**TIP 5 Determine the form of cooperation.**

*“The choice between a joint, coordinated, or concurrent (or parallel) audit can depend on the reasons for cooperation, the audit topic, or practical circumstances—for example, mandate, or available time and money. Determine also whether the project requires a joint audit team or separate national teams. Coordinated audits with separate national teams are most common.”*

**TIP 7 Determine the audit approach.**

*“Individual SAIs may prefer various audit approaches (scope, audit questions, criteria, or methods). Decide what will be the common framework for your cooperative audit and which elements each SAI will develop separately...Experience shows that audits with overly complex and extensive common elements have less chance of succeeding. Limited and unambiguous joint audit questions often deliver the best comparable results.”*



**TIP 8 Determine the desired product.**

*“During the preparation phase, participants should decide on the desired product—a joint audit report, separate national reports, or both (see Tip 17)—because the type of product largely determines the extent to which the audit process has to be coordinated. Joint reports need more coordination than separate national reports.*”

**Status:**

TIPs 5, 7 and 8 have been combined here because they are closely related.

Regarding the form of cooperation, this is a “coordinated audit”. This is founded on national audits by national teams with separate national reports. In addition, all partners are committed to some level of audit coordination or harmonization. The level still needs to be determined and this will be a significant part of the agenda at the first partners’ meeting.

It will be necessary to flesh out methodological details for each sub-topic that is selected for coordination (and, if desired by the partners, for sub-topics that will only be included in national audits), including its scope, audit objectives, criteria, researchable questions and so forth). To this end, it is proposed to complete a “design matrix” of some variations (to be decided in Pretoria).

Virtually all partners have expressed support for some form of joint reporting, however, there are divergent views of the exact nature and content of and audience for such reporting. Some partners favour a single joint report, other feel this is not possible. Some favour joint reporting of comparable audit findings (based on the findings derived from coordinated LOEs), others prefer summarized national findings, presented as case studies. Some has also raised the question of “supra-national” findings, that is those findings and recommendations that may be beyond a national government.

There is a clear relationship between the extent to which national audits include common sub-topics, the extent to which partners adhere to a common audit approach for these sub-topics, and the options available for joint reporting (and more specifically, to the degree of comparability of findings). To help understand the range of options available, one can imagine a continuum of cooperation as described below.

At one extreme is a “**rigid**” model of coordination. This model entails a common scope and high degree of harmonization. For example, common sub-topics would be chosen, and *all* partners would be expected to audit these. Partners would adhere to agreed and well-defined audit approaches. This leads to a joint report of highly comparable findings since all partners have basically audited the same things in the same way (bearing in mind of course national differences).

At the other extreme is a “**loose**” or “laissez-faire” model. As its name suggests, this is a model of minimal harmonization. For example, common sub-topics would not be chosen as above, rather each SAI would choose its audit scope independently. Adherence to a common audit approach is flexible. This leads to a joint report largely comprised of summaries or anecdotes of national audits, since the basis for comparability of findings is low.

The middle ground is a “**cluster**” model. In this model, there would be a number of common sub-topics chosen overall but not *all* partners would be expected to audit each of these. Rather, a given sub-topic could be audited by a cluster of partners. For example, a cluster of partners might address mitigation, another adaptation, and another still technology development. This allows for a joint report which combines national summaries as well as some comparable findings.

Other aspects about the cooperation project will also be discussed in detail at the first meeting of the partners. For example, one SAI has suggested that establishing “comparative international bench marks” be a part of the project. Others have stressed the need for capturing lessons learned. Others still have suggested the need for capacity building.

Final agreements will be reflected in a Memorandum of Agreement as suggested under Tip 9.

**Questions to Partners:**

*5.1 What model of cooperation does your SAI favour? (Please be explicit and address the issues of selecting common sub-topics, adhering to common audit approaches and the expectations for joint reporting).*

*7.1 Further to Question 2.2, for the sub-topics to be included in the coordination, please identify possible audit objectives and researchable questions.*

**TIP 6 Decide about coordinator and tasks.**

*“All participating SAIs should be committed to making the audit a success, but it may be advisable to let one SAI or a group of SAIs coordinate certain activities—for example, production of the audit design, formal agreement, meetings, and the writing of a possible joint report and its translation, printing, and dissemination. In short, determine which SAI will be coordinator and what are its responsibilities.”*

**Status**

John Reed of Canada is coordinator for the project. Based on responses to his email of September 13, 2007, the partners' expectations of the roles and responsibilities of the coordinator are as follows:

- Provide a clear sense of direction and keep the project focussed and on track
- Take initiative and make suggestions where necessary
- Facilitate consensus decisions among partners (bearing in mind individual needs and differences)
- Organize and chair meetings of the partners
- Maintain communication with and foster communication between partners
- Maintain liaison with external (non-SAI) partners, such as the IPCC and UNFCCC Secretariat
- Lead the writing of selected project documents, including the Memorandum of Agreement, work plans and progress reports required for the WGEA Steering Committee, and the joint report
- Supports training and capacity development related to climate change audits.

The partners have high expectations of themselves and their respective roles and responsibilities. While a voluntary partnership, ultimately, success hinges on the individual leadership and effort of each participant. Among the views expressed, partners expect partners to...

- Commit to and prioritize this coordinated audit
- Participate in a collaborative and flexible manner
- Make joint and consensus based decisions (on all aspects of the project)
- Follow the Tips and Examples paper
- Fulfill commitments in a timely fashion (in accordance with the established timelines), including input to final report
- Share ideas, experiences and information through all phases of this project (such as methodology, case studies, country situations)
- Focus on that which is most deliverable and achievable.

It is anticipated that in Pretoria, we will identify, discuss and agree upon the many many tasks that will be required at and in between meetings in order to have a successful project.

In addition, as noted earlier, there is a natural relation between this cooperation project and the two guidance papers being lead by Norway (Climate Change) and the Czech Republic (Sustainable Energy). At a minimum, appropriate methodology, case studies and lessons learned could be incorporated into either of these papers. But there may be additional ways to capture synergies between the two papers.

**Questions to Partners:**

*6.1 Do you agree with the roles and responsibilities described above?*

*6.2 What are your thoughts regarding the relationship with the guidance materials projects?*

**TIP 9 Make a detailed timetable, taking into account time-consuming procedures.**

*“The outcome of the planning process should be specified in a detailed timetable that lists all the milestones, including the audit start and finish dates (see Tip 14). Other general audit milestones might be*

- *agreement and signing of a common position on cooperation,*
- *development of national audit programmes,*
- *completion of national audits,*
- *drafting of national audit reports and their abstracts, and*
- *drafting and adoption of the joint audit report.”*

**Status:**

Most partners considered the broad timetable presented in the Status Report 1 to be reasonable and realistic. Some partners provided additional comments for incorporation as reflected in the updates timetable outlined below. More precise dates for certain tasks will be discussed at the first meeting.

**Preparing the Audit (2008)**

**January 29 – February 1, 2008**

- **First** meeting of the partners (Pretoria, South Africa)
  - Discussion of project details
  - Agreement on climate change sub-topics, degree and form of cooperation and joint reporting, process for developing audit approach, subsequent timetable,

**February to May 2008**

- Draft Memorandum of Agreement (and “Common Position” document)
- Elaborate “audit approach matrix” for selected sub-topics

**May 2008**

- Presentation of project work plan to WGEA Steering Committee
- Discussion draft of audit approach matrix

**Q4 2008**

- **Second** meeting of the partners (Venue TBD)
  - Finalize Memorandum and Common Position
  - Finalize audit approach and means of coordination
  - Discuss scope, structure and content of joint report
- Mutual coaching and exchange of methodologies
- Heads to sign Memorandum of Agreement.

**Conducting the Audit (2008-09)**

**Q4 2008 to end 2009**

- National audit teams conduct national audits
- Data collection according to the audit approach agreed upon
- Possibility of combined/joint enquiries to international organizations.

**Reporting the Audit (2009-10)****Late 2009 to early 2010**

- National reports are completed, verified and submitted to the relevant national authorities.
- Summaries in English of national reports (including comparative data) are finalised and forwarded to the Coordinator.

**November 2009**

- **Third** meeting of the partners (Venue TBD)
  - Discussion on national reports
  - Finalize the scope, structure and content of the joint communiqué/report joint (includes re-visiting initial decision re joint report)

**Early to Mid 2010 (January – June)**

- The joint communiqué/report is written, agreed upon and issued.

**November 2010**

- Signing Ceremony at XX INCOSAI

**TIP 10 Reserve more resources (time, money, personnel) than you would for national audits.**

*“International cooperation may demand substantially more resources than national audits. This is largely due to the work involved in finding audit partners and fine-tuning procedures, audit results, and a joint report if one is planned. Preparing a joint report requires significant financial and organizational effort, although the amount of effort varies greatly according to the type of report (see the chapter “Reporting the Audit”). Also to be taken into account are the extra material costs involved in cooperation—for example, for meetings, travel, translation, and reproduction and distribution of joint reports.”*

**Status:**

No partners anticipate difficulty in acquiring the resources necessary to undertake the national audits. Some partners have budgetary constraints that could preclude travel.

**TIP 11 Decide about remaining practical matters.**

*“Apart from the resources and timetable, following are the most important practical matters to be discussed and decided:*

- *composition of audit team(s) (the teams should be in place for the entire period of the audit cooperation);*
- *exchange of data during the audit process (see Tip 15);*
- *possibilities of sharing confidential information and document among SAIs (many SAIs by law or regulation have the right to access the documents and information, but not for sharing the information to the others including others SAI(s));*
- *type and form of comparative data to be collected for inclusion in the joint report (the data should be defined very precisely (see Tip 19)); and*
- *language(s) and layout of the report draft(s) and final document(s).”*

**Status:**

To be discussed at the first meeting of the partners in Pretoria.

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**TIP 12 If you believe it is not going to work—stop it!**

*“Before reaching a formal agreement to conduct a cooperative audit, the SAIs should explicitly consider the project one more time. If it is evident that the goals cannot be achieved—perhaps because of insuperable differences between the parties—it might be wise not to proceed. In some cases, SAIs have reached this conclusion earlier in the preparation process.”*

**Status:**

To be discussed by partners in Pretoria.

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**TIP 13 At a minimum, get formal agreement about the form of cooperation, the timetable, the possible differences in audit approach, and the desired product.**

*“It is recommended to close the preparation phase of the cooperative audit by signing a formal agreement on the main aspects of agreed cooperation. This agreement is often called a common position on cooperation and is signed by representatives authorized by each SAI’s auditor general or president.”*

**Status:**

We plan to develop a formal “Common Position” and “Memorandum of Agreement” to be signed by the heads of SAI in 2008.

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**TIP 14 Conduct the audits simultaneously to the extent possible.**

*Conducting the audits simultaneously maximizes opportunities for exchanging experiences and audit findings during the audit, and finding common solutions to difficulties. Another advantage of simultaneous audit is that all parts of the audit refer to the same period, making the results easier to compare. Simultaneous audit is therefore especially recommended if a joint report is planned. In all cases, good preparation is essential for successful simultaneous audits.*

*Experience shows that SAIs may have more opportunity to participate if some flexibility is allowed—for example, spreading the audit phases over a longer period or choosing milestones in a way that helps participants to meet deadlines (see also Tip 9).*

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**TIP 15 Exchange audit experiences and findings during the audit.**

*It is useful to discuss findings and conclusions with the other SAIs during the audit process. Exchanges will allow cross-references between reports to be more informative and may facilitate mutually supportive observations. Exchanges should be kept to a general level, where differences between countries need not impinge. Meetings and other exchanges can also be used to solve problems, maintain a common approach, and keep the audit process on track.*

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**TIP 16 Consider joint field trips and joint interview; these can be worthwhile.**

Joint fieldwork can strengthen the common framework, team spirit, and participants' understanding of each other's auditing practices. This tip applies if participants are auditing the same entity, such as an international commission or an international management structure. It can also be worthwhile for participants to join in each other's national activities. Joint fieldwork is really feasible in instances of bilateral cooperation, where there are no language or organizational barriers (see also Tip 1).

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**TIP 17 Choose the type of reporting that best fits your purpose(s). Develop a joint report if there is added value.**

Cooperative audits generally result in two types of products: national reports and joint reports. Joint audits produce only joint reports (Exhibit 2). Coordinated audits can produce separate national reports and/or a joint report with different degrees of integration. Concurrent (or parallel) audits produce only national reports.

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**TIP 18 Once you know the audit results, again consider the type of report you decided on earlier.**

The outcome of the audit process ultimately determines which type of report is appropriate. This outcome may differ from initial expectations. It is therefore advisable to allow a moment for reconsidering the original decision on the type of report. SAls should ask themselves whether they still wish to write a joint report. If they do, they should consider whether they still want the degree of integration decided in the preparatory phase of the audit.

These points could be discussed at a meeting, along with such questions as how to compare the information and whether the audit and report designs are still valid.

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**TIP 19 When you have decided to develop a joint report, make a final decision about which elements to include.**

Apart from a set of abstracts, a joint report may contain four elements. There are advantages and disadvantages to including each. The choice should depend on the goal of the audit, the findings, and the position of the participating SAls.

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**TIP 20 Choose the right time for publication of the joint report.**

Newsworthiness is a key factor in the impact of a report. For example, a report published immediately before an important international meeting might attract more attention from the public and experts.

Another important issue is timeliness. If publication of a joint report is overly delayed, the findings of each participant may be less comparable to those of another or to the actual situation. Publication of a joint report depends on timely completion of audit proceedings by individual SAls.

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**TIP 21** *If the final products of a cooperative audit are national reports, try to arrange for their tabling within a reasonably short period. This will increase their impact and newsworthiness.*

*If the final products of a cooperative audit are national reports, tabling them within a short period of time will increase their impact and newsworthiness. A key element in coordination of reporting is to ensure that the participating SAs release their reports at the same time, preferably on the same day. This gives them an opportunity to refer to each other's report.*

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**TIP 22** *Determine the distribution of the report in accordance with its planned purpose and the audit outcome (findings, conclusions, and recommendations).*

The distribution list should at least include stakeholders with adequate power to make decisions and take action. Assess whether there are international players that might be interested and/or able to take action on the audit conclusions.

## Appendix 1

### Options for Climate Change Sub-Topics

(The “Long-list”)

Climate change is too large an issue to be considered a single audit topic. It needs to be broken down into auditable “sub-topics”. The following table presents a list of options for sub-topics, organized under four themes. It is expected that the partners in the cooperation project will draw from this long-list when determining the sub-topics for coordination.

This is not a list of mutually exclusive options – rather they can be ‘mixed and matched’. For example, a SAI could choose to examine Reducing GHG emissions in the Forest sector.

In the table below, a sub-topic is simply the title of a subject area. A mix of audit approaches (including specific audit objectives, scope, criteria, methods, etc) is possible for any given sub-topic. Indicative audit objectives have been included for some sub-topics in the table.

#### **Questions to Partners:**

- 2.1. Do you have comments, additions or deletions to suggest to the long-list of options?
- 2.2 For each sub-topic, please indicate 1) whether you are planning to include this sub-topic in your national audit(s) (or have done so already) and 2) whether it should be included in the scope of coordination and joint reporting.

<b>Sub-topic title</b>	<b>Indicative Audit Objectives</b>	<b>Included or planned in national audit(s)?</b>	<b>Candidate for coordination and joint reporting?</b>
<b>Mitigation</b>			
<b>Over-Arching Activities</b>			
National plan or strategy	Does the government have a coherent and comprehensive plan? Is it being implemented and what results are being achieved? Are effective governance and accountability arrangements in place between relevant agencies?		
Information for decision-making	Are policy targets and choices based on adequate environmental, social and economic data?		
Reducing GHG emissions	Is the government meeting its reduction targets? Is it providing effective oversight of agencies and actors responsible for achieving emission targets?		
GHG emission inventories and forecasting	Are inventories and forecasting reliable?		
Evaluating and reporting performance	Is the government credibly measuring and reporting on its performance?		
<b>Policy Tools and Activities</b>			
Legislation, regulation and standards			
Taxes and charges (carbon or			



energy)			
Subsidies and tax credits			
Emission trading and tradable permits			
Clean development mechanism			
Joint implementation			
Voluntary agreements			
Building codes			
Land-use planning and regulation			
Education and information			
<b>Key Sectors</b>			
Energy generation and supply			
Transport			
Buildings			
Industry			
Agriculture			
Forestry			
Waste management			
<b>Adaptation</b>			
<b>Over-arching activities</b>			
National plan or strategy for adaptation			
Risk-management framework (for key vulnerabilities)	Has the government identified key vulnerabilities (such as to food supply, infrastructure, water resources) using a credible process?		
Information for decision-making			
<b>Policy Tools</b>			
Regulation and standards			
Land-use planning			
Education and information			
Technology transfer			
<b>Key Sectors</b>			
Coastal zones			
Water resources			
Agriculture			
Public health			
Infrastructure			
Food supply			
<b>Technology Development</b>			
R&D for mitigation technologies	Is the government effectively supporting R&D efforts		
R&D for adaptation technologies			
<b>Science Research and Monitoring</b>			
Climate science			
Environmental monitoring			
Early detection and warning	Has the government established an effective early detection and warning system for climate change impacts and disasters?		
Impact observations and analysis			