



INTOSAI  
Working Group  
on Environmental  
Auditing

# MINUTES

## Twelfth Meeting of the Working Group (WG12)

Doha, Qatar  
25-29 January 2009





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The Secretariat of the INTOSAI WGEA would like to thank the SAI of Qatar, especially Mr S.Radhakrishnan for helping to provide the minutes of the meeting.



## Friday, 23 January and Saturday, 24 January 2009

### Training Course on Biodiversity

A two-day training course on Biodiversity was held prior the main meeting of the INTOSAI Working Group on Environmental Auditing in Doha, Qatar. The training course was led by Ms Carolle Mathieu from the SAI of Canada and Ms Elaine Ferreira Souza from the SAI of Brazil, 69 participants from 37 countries participated, additionally 3 IDI (INTOSAI Development Initiative) training instructors were involved, Mr Allen Parker from the SAI of Cook Islands, Mrs Leila Paras from the SAI of Philippines, and Mrs Florence Kiriinya from the SAI of Kenya.

## Sunday, 25 January 2009

Participants spent the day on an environmental excursion to the natural reserves at Alshahania and Alreem hosted by the SAI of Qatar. Watching the Arabian Oryx, Reem gazelle, Ostriches, camel rides, exclusive opportunity for holding falcon, and view of the vast area of camel race tracks were the main attractions. Welcome reception and dinner was organized in the evening in the Diplomatic Club.

## Monday, 26 January 2009

### Morning Session

#### Welcome and Introductions

### Mr Mihkel Oviir, Auditor General of Estonia, Chair of the INTOSAI WGEA

Mr Mihkel Oviir welcomed the delegates and declared opening of the meeting. He mentioned that this is the twelfth time the delegates are gathering to discuss the important environmental issues and the Doha meeting is the biggest one ever before. He told that it is the first time to enjoy Arabic hospitality and also the first time for Estonia to chair the meeting. He thanked H.E. Salah bin Ghanim Al Ali Al Ma'adeid, President of the State Audit Bureau of Qatar for hosting the meeting. Drawing attention to the agenda, the Auditor General stated that the meeting would pay considerable attention to the major theme of Climate Change. He mentioned about the selection of environmental auditing as one of the central themes for the next INCOSAI meeting in South Africa in 2010. Further he told that growing attention to the area of auditing multilateral environmental agreements has shown tangible impacts. He expressed his happiness in seeing that the topic relating to natural resources and scope for discussion environmental auditors would be adequately covered in the meeting. He hoped that everyone could pick up something that is most valuable for developing environmental audit in their countries. He encouraged the delegates to ask questions and share their experiences. The Auditor General stated that despite the diversity and big size of the gathering, all participants have something to learn from each other and he is waiting for the next days with great excitement. He told that it was a great honour and big challenge to be the Chair of the Working Group and it is also very rewarding to make whatever he could to make the World a better place to live. He expressed his happiness in seeing many passionate people in the gathering who care about the environment and to make similar kind of impact in the World. In this context, he quoted the Persian poet Al-Samarkandi "it takes only an hour to uproot the trees despite its great and strong roots, but takes years before the tree becomes fruit bearing". He told that he is convinced the family of the working group would become fruit bearing. While concluding his speech, the Auditor General wished a sharp mind and lots of enthusiasm for all.



## H.E. Abdullah bin Hamad Al-Attiyah, Deputy Prime Minister of Qatar and Minister of Energy and Industry

His Excellency welcomed all the participants to the State of Qatar on the occasion of opening the 12<sup>th</sup> meeting of the WGEA. He mentioned that environmental auditing is one of the most important and sensitive issues in the world, which has been given much attention recently by the international community because it is much connected to environmental protection and energy security. He further stated that hosting of this conference gives an indication of the interest of Qatar in environmental issues through various aspects and expresses the country's belonging to the international community as well as contribution of its professional and technical institutions and organizations. He added that this meeting represents a unique opportunity to exchange information and expertise in the field of environmental auditing especially that it would address many environmental issues, such as biodiversity, climate change, sustainable development and natural resources. He re-iterated that the environmental problems facing the world today are accompanied by industrial activities and the excessive exploitation of the natural wealth and the lack of balance between the effects of industrial activities, and requirements for environmental protection. He told that the State of Qatar, under the guidance of His Highness – the Emir, pays all attention to issues such as environmental preservation and control in order to reduce the negative consequences on the environment in the country through legislations and national systems that guarantee environmental protection and controlling in addition to the commitment to international conventions in this regard. He mentioned that the State of Qatar played a significant role to participate, and also to sponsor national and international meetings related to environment. He further added that the industrial sector in the State also has the role to play by participation in formulating legislation and laws for environment. It also addresses mechanisms for implementation of measures for protection and control of environment.

Narrating the constitutional and other legal provisions relating to the environment enacted by the State of Qatar, especially law number 30 of the year 2002, he talked about the national vision for the State of Qatar until 2030; a fundamental pillar of development, which seeks balance between current needs and the requirements for environmental protection. Also, he mentioned the WGEA meeting is in line with the current national symposium organized by the Urban Development and Planning Authority in the State of Qatar aiming at "Achieving the objectives of Qatar National Vision 2030."

Later, the following points and topics were covered in the speech:

- The State of Qatar is committed to international requirements for the protection and control of the environment by signing several international conventions in the various areas on the environment, such as climate change, protection of the marine environment, the transfer of hazardous and other wastes.
- The initiatives taken way back in 1981 and finally the formation of a separate Ministry for Environment in 2008.
- Launching of a number of projects relating to the protection of the environment in all areas.
- The strategic plans made by the State of Qatar in the field of environmental protection - a major pillar for the sustainable development of society.
- The importance of understanding quality by the audit institutions when talking about auditing environmental issues for achieving sustainable development.
- The need for exchange of expertise and information among Supreme Audit Institutions in the world.
- The important role the Doha meeting is playing in enhancing the role of audit institutions and continuous activity of INTOSAI for the developing and updating techniques for audit and assisting national audit institutions in developing best practices in the field of environmental auditing.

Concluding the speech, he expressed his sincere gratitude and appreciation; to the organizers of this meeting - the Audit Bureau and the INTOSAI WGEA, to the distinguished speakers, and participants at the meeting who came to Doha to share their experience, knowledge and ideas on the best methods for environmental auditing.



## H.E. Abdullah bin Mubarak bin Aaboud Al-Midhadhi, Minister of Environment of Qatar

The Minister expressed his pleasure in addressing the participants of the WGEA. He mentioned that there is no doubt that environmental issues have been the focus of interest at various levels over the past years, especially after the environmental situation was about to deteriorate regardless of the international trends of protecting environment and sustainable development. He stressed that the 'preservation of the environment and the protection of natural resources' is one of the most important pillars of the Government Strategy in order to achieve comprehensive and sustainable development in the country. This is stipulated in the Constitution of the State, under Article 33. Further he told that efficient government auditing is one of the basic means of achieving good governance that leads to the protection of the environment; and this requires concerted efforts of all sectors in the State, especially by the executive and auditing authorities. He hoped that the meeting would debate these objectives and devise mechanisms that help environmental auditing institutions and all other executive departments perform their duties and achieve sustainable development for their countries. He extended his sincere appreciation to those engaged in organizing the meeting and wished all participants all the best and success.

## H.E. Salah bin Ghanim Al Ali Al Ma'adeid, President of the State Audit Bureau of Qatar

The President of SAI Qatar expressed his pleasure in hosting the meeting in Doha; and in receiving the Heads of SAIs, and representatives of regional and international environmental organizations. He welcomed all the participants on behalf of the SAI and wished a pleasant stay in Doha, and a successful meeting.

He gave an introduction to the background of WGEA, and the commendable work done so far by the Working Group. He re-iterated that environmental auditing is considered as the latest type of auditing adopted by INTOSAI. However, he mentioned that many members of the SAIs are still unable to perform environmental audits even though some institutions have been able to do it. He told that this might be due to some legislative limitations that do not allow performing environmental auditing within the jurisdiction of these institutions or due to some technical reasons related to human skills and expertise that are required to practice such auditing. He stated that above fact places more responsibility upon the shoulders of the WGEA which has undertaken to assist the INTOSAI members to understand the real environmental issues and facilitate exchange of information and expertise among various institutions and spread principles and parameters that regulate environmental auditing.

In respect of environmental audits the SAI of Qatar has limited experience; the President stated that the SAI is in the process of preparation of plans to 1) amend the law of the SAI in order to provide a legislative cover to perform environmental audit; for which the draft is ready for submission to the legislature; 2) establish of an administrative unit for environmental auditing; 3) prepare detailed guidelines for environmental audit based on the principles and parameters ratified by the INTOSAI; 4) preparing an integrated database of environmental auditing that comprises all laws, decisions, conventions, studies and reports relevant to protection of environment and natural resources; 5) deploy a number of auditors to perform environmental audits on providing training courses and participation in scientific symposium within the framework of the Regional Groups of INTOSAI; 6) encourage scientific research in the SAI in the field of environmental auditing and to encourage staff to participate in scientific competitions inside and outside Qatar; and 7) enhance cooperation between Audit Bureau and regional and international organizations, the professional and technical committees specialized in environmental auditing and other SAIs to derive benefit from their experiences.



Mr Tönis Saar thanked the Excellencies and mentioned that all the participants felt homely and pleasant in Qatar, and hoped for the same situation in the coming days also. Later the photo session followed.

## Keynote speaker Dr Kalev Sepp, IUCN, “Integrating Biodiversity and Climate Change”

Dr Kalev Sepp, Professor of Landscape Management and Nature Conservation at the Estonian University of Life Sciences and a member of International Union for Conservation of Nature (IUCN) in various capacities gave an introduction to his organization - IUCN. He then delivered his keynote speech on ‘Integrating Biodiversity and Climate Change’. He told that there are no doubts that the climate change would have significant impacts on many aspects of biological diversity and there is uncertainty in predicting future biodiversity responses to climate change. He mentioned that climate changes in combination with changes in ecosystem composition and structures have been shown both by modelling and experimentation to lead to changes in ecosystem function. During the presentation he demonstrated climate change impact on biodiversity at global and regional level including terrestrial ecosystems and oceans. He stressed the need for to do more than wake up to climate change and work together as a global community to make sure that it does not undermine the long term sustainability of our unique living planet for all living creatures including humans. The speaker thanked Dr Jeffrey A. McNeely, IUCN Chief Scientist, Dr Carl Gustav Lundin, IUCN Head of the Global Marine Program, and Prof Dolf de Groot, IUCN CEM for providing inputs for his presentation.

## Keynote speaker Prof Martin Parry, IPCC, “Climate Change Adaptation”

A video containing the speech and presentation of Prof Martin Parry, Visiting Professor at The Centre for Environmental Policy, Imperial College London; and also Visiting Research Fellow at The Grantham Institute at the same university and also working as an expert with Intergovernmental Panel on Climate Change (IPCC) was presented by Ms Jill Goldsmith, SAI of UK.

In his presentation “Climate Change: Why countries need to adapt and how they should go about it” Prof Parry’s covered the following important issues related to adapting to the climate change:

1. Observed effects: temperatures are rising, global sea level is rising, and snow cover in the northern hemisphere has reduced. Every continent is affected by the climate change.
2. Projected climate change: greenhouse gas emissions are increasing and will continue to grow over the next few decades, CO<sub>2</sub> emissions are accelerating. The IPCC projects the temperature increases of 1.5 to 4.5 degrees of Celsius by year 2100. IPCC estimates that the sea level rises 18 to 60 cm by the end of this century, but the sea level appears to be rising 50% faster than their models show.
3. Future climate change impacts: reduced water availability, mainly affected areas are southern Europe and northern and southern Africa, western Australia; ecosystems where some impacts are irreversible; decrease in crop yield potential in all areas; densely populated coastal settlements, especially in Africa and Asia, are at risk. Prof Parry emphasised that all countries, even high income countries are at risk, specially the poor, the young, and the elderly.
4. What should we be preparing for when we factor in changes in extreme weather. An example was given on the New York City for this century: prepare for 1 meter of sea level rise, for 4 times as many heat waves, for 30% more droughts, and for 25% more floods.
5. Most vulnerable areas where adaptation will most be needed are Africa, Asian mega-deltas, small islands and the Arctic. Most vulnerable sectors are water in the dry tropics, agriculture in low latitudes, human health in poor areas, and ecosystems at the margins (tundra, boreal, mountains) or already stressed (mangroves, coral).
6. We cannot avoid all climate impacts by reducing emissions, however the current target is 50% emissions reduction by 2050 from 1990 levels, but the need is 80% reduction of emissions by 2050.



7. Development can be an effective adaptation to climate change, if we integrate our response to climate into overall development plans, increase wealth and thus also increase resilience (increase income, nurture growth in most vulnerable areas), and develop infrastructure which also increases resilience to climate change (e.g. rural electrification enabling irrigation).

8. Development will need to include specific, new adaptation options in a number of sectors, e.g. in food supply, water resources, human health, industry, settlement and society.

Finally, Prof Parry emphasised that we need to take adaptive actions urgently and strongly, because we do not yet have agreement on emissions reduction, and this might not be agreed also in Copenhagen in December 2009. He underscored that each 10 years delay in action on emissions reductions mean 0.5 degree higher temperature by 2100 that otherwise it would have been.

Prof Parry concluded his presentation with the following conclusions, that the effects of climate change can be observed now, future changes of climate will accelerate. Their impacts will affect everyone, and be substantial, especially through changes in extreme events. Some regions such as Africa, the poor, the elderly, and the young, will be especially affected. Reducing emissions will not avoid all impacts, so adaptation will be essential. Development can be an effective form of adaptation, but many additional adaptive actions will be needed. And finally, we need to start adapting now.

Also attention was drawn to the report "Climate Change 2007" by the IPCC, where relevant data on the climate change has been printed.

Ms Jill Goldsmith told that any questions on the topic are welcome; and the participants could communicate such questions by e-mail or through the WGEA secretariat.

## Afternoon session

### Discussion panel on Sustainability in a Modern Audit Office

Ms Jill Goldsmith, SAI of UK, made a presentation on "Sustainability in a modern audit office". The role of SAI in relation to sustainability, covering the importance of their audit function and their responsibility for addressing their own operational impacts on the environment was conveyed through the presentation. The session focused on four key questions:

- What sustainability topics can we audit?
- How should we audit governments' operational impacts?
- What good sustainability practices have we identified that we should adopt ourselves? and
- What are the benefits or risks from external reporting of SAIs' operational impacts on the environment?

Concluding the presentation, comments by panellist SAIs of Brazil, China, Indonesia and the USA followed.

Mr Walton Alencar Rodrigues, SAI of Brazil, mentioned that sustainability is a very important challenge and concern for the Brazilian Court of Accounts. They have taken many measures in the field of efficient usage of water and energy, waste recycling and education in order to have correct environment inside their office. Having taken these internal measures, he felt that audit should ask each government department to take serious measures about environment. He mentioned that this could be assessed during any types of audit, not necessarily an environmental audit. He mentioned that SAI of Brazil played an important role in inducing modernization in government departments by way of implementing Information Technology, and the same steps could be taken in respect of environment also.



Mr DING Renli, SAI of China, stated that at present SAIs should play a more constructive role in evaluation and analysis of activities relating to resource conservation and environmental protection. He narrated the measures taken by the Chinese National Audit Office in this area use of land resources, forest, water, mineral resources, energy etc. He also mentioned about the measures taken within the audit office in respect of energy consumption, water, gas usage, carbon emission, waste recycling, and pollution from vehicles used by the office etc.

Mr Anwar Nasution, SAI of Indonesia, mentioned that auditing the impacts of government operations in managing resources can be, therefore, regarded as an integral parts of a financial and performance audits. For this reason, SAIs do not really need special powers to audit the operational impacts of government. At present they have given priority for auditing rain forests; and have plans to extend the exercise to the areas of water and industrial pollution. Lack of capacity, especially to audit the impacts of environmental damages was mentioned as the main constraint. He mentioned that his office requires expert assistance from other developed SAIs in matters connected with environmental audits. He mentioned that forest fire causes serious damage such as air pollution, river blackness, flood etc. to the environment, and also health problems.

He mentioned that the financial auditors have a role to play as they have the mandate for auditing revenues, and expenditure for rehabilitating environmental damage. Also he mentioned that the SAI does not require any special power to audit the operational impacts of government, the audit reports are beneficial as they are independent and more objective than other reports of government agencies, and SAIs themselves contribute in saving many things like energy, water etc.

Mr Steven Elstein, SAI of USA, stated that GAO has relatively broad audit authority and strives to use that authority to perform its work with objectivity and integrity. He mentioned that overwhelmingly the category of audit GAO does fall under "Performance Audit", obviously considering financial implications also. During such audits they see whether the regulatory authorities like Environmental Protection Agency are properly ensuring compliance with the Clean Air Act, Clean Water Act, and other U.S. environmental laws. He said that since environment is a highly interdisciplinary issue, GAO audit teams specializing in transportation, agriculture or other fields often get involved in environmental issues.

He further mentioned that commitment at the top of the organization is required if we want to improve the performance in our own organization. He emphasized the availability of committed and dedicated persons is crucial for success in effecting environmental changes in the organization. He narrated the best practices, quoting the example of Environment Protection Agency program called "Energy star". The need for drawing environmentally friendly ideas from within the organization was explained. He told about the activities of the "Green Team" formed in GAO and their contribution in the areas of computer use and procurement, lighting practices, recycling, paper consumption etc. He narrated the role played by the cafeteria manger in GAO in effecting financial saving by resorting to environmental friendly initiatives. The importance of measuring the impact of these environmental initiatives was also highlighted by him.

## Comments, questions and answers

Dr Heinrich Lang, SAI of Austria, commented about experiences in implementing environment friendly initiatives in energy saving, waste management etc. He narrated the experiences about SAI's own performance reports, planned screening system comparable with system of the SAI of Canada, audits in infrastructure, social systems, health care, education etc.

He mentioned about the need for a sustainable strategy setting the borders for sustainability checks like they are practiced in parts of Switzerland.

Mr Jacek Jezierski, SAI of Poland, narrated the efforts taken by them for making the office environment friendly. Survey conducted through "Green Office" questionnaire, efficient usages of resources including materials, energy, water etc were explained. He mentioned about the efforts of the Supreme Chamber of



Control of Poland (NIK) towards implementing new Environment Management System as per International Standards. Resorting to double side printing and copying, selective collection of waste, green procurement etc. were indicated as some of the practical solutions already implemented. Periodical reviews are to be conducted to evaluate the benefits derived out of the programs launched.

Mr Sheraz Manzoor Haider, SAI of Pakistan, stated that before we embark upon environmental audits outside we must have our own check to ensure that SAIs themselves comply with the standard and set example for others.

Mr John Reed, SAI of Canada, raised questions as to how the organizations are encouraging audits of sustainability; and how they encourage in-house operations; how they reward knowledge and also the employees that met their expectations.

In reply to the question, Mr Walton Alencar Rodrigues, SAI of Brazil reiterated the measures adopted by his office. Mr Anwar Nasution, SAI of Indonesia, mentioned about recognizing top performers with early promotion and rewards. He also narrated the initiatives taken for strengthening environmental audit with cooperation of neighbouring countries. He further summed up that implementation of environmental programs depends on national interest despite availability of international agreements.

Mr Paul Allsworth, SAI of Cooks Islands, mentioned that their priority is on improving basic standards of living, providing education, electricity etc. Environmental audit is very new, and more than the role of SAIs, political will is also important in view of political influence on government policies.

Concluding the panel discussions, Ms Jill Goldsmith thanked the panel members and participants for their contributions. She mentioned that we could build up sustainability as part of our general work. The global environment is a classic public good and we have the responsibility for reviewing what our governments are doing to it. She emphasized that we should not forget our in-house expertise while looking for specialist expertise, especially when many staff are motivated by environmental issues. The question as to whether INTOSAI should have an environmental management and reporting standard to apply to ourselves was raised as a challenge for further consideration.

## Seminar Theme #1 – Auditing Environmental Agreements Presentations by SAIs on Seminar Theme #1

Experiences in auditing environmental agreements including success stories, lessons learned and challenges were shared by SAIs of Slovak Republic, Ukraine, Bulgaria, European Court of Auditors and Colombia

### SAI of Slovak Republic

Ms Annamaria Vizikova made the presentation. The presentation covered the course of “The Coordinated Audit of Air and Ozone Layer Protection and Implementation of Related International Agreements”, which was jointly performed by the SAIs of Slovak Republic, Czech Republic, Republic of Slovenia and Austria. The presentation focused on how the SAIs prepared and organized the audit, how they coped with finding common audit topics, conclusions and recommendations and what kind of reporting they used. Each of the SAIs focused on different topics based on difference in national legal background, audit topics and scope.

The presentation was concluded with the message that the coordinated audit endorsed the benefits of cooperation among SAIs in the field of environmental auditing and endorsed the importance of information and experience sharing in this field in compliance with the objectives and principles of international cooperation among SAIs and it enabled the participating SAIs to compare different approaches of the



4 neighbouring countries to reach the targets of the international commitments. Further it was stated that the results of coordinated audit shall add value to the national work of the participating SAIs by increasing the level of information of national reporting and for decision makers.

To the question by Tönis Saar about the big challenge faced, the presenter mentioned that finding common audit topics, common audit reporting format, and unifying the different visions of the countries were the challenges. However, she said that the issues were successfully sorted out through regular working meetings and active e-mail communication as the key forms of communication used by the participating SAIs during this audit project.

## SAI of Ukraine

Mrs Mariya Shulezhko, SAI of Ukraine presented their experience with audits concerning the international ecological agreements and connected with the implementation of the international conventions in the field of ecology during 2004-2008. The presentations included parallel audits on 1) Flood Control Preparedness in the Upper Tisza Region jointly conducted with the State Audit Office of Hungary in 2004-2005; 2) Implementation of Programs for Flood Protection Measures in the Carpathian Region and Level of International Cooperation on Trans-boundary Waters of Ukraine and Republic of Poland According to Joint Action Plan between the Accounting Chamber of Ukraine and Supreme Chamber of Control of Republic of Poland for the years 2004-2005, and on execution of EUROSAI WGEA Working Plan for the year 2005; 3) Protection of the waters in the Bug River Catchment Area from pollution, jointly with the SAIs of the Republic of Belarus, the Republic of Poland; and 4) Implementation of the Agreement on Trans-boundary Water Issues signed by the Government of the Slovak Republic and the Government of Ukraine Proceeding from the importance of the development of the Slovak-Ukrainian cooperation on the trans-boundary water issues, jointly with the SAI of the Slovak Republic.

## SAI of Bulgaria

Mrs Nevena Balahurova presented the Audit of the activities performed at the Ministry of Environment and Water for the implementation of the Convention on the Protection of the Black Sea against Pollution. Their audit objective was:

- 1) to provide the legislature and the executive, the management of the Ministry of Environment and Water and other stakeholders with an assessment of the activities at the Ministry of Environment and Water on the implementation of the Convention on the Protection of the Black Sea Against Pollution, and
- 2) to assess to what extent the norms related to the discharged substances and matters from the land based sources into the Black Sea are observed for the period 01.01.2005 – 31.12.2007.

## European Court of Auditors

Dr Hubert Weber and Dr Hendrik Fehr emphasized that environmental policy is one of the mid-term corner stones of the European Union (EU) and the EU environmental policy is reflected both in legal acts (directives and regulations) with an EU wide impact and in supporting measures of various natures. The presentation focussed on five major areas: cooperation of European SAIs on EUROSAI level, environmental audits of the European Court of Auditors, cases and lessons learned, role of NGOs, and challenge for auditors in public audit area. The case studies included topics on “Waste and waste water – polluter pay principle”, “Agriculture and sustainable development – forestation; fauna protection, intensive agriculture” and “Infrastructure measures – Environmental Impact Assessment”.

## SAI of Colombia



Dr Julio Cesar Turbay Quintero presented the joint experience of SAI of Colombia and Peru on the audit of Colombo-Peruvian Plan for the Integral Development of the Putumayo River Basin (PPCP). The audit was carried out following the INTOSAI WGEA guidelines and the Colombia Governmental Audit Guide (AUDITE 3.0). Also the audit teams of the SAIs followed the guidelines established by the INTOSAI WGEA in the “Cooperation between Supreme Audit Institutions” manual.

### Afternoon second session

Mr Tõnis Saar gave an introduction to the association of Mr Arnold Kreilhuber in the activities connected with INTOSAI WGEA.

## Keynote speaker Mr Arnold Kreilhuber, UNEP, “Environmental Agreements and Conventions - Handbook for Auditors”

Drawing attention to the unparalleled development and evolution of the norms and regulations addressing a multitude of environmental concerns from Trade in Endangered Species, Hazardous Wastes, Toxic Chemicals, and Migratory Species to Climate Change, Desertification and Biodiversity Conservation in general, Mr Arnold Kreilhuber, expert in international environmental law and international affairs, United Nations Environmental Programme (UNEP) emphasised that UNEP has been a leader in catalyzing and facilitating the negotiation and developments of Multilateral Environmental Agreements (MEA). He told that SAIs could play a major role in evaluating the national implementation of MEAs and whether the tools that their governments use to manage and protect the environment have produced the intended results and therefore, auditors and the WGEA are key stakeholders for the UNEP in its work to enhance the implementation of MEAs at the national level. He stated that the UNEP is looking forward to further increase its cooperation with the WGEA. He further told that the MEA manual, guidelines and other tools developed by UNEP could be valuable assets for auditors. However, to support the important work of auditors in the field of environmental auditing, UNEP has in principle agreed to develop an Auditors’ Edition of the UNEP Manual on Compliance and Enforcement of MEAs. This publication will aim at raising added awareness among auditors for the important work they are doing in the field of MEA implementation but also at raising awareness in other circles. UNEP has developed programmes in cooperation with Judges, Diplomats, Customs Authorities, Parliamentarians, and others. Auditors are an important link in this chain. The Auditors’ Edition of the Manual will be published jointly by INTOSAI and UNEP but is entirely financed – within limits – by UNEP. It will not be an in depth guide but one that is primarily intended to raise awareness and show the role of auditors in the implementation of MEAs and how the UNEP Guidelines on Compliance and Enforcement can be applied and used in this context.

Date for the publication is the INTOSAI meeting in South Africa next year. Case studies, ideas, experiences, checklists you have developed, references to guides that have been drafted, etc are looked for. The UNEP Manual is accessible online and references to the website should have been included in your materials and posted on the website.

Auditors’ role is unique and a vital interface in making environmental governance work. Auditors can not only audit a governments performance in MEA implementation but also providing needed feedback via their audits to governments and even multilateral environmental arenas, thereby playing a creative role in the evolution of the system of MEAs as well.

### Comments, questions and answers

Mr Sheraz Manzoor Haider, SAI of Pakistan, raised questions related to application of multilateral agreements without legal backing, financial implication of signing agreements, applicability of the laws in poor countries and the constraints faced by Auditor Generals in such situations, relevance of Auditor General’s report when other acceptable reports from monitoring agencies are available.



Regarding the points raised by SAI of Pakistan, the speaker replied that to make the MEAs global solution to work, they need to be implemented nationally, and national implementation with laws and regulations is a key to making the agreements work. He mentioned that proper financing mechanism is available in such agreements with provision to share more by the developed countries. He pointed out that there is an undeniable recognition that on the side of developing countries, wealth of their people is inseparably linked to the good quality of their environment. Regarding monitoring reports, he mentioned that audit can do more by going a step further and asking various questions on effectiveness of law, effectiveness of the program in the country, whether there is scope for doing more etc.

Mr Hendrik Fehr, European Court of Auditor, mentioned that existence of a legal framework is absolutely necessary for formulating smart and robust audit objectives within the boundaries, and even though auditors have access right to all information. Further he mentioned that publication and impact of audit findings and appropriate follow up of audit reports are also very important.

The speaker agreed with the comments and as a short addition to the same views, he mentioned that even Organisation for Economic Cooperation and Development (OECD) is also struggling to come up with effective criteria for measuring environmental enforcement compliance. He also hoped that there would be increased recognition to the work done by auditors and discussions of the issues in environmental circles and newspapers would also yield results.

Mr Peter McVay, SAI Australia asked a question as to why UNEP cannot deal with industries and multinational corporations in respect of environment related issues, the speaker told that several initiatives are going on to bring industry on board in accordance with the lessons learned from Montreal protocol.

To the question from Mr Paul Allsworth, SAI of Cooks Islands, like the current financial crisis, if we are next moving to a global environmental crisis, the speaker replied that we are already in the environmental crisis and the problems started long ago would become worse if not solved. So the next two years are very crucial for setting efficient scenarios in addressing the problems by follow up of training on biodiversity and biodiversity targets. Further he mentioned that biodiversity is also equally important like climate change.

## Tuesday, 27 January 2009

Morning session

### Seminar Theme #2 – Auditing the Management of Natural Resources

#### Keynote speaker Dr Marwan Hamada, Ministry of Environment of Qatar, “Environmental Issues in the ARABOSAI Region, the Status of Natural Resources”

Dr Marwan Hamada gave a presentation on the environmental issues of the Arabian Gulf Region. He states that environmental conditions in a Region are complicated – we are facing with the climate change, continuous desertification, and ozone shortage. Desertification is the degradation of land in arid and dry sub-humid areas, resulting from natural and human activities and influenced by climatic variations. It's also a failure of the ecological succession process. In analysing the situation the European Union model on environment based on “Pressure – State – Response” model was used: pressures (human activity); state (environmental conditions and natural resources); response (policies and actions). We need to limit pressures through response and to identify right, measurable indicators.



The economic situation in the region of oil extracting and exporting States influences on all environmental systems both in mainland and in marine areas. During last decades the number of population has multiplied in a Region and has directly affected the ecological system negatively. The situation has been affected also by wars in a region, marine incidents with oil tankers, offshore oil exploration facilities and water purification facilities along the coast. There is huge marine traffic in the region that has negative affects to the environment, oil spill in the region is the highest compared to other regions in the world. Discharge of sewerage water into the sea, desalination of sea water and discharge of high salinity water back into the sea affects sea grass area Together with the climate change it all has heavily impacted the re-generation of fish and other marine creatures, corral riffs ecosystem and flora of mangroves.

Emission of carbon dioxide from vehicles is very high in the region; the cost of increasing air pollution for Arabic countries caused by the developing transport sector is about 5 billion USD per year. The share of energy production in CO<sub>2</sub> emissions is 50%. The quality of air in some cities is very bad; the average level of sulphur and nitrogen dioxide exceeded the guidelines of WHO.

Daily water consumption per capita in the Gulf Region is the highest in the World – more than 700 litres! At the same it has decreased by 1/3 since 1985. In terms of waste - daily 1.3 kg municipal waste per capita in the Gulf Region is produced, and this is more than in the USA and twice more than in developing countries. There are also environmental risks related to the nuclear power stations mainly because the wars and terrorism. The region is also facing natural factors – seismically active areas in the northern part of the Gulf, extreme weather conditions (hurricanes, flooding) together with human activities in land reclamation are influencing the ecosystems.

All states in a region have ratified the multilateral agreements on protection of marine environment. The region is facing big challenges dealing with the environmental impacts of increasing construction and infrastructure facilities, increasing population and human needs ensuring the fulfilment of environmental protection requirements and reducing the impact on the climate change.

## Comments, questions and answers

Mr Abdulrazazq Abdulkarim, SAI of Kuwait, thanked the speaker for highlighting the issues in the Arabian Gulf excellently, and drawing attention to the case of massive death of fish in Kuwait region in the year 2001, pollution caused by burning of oil wells during war, suffering of people owing to diseases resulting from pollution stated that the region is facing serious risk on account of water pollution. He raised a question whether the water would be replenished for saving the marine life. He also mentioned that while the environmental issues are receiving attention at government level in the region, the SAI had also started looking at the environmental issues. Audit concerns covered environmental issues and especially those relating to water pollution; and he stated that oil and mining companies have started to respond to the issue, and at government level budget is allocated to preserve the environment. He further stressed the need for concerted efforts at SAI level with accountability for taking global responsibility to preserve the planet in which we live.

In reply, the speaker mentioned that nature - the environment is capable of regeneration and the rate of rehabilitation of the natural environment varies from one region to another. As an example he quoted the results of studies which mention that the water in the Arabian Gulf changed completely, as a natural process of re-generation during the last three and a half to five years, because of water entering from the Indian Ocean and the Strait of Hormuz. He mentioned that the rate of contamination is greater than the rate of regeneration as a result of the damages associated with the faster developments in oil and gas industries in the oil producing countries; and these factors reduce the capacity of the environment to restore the natural vitality. He concluded his reply by stating that development of laws and legislation in the area alone will not be able to protect the environment; and he stressed the strong role of government institutions and civil society organizations for working towards monitoring the environmental situation in the region, appreciating the risk of pollution.



Mr John Reed, SAI of Canada, asked a question as to whether the speaker believes that the Arabian Gulf region is in an environmental crisis; and whether there is the political will in the region to reverse the course, despite huge development pressures and growth.

Drawing attention to his presentation, Dr Hamada replied that very large environmental problem in natural resources could be seen in the coming years if the situation remains as it is; and there would be a clear problem in the natural resources in the marine environment, water resources and air, impacting the global environment. Therefore, the issues relating to procedures to be followed for control of the marine environment, development of legislation and laws, development of economic systems and mechanisms are very important and should be given priority for the protection of the environment in general. He told that the population is exposed to different diseases as a result of deteriorating environment. Citing the case of United Arab Emirates spending 5 billion dollars for recovering from the results of pollution caused by traffic, he opined that a part of the amount could be used for developing transportation system that could reduce the negative effects on the quality of air.

## Presentations by SAIs on Seminar Theme #2

Giving an introduction to the seminar theme and presentations, Mr Tönis Saar mentioned that many SAIs have been producing valuable results on audit of natural resources. Also he drew the attention of the participants to the papers submitted by the SAIs of Albania, Botswana, Moldova, Thailand, Ukraine and Zimbabwe that are available in the electronic binder.

### SAI of Australia

Mr Peter McVay presented their experience with the audit of the “Administration of the regional delivery of Phase 2 of Natural Heritage Trust (NHT) and National Action Plan for Salinity and Water Quality (NAP)” drawing attention to their Audit Report No. 21 for the year 2007-08. The audit focused on the implementation of the regional delivery arrangements, governance and financial management for regional delivery, and monitoring, evaluation and reporting on the programs’ performance.

### SAI of Indonesia

Mr Anwar Nasution presented their experience on auditing “Management of Indonesian Natural Forests” with special focus on deforestation. The result of the audit indicated that there are activities conducted not in accordance with the regulations, such as forest areas still used for agriculture and mining, illegal logging, forest rehabilitation which did not reach the expected target. As addition to the forest rehabilitation, the government did not plan the rehabilitation activities based on the real condition and the need of the land and forest area. As regards the lessons learned, the SAI stated that audit of natural resources like the forest needs high and complex technical understanding by the auditors and services of experts in environmental audits, especially to appraise the aspects of economy, social and environment might be necessary.

### SAI of Russian Federation

Mrs Irina Doronina made a presentation on the “Activities in Auditing Management of Natural resources, focusing on an integrated assessment of determining efficiency of federal budget and mineral explorer funds” use for rehabilitation of mineral and raw material resources, revealing problems and factors that affect efficiency of sources of minerals and raw material. The SAI has created a special sub-division in charge of supervision of federal budget funds on nature management and agro-industrial complex. One of the main issues noticed during the audit was that the government programmes are not supported by the required



legislation base with the results that there are still some risks in Russia's dynamic development of economy, connected to reduced volume of detected stock, absence of development in a number of strategic mineral resources etc

## SAI of Ethiopia

Mr Alemayehu Jemaneh mentioned in his presentation that the SAI had conducted various Environmental Audits under performance audit mandate. Their experience with the environmental audit on the management of natural resources covering lakes, mountains and rivers in the year 2004 was presented in line with the seminar theme. The deficiencies noticed by audit include "non-conducting of environmental impact assessment" prior to any development undertaken in environmental sensitive areas such as lakes and 'non existence of responsible or accountable body in the management of lakes resources in the country'. The SAI organized a forum for discussion on audit findings that was held just before issuing the final audit report. Participants were from environmental protection authorities, ministry of water resources, ministry of agriculture and rural development, ministry of industry, municipalities and urban development agents and NGO's. This was considered as an innovative approach to find solution for the environmental problems.

## SAI of Chile

Mrs Marta Johnson presented the case on Audit of Forest and Soil Recuperation Allowance by a team comprising auditors, accountants and specialist professionals such as Agricultural and Forestry Experts. As a result of the audit findings and recommendations, the National Forestry Corporation of Chile adopted different measures to correct determined deficiencies giving, among other things, instructions where the strict fulfilling of provisions informed by the entity was reiterated. It also approved the recruitment of professionals to strengthen the provincial fiscalization teams and ordered the Department of Fiscalization to include the different allowable activities in its inspection programs.

Mrs Johnson added that the SAI of Chile conducts the audit of the environmental protection regulation compliance. It is understood to be the exam aimed at verifying the compliance with the environmental regulations, particularly the supervision and control role assigned to public entities and agencies by the Domestic and International rules, regulations, treaties and/or agreements, and which were created to inspect and evaluate policies, projects and/or programs on environmental protection.

Thanking the panellists, Mr Tõnis Saar stated that the most recognizable fact from these presentations is that the Environmental Audits have valuable impacts.

## Small-group discussions

The participants were divided into 12 groups for the purpose of discussion of the topics assigned. Within 45 minutes the groups were encouraged to discuss and answer the following questions:

1. What are the 3 most popular audit topics related to natural resources within the group?
2. Are these mainly financial, compliance and/or performance audits?
3. What are the main challenges in auditing the management of natural resources?
4. What are the major impacts/examples your audits have had?

The outcome of the small-group discussions was the following:

1. The most important topics mentioned were water, forests and fisheries. Also, energy, gas, oil and mining were mentioned many times. As well as climate change, air, wildlife, auditing environmental data and natural resource accounting. All mentioned topics reflect that the influence between the SAIs and WGEA's previous and current work plan is mutual.



2. Mainly it was mentioned that compliance and performance audit types together are used. Financial audits were popular as well, but the most important are mixed audits.
3. The main challenges are skills and knowledge, finding expertise and independent experts. Also, finding overall resources and human resources. Lack of communication, not having a special environmental audits' department, not having a clear policy and/or legislation are an issue as well. The question is often how to increase the knowledge of auditors. Countries conducting many environmental audits pointed out that finding the correct data to develop audit criteria and results are a challenge. Tools and benchmarks were mentioned as well.
4. There were mainly two types of impact mentioned. First, impact to the environment, direct impact to the resource management, i.e. protect the country from flooding, deforestation. Second, the SAI and the country have gained a better understanding of the problem, better efficiency of using the resources, better enforcement and performance management. It was mentioned that a new policy and legislation were formed in some cases. It was pointed out the better information system is in use and the budget has increased as well. Auditors are not always successful and – “we hadn't had any impact!” was also one of the honest statements.

## Afternoon sessions

### INTOSAI WGEA Project Workshops – Parallel Sessions 1

#### Forests, Project Leader SAI of Indonesia

Mr Edward Simanjuntak and Mr Dwi Sabardiana, SAI of Indonesia, presented the project activities relating to the development of guidance material on 'Auditing the Government's management of natural resources and the related impacts on the environment for forest'. Timeline and key milestones leading to the submission of the final document during the INCOSAI meeting in 2010 was presented. The layout the document detailing the chapters and topics included was also presented.

The conclusion from the participants' comments and inputs was as follows:

1. The Guidance should also consider non tropical timber forest (other types of forest) characteristics and aspects including the criteria and risk(s).
2. The GIS and GPS implementation should be simple and affordable.
3. The guidance will revise based on the manual standard (SAI of Norway).
4. The Project Leader will send the draft for input and comment to all workshop participants as soon as possible (April 2009).
5. The participants agreed to help the team to send their respective country conditions. The project leader will send the information and data needed.

#### Fisheries, Project Leader SAI of South Africa

Mr Wynand Wentzel, SAI of South Africa, narrated that the objectives of preparing guidance material on auditing government's management of fisheries resources and the related impact of fishing activities on the environment duly describing fisheries, its importance, threats and government actions, including suggested process for choosing and designing an audit, practical guidance and case studies and encouraging audits on fisheries. The schedule of activities leading to the submission of the final report before the INCOSAI in November 2010 was also presented.

One main issue was raised by the participants - the use of the FAO information as source data. Mr Wentzel explained that it serves as background information and each SAI should determine the country specific matters such as data, statistics etc.



## Minerals and Mining, Project Leader SAI of Tanzania

The Controller and Auditor General of Tanzania chaired the parallel session and informed members that the SAI of Tanzania had undertaken the lead to prepare the guidance on Minerals and Mining. He noted that the Steering Committee approved the project plan in Estonia in May 2008. He informed the members that the assignment should be completed by 2010. He also appealed to the members for cooperation during the finalization of the document as their input will be required at various stages. Of specific importance would be case studies on mining activities undertaken by member SAIs that can be included in Chapter 4 of the document.

The presentation was undertaken by Robert Cheyo of SAI Tanzania and after presentation he informed members that the document would formally be sent to their respective SAIs for purposes of comments. However he welcomed immediate reactions to the draft from members and the following suggestions for improvements were made:

- Although the document talks about different types of mines (surface, underground etc.) there may also be aspects of different types of minerals that the paper could address, e.g. gold mines might pose different risks than diamond mines etc.
- The document could add some discussion about the social dimension. Although, this is an environmental paper, the social aspects of mining are hard to separate. Issues such as whether there was consultation with local population before the activity was undertaken, and what the local people benefit from the mining activities.
- It was observed that under pre-requisite qualifications it would appear that the auditor does not qualify to undertake the audits since the auditor is not listed among the experts. It was advised that the statement be modified to reflect the fact that the list is not conclusive and it is in addition to the auditor.
- It was suggested that Criteria and Methodology be included in the guideline to assist auditors and also for purposes of uniformity in reporting. This could be included in the main document or as an appendix.
- It was also advised that the project leader expands the subcommittee to include SAIs from oil producing countries.
- As part of the introduction or an appendix, a list of minerals available should be identified
- It was also observed that issues “to do” with development and closure of mines could be included. In addition, it was noted that the conditions implicit in financing agreements could be important source of audit criteria.
- It was also observed that for purposes of case studies to be included in the guidance document, questionnaires should be designed and sent to SAIs in order to ensure the receiving of the required information and to avoid sending full reports which will require a lot of review on the part of the project leader
- Information from international mining associations should also be considered. The project leader might need to consider for purposes of case studies NGOs and Environmental Protection Organizations that have been involved in the field of mining in order to include “the worst practices” to illustrate how things can sometimes go wrong.

It was agreed that the deadline for presenting case studies should be before the next SC meeting in Indonesia and the meeting was then adjourned.

## Project Leaders and Sub-committee discussions Coordinated by Project Leader

- INTOSAI WGEA communication and cooperation strategy with external organizations project subcommittee meeting. Mr Tõnis Saar introduced to the subcommittee members the prepared discussion items. It was suggested that we should keep separately the project specific communication from the Working Group level communication; subcommittee also suggested to stay with cooperation part what means that the project leader is working further on with the “cooperation strategy” leaving the list of possible cooperation partners opened and concentrating mostly on cooperation principles.



## Wednesday, 28 January 2009

Morning Session

Mr Tönis Saar gave a detailed outline of the programs to follow on the day.

### Seminar Theme #3 – Emerging Topics and Lessons Learned on Environmental Auditing

Keynote speaker Dr Stephen F. Lintner, the World Bank, “Managing the environmental and social risks of development assistance”

Dr Stephen F. Lintner, Senior Technical Adviser on environmental and social safeguard policies and the leader of the Quality Assurance and Compliance Unit (Operations Policy and Country Services Network) of the World Bank gave a keynote presentation on “Managing the environmental and social risks of the development assistance”.

He gave an overview on the history of World Bank and World Bank Group. He also described different other financial institutions providing the development assistance. Multilateral Development Banks and Bilateral Donor Organizations have developed and applied strategic frameworks, policies and procedures to integrate the identification and management of environmental and social risks into their work to support responsible economic development over the last 30 years. The measures used by these institutions include the adoption of environmentally and socially sustainable development as a core institutional objective, as a theme in policy dialogue with cooperating countries and the private sector, and as an element of programs and projects they support.

Dr Stephen F. Lintner analysed the environmental and social concerns, and said that for the past decades the challenge has been how to make these issues to be part of our every-day thinking. Also, in recent years the issue how to assess our institutional footprint on the environmental perspective has become actual including the World Bank.

The main five points of the World Bank are to focus on poverty reduction, including Millennium Development Goals; commitment to environmentally and socially sustainable development; promoting country driven development effectiveness; integration of climate change into development strategies, including adaptation and mitigation; actively support responsible growth worldwide, to bring more young and educated people to the workplaces that make a difference.

He described the World Bank types of support and operations, the World Bank Group Strategic Framework on Climate Change and Development which is a means to articulate the World Bank Group’s vision on climate change and development challenges without compromising growth and poverty reduction efforts. The strategic framework supports actions to address both mitigation and adaptation. The six pillars of the climate change for the World Bank are to make effective climate action a part of core development efforts; address the resource gap through existing and innovative instruments for concessional finance; facilitate the development of innovative market mechanisms; create enabling environment for and leveraging private sector finance; accelerate the deployment of existing and development of new climate-friendly technologies; and step-up policy research, knowledge management and capacity building.

All bank supported operations have been reviewed for environmental and social impacts and risks. As an assessment instrument the World Bank uses Regional Environmental Studies and Programs, Strategic Environmental Assessment, Sectoral Environmental Assessment, Regional Environmental Assessment, Poverty and Social Impact Assessment, Environmental Assessment, Cumulative Impact Assessment, Environmental Audits and Planning Studies. Dr Lintner mentioned that there is some confusion in the term



“environmental auditing” as there is a classical assessment instrument for environmental scientists, engineers and planners, and as a term for auditors from SAIs. Sometimes this causes confusion what type of audits we are talking about, but this could be overcome.

Dr Stephen F. Lintner noted that meeting emerging issues is central to successful development, such as addressing the challenge of climate change mitigation and adaptation; expanded use of new instruments, such as Strategic Environmental Assessment and adopting new approaches, such as the use of country systems in selected countries.

He also gave a feedback to the INTOSAI WGEA Assembly on his observations from the WG12, on challenges and opportunities of WGEA. He said that auditors have a large range of mandate concerning environmental issues. The most important is that a network of highly motivated individuals has been established, the question now is how to manage this collective asset. Additionally, environmental auditing is an emerging instrument, which is not regulated yet – how to do that? He also mentioned his observations that many audits have been conducted on a national and sub-national basis, audits are increasingly being conducted at the regional level and starting at the global level, approaches are diverse and evolving, importance of interdisciplinary teams with complementary expertise is recognized.

Mr Lintner sees that the WGEA faces the challenges such as:

- Oversight vs. insight is a major constraint
- Auditor vs. advisor role
- Addressing both process and outcome interventions
- Recognizing long-term nature of many interventions
- Provide insight and actionable measures
- Avoid sensational reports and press releases
- Maintain confidence of oversight bodies
- Establish acceptance in implementing organizations
- Increase voluntary use of environmental audits

Mr Stephen Lintner pointed out the opportunities and suggestions to the INTOSAI WGEA to form partnerships with development organizations to promote integration of environmental auditing into national SAIs; to work with national governments to review effectiveness of external loan and grant proceeds to address environmental investment programs; to support national and sub-national implementation organizations to undertake more efficient and effective programs and projects; and to establish networks with non-audit specialists, such as International Association for Impact Assessment (IAIA).

In summary Mr Lintner said that the INTOSAI WGEA is on a right track to cooperate with external institutions as development institutions and bilateral donors are clearly committed to deal with environmental and social issues for strategies and programs.

## Comments, questions and answers

Dr Hendrik Fehr, European Court of Auditors, asked a question about the approach to be followed in auditing environmental issues admitting that the auditors are shifting away from the traditional approaches, for coming up with well founded judgmental issues. He also asked whether the most appropriate way is to adopt the top-down approach starting from World Bank getting money or do other things to develop sustainable, social and environmental developments. Answering the question, the speaker told that one needs to get more forward in traditional auditing approach, which is strong, with the support of practitioners who have expertise in environmental and social issues. He said that, because of the declarations and cry for urgent action, we are going to see a greater emphasize on trying to use the country systems which gets into some of the recommendations he made at the end of the presentation; in terms of trying to get the environmental auditing built into the national SAIs who are the recipients of the support.



Mr Robert Cheyo, SAI of Tanzania, wanted to know about the difference between the classical auditing and the audits done by the WGEA and how to integrate the two. The speaker mentioned that the concept of environmental auditing was derived from the traditional auditing long back and the difference is that highly qualified engineers and economists used to look into the environmental aspects in the industries, mainly environmental and safety programs in such audits. He explained this with World Bank experience with the industries in Poland. The environmental audit of the WGEA is far broader and it is also different in its practitioner group and objectives. He mentioned that the point which he wanted to make clear is that the WGEA should get engaged broadly with professional associations and practitioner group for familiarity with the approaches and terminology. He said that both types of audits are complementary to each other.

Mr Sheraz Manzoor Haider, SAI of Pakistan, commented that the World Bank, as part of the review process, should consider the social concerns and environmental issues and the externalities of the programs and lending. The speaker referring also to his previous experience in Pakistan mentioned that the World Bank historically provided a lending using the adjustment lending that is now being changed to development policy lending. He mentioned that the shifting to developmental lending policy was to provide a policy framework for looking at the social and environmental dimensions to the adjustment lending using strategic environmental assessments, poverty and social impact assessment and other appropriate instruments. Further, he talked about the implementation of the developmental policy lending in Brazil and Mexico.

## Presentations by SAIs on Seminar Theme #3

Regarding country papers, Mr Tõnis Saar requested the participants to go through the Country papers of Tanzania and Pakistan.

### SAI of Thailand

Mr Samart Varagornvoravuti presented their audit experience in evaluating the government operation for solving the problem of communities arising out of noise pollution created by airplanes during takeoff and landing in Suvarnabhumi Airport. The SAI observed that despite huge financial assistance from the government problems still persist. The findings included delay in payment of compensation to the victims, huge increase in budget allocated for compensation etc. The SAI expects that the government would take more concrete measures to solve the problem on realizing the high cost connected with environmental issues. Main lessons learned includes realization of the need for obtaining suggestions from external consultants and coordinated efforts from all the departments in charge of solving the same environmental problem. Presentation was interesting and very well received.

### SAI of Egypt

Mrs Hanadi Hamed presented their experience of environmental auditing on air pollution. Egyptian Government had issued much legislation that demonstrated the existence of efforts for preserving environment. The SAI narrated their audit methodology and the reports issued - financial report in general and the performance evaluation report on cement factories in particular.

### SAI of India

Mr Preman Dinaraj made a presentation on their experience in auditing 'Environmental Management by Mumbai Port Trust'. India is a signatory to and an active participant in some of the most important environmental treaties and conventions. The government had also enacted various acts in compliance to these conventions and legislations. The SAI found that the Port Trust does not have an Environment



Management Plan and pollution control is not satisfactory despite incurring huge expenditure. The SAI mentioned that this environmental audit served as a learning experience not only for the concerned officers but was also an eye opener to our audit managers. The audit exercise enabled the team to understand the intricacies involved in environmental audit planning and its execution. Further, it encouraged interaction with multiple agencies involved in legislating, regulating and monitoring environmental legislation in India. Above all, it fostered a sense of team spirit, brotherhood and cooperation among the officers giving them the confidence to rise to greater challenges.

## SAI of Lesotho

Mrs Limakatso Lucy Liphafa mentioned that theirs is one of the first African countries to commit itself to good environmental practice by producing a National Action Plan. SAI of Lesotho had conducted many audits covering various environmental issues. Audit of 'Supply of Potable Water to Urban Areas by Water and Sewerage Authority' was undertaken as a parallel audit with the SAIs of Botswana and Zimbabwe. By undertaking environmental audits and also by becoming a member of the INTOSAI WGEA, the SAI gained some useful experiences and skills to continue undertaking of environmental audits and also to understand environmental challenges better.

The first session ended with the announcement about the proposed poster display evaluation. The form distributed to the delegations for evaluation of the posters was also explained

## SAI of Malaysia

Dato' Anwari Suri presented their experience with the "Study on Management of Clinical Waste at Hospitals and Health Clinics" in their country. Management of clinical waste is regulated by various acts and guidelines promulgated by the government. Major findings include dumping of clinical waste into bins without proper segregation, flowing of waste water into the public drains, non observance of proper procedure for transportation of clinical waste etc. As a result of the audit efforts, the Health Ministry had taken several steps to overcome the issues. The SAI mentioned that by conducting this study, the knowledge and experience of the audit team on clinical waste management has been increased greatly especially on the importance of best practices on clinical waste management and its impact to the environment.

## SAI of China

Ms WANG Ting presented the topic on audit of "Eco-Environment construction in China". Chinese government had adopted ten measures with regard to domestic demand impetus in order to encourage the stable and fast growth of China's economy, and made "Eco-environment construction" as a major move to improve the national economy and the people's livelihood. The SAI conducts audits of projects in two categories: namely special eco-environment construction project and eco-environment projects affiliated with huge construction projects. The presentation focused on the case of usage of funds for Natural Forest Protection Project (NFRP) falling under the first category mentioned above. The audit found that effectiveness of NFRP was satisfactory as a whole despite the fact that few deficiencies were existent in some provinces or project entities. The SAI stated that the State Forestry Administration attached great importance to the Audit findings.

## SAI of Estonia

Ms Airi Andresson stated that the SAI examined whether the Estonian state was successful in encouraging companies to invest in the reduction of ambient air pollution and waste as an "impact of pollution charges on reducing Environmental pollution". Pollution charges are essentially an economic lever based on the principle "polluter pays". The SAI observed that 1) the principle that the polluter has to pay has not always been



observed in the establishment of pollution charge rates; 2) companies have primarily invested in environmental protection when implementation of new technologies has become mandatory under the legal provisions applied in addition to pollution charges; 3) companies who have ignored the restrictions on environmental pollution have usually escaped without paying pollution charges; 4) environmental permits do not force companies into reducing pollution; 5) checks of the accuracy of pollution reports and actual emissions carried out by the environmental services of the Ministry of the Environment are lacking; 6) replacement of pollution charges and project-based financing by the Environmental Investment Centre have not motivated polluters to implement more environmentally friendly technologies; and 7) even though the planned decrease of pollution was achieved with most pollution charge replacement contracts, processing the replacement contracts and monitoring their performance still requires improvement. Ms Andresson gave an overview of auditing methodologies used by the auditing team and pointed out some of the challenges in auditing the topic of effectiveness of pollution charges.

## Poster Display

The INTOSAI WGEA secretariat thanked the SAIs of Bulgaria, China, Estonia, Indonesia, Norway, Slovak Republic, Tanzania, Thailand, UK, and Ukraine for the interesting and colourful poster display.

## Afternoon session

### INTOSAI WGEA Project Workshops – Parallel Sessions 2

#### Auditing Climate Change, Project Leader SAI of Norway

Ms Kristine Lien Skog, SAI of Norway, and Mr John Reed, SAI of Canada, made the presentation. The leader mentioned that the objectives of the project are to inspire and support SAIs to conduct audits on climate change and to contribute to well-designed audits that lead to better governance. The project timeline, background and audit criteria were also narrated.

A summary of the Guide on Auditing Governments' Response to Climate Change was presented by the project leader, and feedback from the audience was given. The most important feedback was:

- It was suggested to clarify the purpose of step three and the differences between step three and step four in the planning process.
- The guide should clarify the differences between step one and step three by highlighting that the outcomes of step three identifies the risks concerning the government's response to the environmental threats.
- When assessing the effectiveness of the policy implemented, it is also important to verify the data quality.
- How to do audits on mitigation in developing countries when these countries don't have any binding international commitments?
- The wording of the first step in the planning process should be changed in order to clarify that impacts of the climate change are not only environmental impacts, but also impacts on the society and economy.

It was argued that adaptation and mitigation audits are relevant in both developing and developed countries. It is a question about timing. The serious impact of climate change in developing countries and the obligations to reduce the emissions in developed countries are the most important issues in the short run. In the long term, all countries, both the developed and developing countries, must focus on the needs of auditing adaptation issues and also to audit their mitigation actions.

As a part of the workshop the participants worked in small groups on a case study.

#### Sustainable Energy, Project Leader SAI of the Czech Republic



The workshop led by the delegation of the SAI of the Czech Republic focused on the ongoing INTOSAI project on sustainable energy. The meeting commenced with the opening speech which briefly summarized the main project issues and introduced the co-operating SAIs which are taking part in the project as sub-committees. The workshop then continued with the general information about the project and subsequently with the presentation of the draft version of the first chapter of the prepared guidelines. This was followed with further discussion on the subject. The participants of the workshop and the speakers discussed issues related to sustainable development and sustainable energy. During the last presentation, the project leader spoke about the questionnaire which presented the important information sources for the project. At the end of the workshop the speakers launched the discussion – how the participants feel about the difference between the definitions of renewable and sustainable energy and what do they think about nuclear energy as a renewable energy resource. The discussion was productive for gaining useful information concerning energy issues. After the official meeting, the project team organized the meeting for the project sub-committees. This meeting was dedicated to the draft version of the first chapter and to the next phase of this project.

### Tutorial for the first-comers – Waste Management, SAI of Norway

Dr Kristin Rypdal and Mr Helge Strand Østtveiten from the SAI of Norway presented a tutorial on performing audits of waste management. The objective of this tutorial was to introduce the participants to a systematic approach for performing audits in the waste sector. Around 18 participants attended this session. The tutorial provided an overview of different kinds of waste, waste streams and waste treatment put into an environmental auditing context. It also provided a brief overview of the main international regulations/treaties which may serve as sources of audit criteria. Based on the guidance on performing waste audits the participants were introduced to four systematic steps for performing waste audits to assist an auditor in identifying risks, map actors and their responsibilities and take account of the waste stream. The fourth step suggested audit topics (lines of enquiry). In the second part of the tutorial the participants split into smaller groups to discuss a case addressing an audit of hospital waste in "waste land".

## Regional meetings of AFROSAI, ARABOSAI, ASOSAI, EUROSAI, and OLACEFS

### AFROSAI

The main agenda items brought forward were:

1. Welcoming members and introducing to them the subject matter for discussion
2. Formulation of the AFROSAI WGEA Steering Committee
3. Introduction of AFROSAI WGEA work plan for the period 2009-2011

- AFROSAI WGEA Steering Committee

There is need for the AFROSAI RWGEA to establish a Steering Committee (SC) in the region in order to accelerate the Environmental Audit in our region. This agenda was discussed in the AFROSAI RWGEA meeting and the following were the decisions:

- Concerning the membership of the Steering Committee, the AFROSAI RWGEA coordinator will get in touch with the AFROSAI secretariat in Tripoli Libya, informing it about the need of forming the Steering Committee
- The AFROSAI RWGEA will contact the membership of the working group informing to involve them to be members of the steering committee
- The AFROSAI RWGEA coordinator should bring the issue of steering committee to the AFROSAI governing board meeting scheduled to take place in February 2009 in Pretoria South Africa



- The AFROSAI RWGEA coordinator shall communicate to the members of the working group the outcome of the Pretoria meeting in regard to steering committee membership
- Work Plan

Tanzania as a coordinator of the working group introduced the draft work plan which it had prepared to the meeting, which was discussed and the following was agreed:

  - The presented work plan was to be presented and discussed in the AFROSAI Governing Board meeting in February Pretoria, South Africa.
  - Tanzania will distribute the work plan for comment to all the working group members, present in the Doha meeting for comments.
  - It was agreed that members should comment within a period of one week in order to give time for the secretariat to finalize the draft copy to be submitted to the AFROSAI governing body meeting to take place in 2009, in Pretoria South Africa.
  - It was agreed that the work plan should indicate time frame of accomplishment of the envisaged activities to include the timeline in the work plan.
  - There will be annual technical meeting to review the performance of the working groups.
- Funding of the audits. SAIs should provide the budget for environmental audit (EA) activities in their yearly budgets.
- Training
  - It was re-emphasized on the need for the capacity building through training on environmental auditing.
  - It was reminded that the region was lucky to have capable trainers on environmental audit from both IDI and AFROSAI-E.
  - SAI members of the working group were urged to sponsor their staff to all environmental audit trainings to be organized in the region.
- Submission of information on environmental audit. As members of the WGEA assembly, members the AFROSAI- RWGEA were encouraged to respond to the EA information form conducted by the WGEA secretariat so that the EA activities taking place in the region can be captured and shared with others through the RWGEA newsletter.

The meeting was closed by the chairperson thanking members for their contributions and ensuring them that they will get feedback of the outcome of the AFROSAI Governing Body meeting to take place in February 2009 in Pretoria South Africa

## ARABOSAI

Main items discussed:

- The actual situation (Status Quo) of the Regional Subcommittee for Environment Auditing Affairs
- Teamwork for environmental auditing establishment
- Teamwork for environmental auditing membership
- Upcoming meeting
- The effectiveness of the participation of ARABOSAI in INTOSAI WGEA activities, particularly in the field of translation.

## ASOSAI

Main items discussed:

- ASOSAI WGEA work plan 2009-2010
- Survey on Cooperative audit/Confirmation of membership
- Next meeting of ASOSAI WGEA



Main decisions taken:

- Principally approved further improvement to be made by the secretariat and related SAIs.
- Feedback of survey and confirmation form will be collected through e-mail.
- The theme of the 3<sup>rd</sup> meeting of ASOSAI WGEA will be discussed and decided on the ASOSAI Assembly in Pakistan in October 2009.

## EUROSAI

The topic for this meeting was Cooperative and coordinated environmental audits –lessons learned and best practise. Approximately 30 participants attended the meeting. A presentation regarding this issue was made by one of our colleagues from the SAI of Austria.

The second part of this meeting was group discussions. Four different topics were discussed:

- What to do with the final international (common) reports/who to address them to/who do we want to deal with the audit reports.
- Tips and examples for cooperative audits.
- Common reporting of parallel audits.
- Planning and project management of cooperative audits.

A short report from the group discussions were given by all groups. No specific decisions were made, but information from the EUROSAI WGEA Secretariat regarding new ideas of cooperative and coordinated audit were presented. During the INTOSAI WG 12 meeting our members have suggested a couple of very interesting topics for coordinated audits which we will explore further. The first topic is a cooperative audit looking into how different European countries adapt to climate change. The second proposal, which we will explore further, is a coordinated audit of the Bucharest Convention with participation of the Black Sea countries.

The proposed audits will be discussed in the next SC meeting which will be hold in March in the Netherlands. Also information regarding planned seminars was given.

## OLACEFS

The SAIs of Brazil, Colombia, Argentina, Mexico, and Chile (as observer) attended the meeting.

Main items discussed:

- Need for a regional instructor to deliver the biodiversity course. Mexico attended the course, cut no decision about who will be the partner and when it will take place. The possibility of delivering the course is during OLACEFS/EUROSAI meeting in May 2009.
- Colombia is leading the proposal for a cooperative audit in Amazon.
- Colombia will ask for the SAIs to send all the material that is needed to update the Comtema web page.
- Argentina will check the possibilities of hosting the next meeting of Comtema.
- Brazil is asking all the countries to see the possibilities of assuming the coordination of Comtema.

## Thursday, 29 January 2009

Morning session

### Global Coordinated Audit of Climate Change

Mr John Reed, SAI of Canada, informed the participants about the status of the “Global Audit on Climate Change” - a program for undertaking coordinated audits of climate change, initiated during the 11<sup>th</sup> meeting of the WGEA in Tanzania. Under the leadership of SAI of Canada, fourteen countries participating in the



program are Australia, Austria, Brazil, Canada, Estonia, Finland, Greece, Indonesia, Norway, Poland, Slovenia, South Africa, the United States and the United Kingdom. The World Bank Internal Audit participates as observer; UNFCCC and IISD are supporting the project as advisors. The project leader keeps the partnership simple, flexible, voluntary and consensus based. The objectives are to encourage and support national audits of climate change by SAIs, to coordinate auditing and reporting of selected climate change sub-topics in order to benefit from the collective power and insights of participating SAIs, to support mutual learning and exchange, and to build strategic relationships with key international organizations. It has agreed to have a common “audit approach” (objectives, questions, criteria) with 3 main sub-topics: Mitigation, Adaptation, and Science and Technology which is used as a ‘menu of options’ in designing national audits. SAIs undertake audits according to their country needs and SAI mandate and normal practices, forming natural “clusters”. Partners have agreed to prepare a joint summary report. Mr John Reed introduced the audience with the content of joint report and with the key milestones of the cooperation project.

## Biodiversity Training Module

Ms Carolle Mathieu, SAI of Canada, and Ms Elaine Ferreira Souza, SAI of Brazil, the project leaders for developing training modules on biodiversity and delivering the pilot course in Doha, as per the work plan approved subsequent to the 7<sup>th</sup> Steering Committee meeting held in Estonia in May 2008, made a presentation on the topic. 69 participants from 37 countries attended the pilot training course held in Doha on 23<sup>rd</sup> and 24<sup>th</sup> January 2009, i.e. before commencement of the WGEA meeting on 25<sup>th</sup> as planned.

The training module is based on the Biodiversity paper and contains three parts.

- The first part provides a background on biodiversity for auditors that are not familiar with this topic and it is based mainly on the chapter 1 of the biodiversity paper.
- The second part presents an approach in four steps to choose and design an audit on biodiversity as described in the chapter 2 of the biodiversity paper.
- The third part presents specific case studies with exercises on some of the biodiversity topics described in chapter 3 of the biodiversity paper.

The training module includes the module structure, slides for each part of the training module, guide for the instructors: important because the instructors will be different from region to region, notes for the participants: BD paper + handouts and exercises with case studies.

The INTOSAI Development Initiative (IDI) supported this project in Qatar by providing three IDI instructors - Ms Florence Kiriinya from AFROSAI, Ms Leila Paras from ASOSAI, and Mr Allen Parker from ACAG/PASAI. Additionally the SAI of Australia delivered the presentation on an audit conducted on threatened species. Updating the course has been scheduled in February-March 2009 and the final product should be ready by April 2009. Delivery of the course in RWGEAs is expected in 2009-2010; course could be adapted by regions.

Ms Carolle Mathieu gives her view how Regional Coordinators could act within the phase 3 of the project and the options for the future.

## New Web Page on Biodiversity

Ms Carolle Mathieu, SAI of Canada, and Ms Elaine Ferreira Souza, SAI of Brazil, gave an overview about the development of the new web page on biodiversity. The leaders mentioned that the web page would give useful information on biodiversity to auditors and encourage and support audits in the areas of biodiversity by the use of IT tools. They also stated that the web page would contain useful information for auditors who plan to perform audits on biodiversity, extracted from the WGEA biodiversity paper and other sources, audit reports on biodiversity, links to websites on international agreements, links to international organizations’ sites, links to relevant websites about biodiversity, examples of national government initiatives on



biodiversity, the tutorial on biodiversity. The final version of the project is planned for completion by February 2010.

## Natural Resources Accounting

Presentation made by Mr Steven L. Elstein, SAI of USA. Environmental accounting is a quantifiable framework for information on the status, use, and value of a nation's resources and environmental assets in order to help the policymakers to monitor the contribution of the environment to the economy--and the impact of the economy on the environment. Netherlands Court of Audit completed the first Environmental Accounting report in 1998. There is a question: Would it now be worth updating the 1998 report? Significant changes in Environmental Accounting warrant a "yes."

Environmental Accounting can supply data to help governments to defend difficult budgetary decisions to address climate change, make informed decisions about how resources can best be spent and measure the effectiveness of strategies after they are implemented. The key components of Environmental Accounting are natural resource asset accounts, pollution and material flow accounts, monetary and Hybrid Accounts together with environmentally-adjusted macro-economic aggregates. SAIs can use environmental statistics from the accounts for conducting the audit work and support audit findings and for reporting on the long-term implications of policy choices. The SAI of United States working with the SAI of Uganda will in Environmental Accounting (EA) Report update to identify recent EA activities among international organizations, provide detailed examples of innovative EA practices among individual countries and suggest how SAIs might make good use of environmental accounts.

Mr Steven Elstein gives an overview about recent EA activities among international organizations, detailed examples of innovative EA practices among individual countries and how SAIs can make a good use of Environmental Accounts.

The draft report will be delivered for Steering Committee review by August 2009 and the final report for the WGEA adoption by June, 2010.

## INTOSAI WGEA Website, Visual Identity, Sixth Survey and Annual Collection of Environmental Audits

Mrs Margit Lassi gave an overview about the INTOSAI WGEA new identity, its graphics; she described the structure of the logo, the colours and identity typeface together with the possible use of the logo.

The new INTOSAI WGEA website is up from December 2008. The information and structure comparing with the previous one has not changed, some information is found in five INTOSAI languages, some information is still missing and needs to be entered and updated. In the future a forum for auditors can be opened and opportunity to display live videos. In order to keep the web page fast not many pictures and photos are used; address has remained the same. Mrs Margit Lassi encouraged the auditors to send their ideas and remarks to the WGEA Secretariat.

Then she gave an overview on the 6th Survey of the INTOSAI WGEA. Minor changes are made in the 6th Survey questionnaire comparing with the previous one. The Survey will be sent out to every INTOSAI member in the beginning of March 2009 in five INTOSAI languages via e-mail and regular mail. The feedback is preferred in English language. The WGEA Secretariat is expecting to receive the completed surveys by 1 June 2009.

There are three possibilities to answer:

- Electronically using the INTOSAI WGEA website
- Via e-mail
- Via paper copy using fax or regular mail



The secretariat strongly encourages sending the responses electronically using the website or e-mail to avoid transcription errors and to save time and costs.

Results will be reported to the steering committee in the beginning of 2010 and to the WG during WG13 in 2010.

The letters for the Annual Collection of Environmental Audits were sent out to every INTOSAI member on 15 January 2009 and by e-mail on 25 January 2009. The Secretariat of WGEA is expecting to receive the completed forms with the audit(s) by 6 March 2009. There are two possibilities to send the audits: via e-mail (collection form and audits attached to it) or via paper copy and regular mail (audits sent on a CD). Title of the audit must be provided in English and it can be indicated in other INTOSAI languages. The name of the electronic file should be clear and should make a reference to the title of the audit. The audits will be uploaded to the INTOSAI WGEA website under Environmental Audits Worldwide.

The SAIs are encouraged to check the website in regard of the audits from their country and the contact information.

## RWGEA progress reports and discussion outcome

### ACAG/PASAI

Mr Paul Allsworth, SAI of Cooks Islands, public auditing challenges in the Pacific are variable audit timeliness, the quality and impact of audits. There are big improvements in timeliness, but still delays; in some cases accounts are 10-15 years behind; in 63% of Pacific Audit offices, less than a quarter of staff hold relevant qualifications and the audit recommendations have often repeated year after year, but no action taken.

It is an overarching objective to raise Pacific public auditing to uniformly high standards after 2-year development process, unanimously endorsed by PASAI in April 2008 and which is now in implementation phase. Key partners involved are PASAI, IDI, ADB and AusAID. The expected outputs from the process are strengthened PASAI secretariat, established sub-regional audit approach, greater cooperation between offices in the region and the first cooperative performance audit initiated. In 2008 PASAI Congress agreed that the first cooperative performance audit should be an environmental audit what links well with INTOSAI WGEA work plan for 2008-10. Regional WGEA coordinator (SAI of New Zealand) is helping to get the audit started. The PASAI cooperative audit will be a "coordinated audit" with cooperative audit team and separate national reports. Some form of joint reporting should be agreed on and INTOSAI WGEA guidance on cooperative audits will be followed.

Mr Paul Allsworth described the selection of a topic for the cooperative audit and he mentioned that the proposal will be presented to the PASAI congress in Palau in June 2009. Concerning the timing – the planning and fieldwork has scheduled in June 2009-March 2010 and reporting in March-June 2010.

### AFROSAI

Mr Ludovick Utouh, SAI of Tanzania. Within its work plan AFROSAI WGEA is following the long term vision and the main goals defined in INTOSAI WGEA current work plan. Mr Utouh introduced the possible central themes for the AFROSAI RWGEA 2009-10 work plan. Proposed actions for 2009-10 are to design and carry out a multi-SAIs coordinated audit on selected topic; to organize at least two AFROSAI RWGEA meetings, to development of training module during 2009–2010, to conduct the training courses during 2009-2010 on water quality, biodiversity and waste management, to adapt and deliver the WGEA-IDI environmental auditing training course for English, French and Arabic speaking SAIs within AFROSAI. It is also planned to publish a newsletter on environment in the region once per year and to establish a web newsletter. It is planned to identify help-line function for the AFROSAI under the Regional Coordinator and the Subcommittee (AFROSAI-A, AFROSAI-E, and AFROSAI-F).



The SAI of Tanzania has planned to communicate all AFROSAI WGEA members on environment related matters. Such as conducting AFROSAI RWGEA annual meetings, participating in AFROSAI-E technical update meeting and to participate in any other environmental related audit meeting in the region.

## ARABOSAI

Mrs Hanadi Hamed, SAI of Egypt, gave an overview on the status of the Regional Subcommittee for Environment Auditing Affairs.

The ARABOSAI sub-committee for environmental auditing was suspended according to decision number 45 of 2006 for the thirty-seventh executive board hosted by Tunisia on 28-30 November 2006 until approving the General Strategic Scheduled Plan Group and restructuring the committees in the light of the objectives and methodology of this scheduled plan.

The Arab Group's general strategic scheduled plan approved for 2008 to 2012 provided that the teamwork of general strategic scheduled plan should be committed to preparing drafts of regulations for the two committees stated at the scheduled plan, i.e. committee of controlling professional standards and committee of developing institutional capabilities according to decision numbered 57 of 2007 by the thirty-eighth executive board hosted at Yemen on 26-27 May 2007.

The Teamwork for Environmental Auditing has been established within the competences of Committee of the Developing Institutional Capabilities upon the decision of the ARABOSAI 40<sup>th</sup> Executive Board hosted by the SAI of Kuwait on 3-4 December 2008. The RWGEA comprises SAIs from six countries: Egypt, Palestine, Kuwait, Iraq, Jordan, and Tunisia.

The upcoming meeting of RWGEA will be hosted by the Egyptian SAI in July 2009 and a Regional Work Plan will be implemented.

ARABOSAI WGEA has contributed to the translation of the guidelines and manuals into Arabic:

- SAI of Egypt has already translated the guidance "Auditing Biodiversity: Guidance for SAIs" into Arabic and will be translating the Biodiversity training material into Arabic;
- The SAI of Tunisia will be translating "The World Summit on Sustainable Development: An Audit Guide for SAIs";
- The SAI of Jordan has just begun translating the "Cooperation Between SAIs: Tips and Examples for Cooperative Audits".

## ASOSAI

Mr DING Renli, SAI of China. Since the 11th meeting of the INTOSAI WGEA in June 2007, ASOSAI WGEA has organized several activities on environmental auditing within ASOSAI and participated actively in INTOSAI WGEA events.

From 14 to 23 October 2008, the CNAO hosted an ASOSAI Seminar on Environmental Audit in Hangzhou, Zhejiang Province of China for the purposes of sharing experiences and information among member SAIs of ASOSAI and promoting further development of environmental auditing in Asia. 69 delegates from about 32 countries and regions participated in the seminar.

At the seminar participants from 28 countries and regions gave presentations. Active discussions were carried out focusing two themes: "Audit on Climate Change and Air Pollution Prevention" and "Audit on Nature Resource Development and Protection and Sustainable Energy".

On 14 to 23 October 2008, the second working meeting of ASOSAI WGEA was also held with delegates from 18 countries. At the meeting, the secretariat of ASOSAI WGEA presented a work report over the past three years, which had been appreciated by all meeting participants; and sent out confirmation sheets to collect membership information from participants. The secretariat also disseminated a survey on cooperative environmental audit. All these efforts will lay a solid foundation for the future work of ASOSAI WGEA.

Concurrent and parallel audit carried out by the National Audit Office of China (CNAO) and the Board of Audit and Inspection of Korea (BAI) had steered a steady course in promoting the cooperative environmental



audits. From 2006 to 2007 CNAO and BAI carried out a cooperative environmental audit over Dust and Sandstorm (DSS) Prevention Projects. The type of cooperative audit is called “Concurrent and Parallel Audit”, which means SAIs of China and Korea conduct concurrent audit over Dust and Sandstorm (DSS) prevention projects simultaneously, but with a separate audit team from each SAI and within the mandate of each SAI reviewing only its own country’s DSS prevention projects. Field audits of both SAIs finished at the end of 2006. In the first half of year 2007, each SAI drafted its own audit report. At the end of year 2007, SAIs of China and Korea had exchanged the methodology and audit results through emails, indicating a successful end of the cooperative audit.

SAIs of Indonesia and Malaysia are launching a cooperative audit project on forests. This is a new development of cooperative environmental auditing in Asia.

Mr DING Renli also gave an overview of the 8<sup>th</sup> ASOSAI Research Project: “Environmental Audit Guidelines” has been progressing smoothly. The research project team is composed of auditors from SAIs of China, India, Malaysia, Saudi Arabia and Pakistan. Up to now, three research meetings have been convened by the research team to confirm the frame of the guideline and accomplish the draft of Basic Concept in Environmental Auditing, an Introduction and Evaluation of Environmental Issues Relating to Air, Water and Waste and etc. Meanwhile, Checklist for Environmental Compliance/Performance Audit of Water Issues, Air Issues and Waste Issues, Audit Cases and etc. are to be drafted. The draft guidelines are scheduled to be finished in May 2009.

As for the future work plan the ASOSAI WGEA has planned to fulfil the following tasks:

- Promoting Information and Experience Sharing on Environmental Auditing through various channels, e.g. the website of ASOSAI WGEA;
- Promoting Cooperative Environmental Audit Projects in Asia;
- Prepare and improve 2009-2010 Work Plan of ASOSAI WGEA.
- Providing due assistances for drafting theme paper for Theme II “Environmental Auditing and Sustainable Development” of the 20<sup>th</sup> INCOSAI.

## EUROSAI

Ms Herdis Laupsa, EUROSAI WGEA Secretariat, SAI of Norway. EUROSAI WGEA has currently 45 member SAIs, the 6 newest member SAIs are from Turkey, Spain, Belarus, Kazakhstan, Moldova and Israel. The agreed strategic goals are to facilitate concurrent or coordinated environmental audits; to initiate and implement audits within the area of climate change; to develop methodology and build capacity within environmental auditing; to identify and develop governance practices and organisational structures to ensure the ongoing and effective functioning of EUROSAI WGEA; establishing coordinated and effective processes between EUROSAI's working groups, INTOSAI's working groups and other relevant organisations and institutions.

Under all above strategic goals the RWGEA has designed a number of specific actions to be carried out. The 6<sup>th</sup> Regional Working Group meeting was held in Ukraine, Kyiv on 7 to 9 October 2008, the next Steering Committee meeting will be held in March 2009 in the Netherlands, the next Working Group meeting will be held in Bulgaria in autumn 2009. The RWGEA has started publishing the Newsletter and the Secretariat is developing the new web site for the working group.

## OLACEFS

Mr Ismar Barbosa Cruz, SAI of Brazil. OLACEFS Committee on Environmental Auditing – Comtema - was established in November 1998, during the 8<sup>th</sup> General Assembly of the Organisation of Latin American and Caribbean Supreme Audit Institutions, the SAI of Brazil is the current coordinator. As concerns the activities after last INTOSAI WGEA meeting, the SAI of Colombia has developed an Environmental Audit Guidance and carried out an Environmental Audit with the SAI of Peru on the Putumayo River basin; the SAI of Colombia has hosted and organized a workshop on Environmental Audit on Amazon Region (July 2008); Brazilian Court of Audit (TCU) hosted the 6<sup>th</sup> Meeting of Comtema on 11 to 12 June 2008. During that



meeting the Comtema's bylaws were approved together with the establishment of performance guidelines for the Committee along with a Work Plan for 2009-2011.

Brazilian SAI presented the Coordinated Audit Manual prepared by the WGEA, illustrating the advantages of adopting the manual's methodology and announced its participation in the coordinated audit addressing climate change, involving 13 other countries. Brazilian SAI encouraged other Comtema members to carry out coordinated audits in the themes related to climate change. During that meeting El Salvador, Mexico and Panama requested and received the approval for their ingress in Comtema. As the result of the meeting the Committee's bylaws were approved with reaffirmation of the roles and responsibilities of the chair and members; it was also established that the mandate of the chair should coincide with the period of the work plan - 3 years. The draft of the Work Plan for 2009-2011 was discussed and goals were approved for the next period: carrying out a coordinated audit on climate change participating with the SAIs of Argentina, Brazil, Colombia, Peru, Paraguay, El Salvador, Mexico and Panama; SAI of Venezuela agreed to be the coordinator of this activity; building capacity for environmental audit (to be led by SAI of Peru), sharing the knowledge in the group and developing the methodologies to carry out environmental audits in areas of regional interest. 7<sup>th</sup> meeting of COMTEMA, hosted by the SAI of Argentina, is expected to be held in April of 2009.

Mr Terrance Bastian, Auditor General of the Bahamas asked a floor for a short statement on a name of CAROSAI. Mr Terrance Bastian stated that even there is no environmental working group in CAROSAI yet, the SAIs of the region are getting more and more interested in environmental auditing issues.

## Chair's Progress Report

Mr Olavi Tammemäe, INTOSAI WGEA secretariat presented the progress of activities of the WGEA since the last Assembly meeting (WG11) in Arusha, Tanzania, June 2007.

The INTOSAI WGEA now has 69 member SAIs and the Steering Committee now has 16 members.

The 7<sup>th</sup> Steering Committee (SC7) meeting of the INTOSAI WGEA was held from 6 to 9 May in Tallinn, Estonia. This meeting was the first of the work period 2008-2010. The main purpose was to approve all project plans for this period and discuss current issues of the organisation. The meeting was a success, and all project plans were approved by the SC.

The SC7 also discussed the document "Roles and Responsibilities of the WGEA working bodies", introduced firstly in the WG11 in Arusha, and approved it for adoption at the WG12.

The drafting of all the above projects has been developed according to project plans. The draft projects will be presented for approval to the SC8 to be held in Indonesia in August 2009.

The SAI of Estonia conducted the annual collection of environmental audits worldwide and the database on the INTOSAI WGEA website has already been amended.

The SAI of USA continues publishing the *Greenlines* newsletter twice a year and has done an excellent job. The latest, 11<sup>th</sup> volume, was published in September 2008 and is available together with the previous ones on the WGEA website (<http://www.environmental-auditing.org>).

During 2008-10 each of the six RWGEAs is encouraged to design and conduct a coordinated environmental audit on a regional level. EUROSAI WGEA has already started with a coordinated audit on climate change; OLACEFS and ACAG/PASAI WGEAs have decided to conduct a coordinated environmental audit, they are both in the phase of deciding upon the topic. AFROSAI WGEA has already started the discussion in order to define the topic and partners for a coordinated environmental audit.

The translation of the previous work period documents into INTOSAI official languages has been possible by the voluntary efforts of SAIs. The previous work plan documents have been translated into French by the SAI of Canada. The translations into Spanish have been done by the SAI of Argentina "The World Summit on



Sustainable Development: an Audit Guide for Supreme Audit Institutions”; the SAI of Peru “Auditing Biodiversity: Guidance for Supreme Audit Institutions” and “Cooperation Between SAIs: Tips and Examples for Cooperative Audits”, and the SAI of Chile “Evolution and Trends in Environmental Auditing”. The SAI of Egypt has translated the “Auditing Biodiversity: Guidance for Supreme Audit Institutions” into Arabic, the SAI of Tunisia has taken the responsibility to translate “The World Summit on Sustainable Development: an Audit Guide for Supreme Audit Institutions” and the SAI of Jordan “Cooperation Between SAIs: Tips and Examples for Cooperative Audits” into Arabic.

The Chair of INTOSAI WGEA highly values the efforts of these SAIs and welcomes additional voluntary commitments from SAIs speaking Arabic in order to translate the paper “Evolution and Trends in Environmental Auditing”.

The Chair of INTOSAI WGEA thanks all Project Leaders, Subcommittee members and Steering Committee members for their efforts in developing 2008-10 work plan projects.

The SAI of Estonia has supported the activities of RWGEAs participating in RWGEA meetings, where strategic and organizational issues as well as further cooperation between the regional coordinator and the Chair of the INTOSAI WGEA were discussed.

The 8<sup>th</sup> Steering Committee (SC8) meeting will be held in Indonesia, in August 2009. The main purpose of the SC8 is to approve the draft projects of the current working period. Tanzania has offered to host the 9<sup>th</sup> Steering Committee (SC9) meeting, which will be held in early 2010 with the main purpose to approve the final project drafts. China has kindly offered to host the 13<sup>th</sup> WG Assembly (WG13) meeting in June 2010 where the outcomes from current working period and work plan 2011-13 will be approved for submitting to the XX INCOSAI.

All the efforts made by the hosts of the INTOSAI WGEA Steering Committee and Assembly meetings are highly appreciated by the Chair of WGEA.

## Afternoon session

### IDI cooperation with INTOSAI WGEA

Ms Else Karin Kristensen and Ms Archana P. Shirsat, INTOSAI Development Initiative (IDI), made a presentation on IDI Cooperation with INTOSAI WGEA.

The IDI sees its role in the INTOSAI in giving input following the INTOSAI Strategic Plan 2005-2010 strategic Goal 2 – Building the capabilities and professional capacities of SAIs through training, technical assistance and other development activities. Under the IDI new strategy for 2007-2012 a gradual shift from only training to larger capacity building has occurred: focus from individuals to institutions; from regional focus to sub-regional and also trans-regional focus (cluster of SAIs with a common need). Instead of building training and professional capacity now the emphasis is on building professional and institutional capacity.

The IDI is a non-profit organisation that aims to enhance the institutional capacity of SAI in developing countries through needs-based, collaborative and sustainable development programmes in INTOSAI regions and groups of SAIs to meet the existing and emerging needs of stakeholders.

Ms Archana P. Shirsat gives an overview on the IDI’s strategic goals.

Capacity building of an SAI is the development of its institutional framework, people, processes and products in a sustainable manner enabling SAIs to deliver their mandate more effectively. Professional staff development includes the building of regional training infrastructure, designing and delivering workshops on audit topics. Organisational systems development includes needs assessments, strategic planning programmes, development of manuals, model audit files, toolkits and handbooks. Professional staff development includes E-learning, expert support, planning meetings, pilot activities, on job training, classroom training, mentoring and peer learning.



In cooperation with WGEA IDI has developed WGEA – IDI Environment Audit Course delivered in ASOSAI and AFROSAI-E; EA course delivered in OLACEFS; Collaborative Audits in 5 countries in AFROSAI-E and provided IDI trainers for the Biodiversity Workshop.

Finally Ms Archana P Shirsat described the future plans of IDI for cooperation with INTOSAI WGEA.

Concluding the presentation, Mr John Reed, SAI of Canada, referring to his morning presentation, suggested that the guidance material on “Cooperation Between SAIs: Tips and Examples for Cooperative Audits” developed jointly by the SAIs of Poland and the Netherlands during the previous working period, was an absolute ‘gold mine’ for the Global Audit on Climate Change. He mentioned that the document is an excellent source containing step by step guidance for carrying out audits, and it could be used for producing a good audit product.

Mr Paul Allsworth, SAI of Cooks Islands, raised a question as to whether the IDI has plans for activities to benefit ACAG/PASAI or other regions, in addition to the 4 regions mentioned during the presentation.

Replying to the question, Ms Else Karin Kristensen told that PASAI has their plans for the next 2-3 years which included environmental audits also; and IDI would support them within that framework.

## Roles and Responsibilities of the INTOSAI WGEA Working Bodies document

Mr Tõnis Saar, SAI Estonia, presented the roles and responsibilities of WGEA. Identifying and putting in place governance practices and organizational structures, to ensure the ongoing and effective functioning of WGEA was accepted as an important goal for the plan period 2008-10. The 7<sup>th</sup> Steering Committee meeting held in Tallinn, May 2008 had adopted the roles and responsibilities of the WGEA Working Bodies document for submitting it to the 12<sup>th</sup> meeting of the WGEA in Doha. The draft document was open for comments from the members. The participants did not raise any concerns on the subject. Finally, the Roles and Responsibilities document was declared as approved; and announced that the document would be distributed widely.

## Next Working Group Meeting

Mr ZHOU Xun, SAI of China, thanked the SAI of Qatar for the excellent hosting of the 12<sup>th</sup> meeting and the SAI of Estonia for the wonderful designing of the meeting. He told that the dates, venue and logistics for the 13<sup>th</sup> Working Group meeting in China would be finalized by August 2009. As hosts they would like to introduce China as a country dealing seriously with the energy saving issues and following the principles of sustainable development.

SAI China promised a warm and cordial welcome to the delegates coming to China.

## Next Steering Committee Meeting

Mr Anwar Nasution, SAI of Indonesia, expressed his happiness in hosting the 8<sup>th</sup> Steering Committee meeting in Bali, Indonesia in August 2009. He gave an introduction to the geographical and historical background of Bali and welcomed the Steering Committee delegates to Indonesia.

## Concluding session



The concluding speech was delivered by Mr Mihkel Oviir, Auditor General of Estonia and the Chair of the INTOSAI WGEA. He thanked the team from Estonia for making the meeting successful. Also he thanked the delegates for participation, preparation of country papers, presentations and foremost for interacting with their fellow colleagues. The great work done in organizing the meeting by the SAI of Qatar was appreciated by him. On behalf of the team from Estonia and all participants, he thanked Mr Salah Ghanam Al Ali, the President of the SAI of Qatar for his hospitality, superb facilities provided and great work done by its members to make the stay in Doha pleasant for all. He further mentioned that we learn a lot by meeting people every time. He welcomed the leadership qualities of SAI members for initiating change and alerting the world on environmental issues. He concluded his speech by wishing a safe trip back home and to see the delegates for the 13<sup>th</sup> Working Group meeting in China next year.

On the concluding the speech, the proceedings of the 12<sup>th</sup> meeting of the WGEA was declared as completed. Later in the night, a farewell get together and dinner was hosted by the President of the SAI of Qatar at the Heritage Village in Doha.