10th WGEA Meeting-Country paper of SAI IndiaIncreasing the impact of Environmental Auditing

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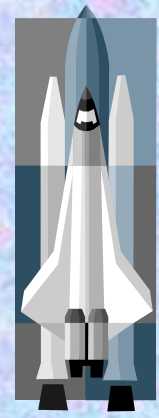
INCREASING IMPACT OF AUDIT EFFECTIVENESS



- What are the remedies to set right these types of situations?
- By increasing the impact of audit, a solution is on the anvil.
- We are proud of multiparty democracy but there are some inborn limitations.
- Delicate balance between sustainable developments and increasing the impact of EA is to be maintained.

Procedures of audit

- With the above introductory remarks, recap of methods and procedures being adopted to be discussed in brief.
- Concept of natural resource accounting and green GDP with sustainable development is to be introduced.
- Top down approach will be tried in SAI India.

Performance Audit(PA)

- Audit of projects/programmes of environmental nature viz. Financial and Regulatory audit.
- PA is more comprehensive.
- PA methodology involves strategic planning,acquiring knowledge of the entity.
- Scoping,deciding audit objectives,audit criteria,gathering audit evidence,audit test programme.
- Drafting report, discussion and finalizing of report.

Context for SAI India and relevant Environment Auditing

- Context for SAI India and relevant Environment Legislation on water was the first step(1974) to address Environmental issues
- Adopted all the methodologies for audit of water
- Deciding audit objectives against criteria
- Formulating audit findings
- Reporting, assisting the Parliamentary Committee, causing issue of recommendations for abatement of pollution at various levels

Impact of Audit

- EA is a sunrise subject. Therefore need of proactive role and raising accountability are to be the primary concern.
- To spread environmental awareness amongst executives, regulators and public through reporting and extensive media coverage.
- To cause review/revision of standards dealing with pollution.
- To cause formulation of Environmental policy.

What was the increased Impact

- SAI India's experience in audit of water was panoramic.
- Resulted in positive impact as Government introduced water policy 2002 and
- Stringent steps in environmental management such as closure of polluting industries,commissioning of Effluent Treatment Plants, initiation of prosecution proceedings.

What will be the increased impact

- New ways and means to abate or avoid pollution.
- More awareness among the regulators,stake holders,Government and more importantly media.
- Corrective/preventive action to avoid recurrence.
- Will result in increased revenue collection.
- In new scenario increased audit will guide Government to issue sanctions.

What techniques did not work

- Compliance audit method used to focus deficiencies.
- Capacity built up internally to address EA issues.
- Highlighted audit findings based on expertise available with audit criteria/objectives developed unilaterally.
- These techniques require modification.
- Conventional methods to go along with new methods.

What techniques are expected to work

- SAI India resorted to increased PA rather than compliance audit and financial audit.
- PA specifies involvement of auditee also for developing audit criteria and audit objective.
- Decides to involve Subject matter experts(SMEs) to have auditee acceptance in technical matters.
- Future audits to effectively tackle technical areas with help of SMEs to be more acceptable to the stake holders.
- PA with IT based techniques are likely to be better tool.

What have been learned about increasing audit results?

- Environmental issues affect the development, result in natural disorders.
- Increased need for environmental awareness through EA is still relevant.
- Relative Data base and its better application emerges from audit results.
- Topicality of subjects for audit, timely submission of reports to the Parliament and increased co-ordination with Parliamentary Committees for effective recommendations.

What we want with increasing audit results?

- Increased need for creating required relevant environmental data/information.
- Increased need for media intervention for Government Environmental Audit for wider coverage.
- Increased need for proactive role of SAIs` in Environmental management through effective Government EA.

Are we in a position to compare

- In essence SAI India is improving the methods and strategies by Top down approach, Performance auditing and IT, but it is miniscule where we compare with need of development. So a balanced approach is needed.
- But what about the experience of developed nations who have more freedom/mandate/resources?
- Is it comparable with the achievements of developing nations?
- Some environmental impacts in the form of increased disasters felt in Developed/Developing nations alike. Is it due to less impact of EA?

Some Global Issues

- In every audit EA should be incorporated
- Zonal guidelines on EA can benefit all SAIs in the region.
- IDI or any agency's help is sought for intensified training efforts.
- Evaluation of technical EA,EIA, ISO 14001 audits by SAIs for effective monitoring of environmental management.
- Continued monitoring mechanism for specific regional level issues should be evolved in EA.

Expectation from WGEA

- Regional Co-operation for evolving regional standards for audit of control of pollution.
- Designing and development of Natural resources accounting (NRA) standards for inclusion in national accounting.
- Dissemination of information on the EA subjects especially on NRA.
- Holding of more work shops on EA.

Tsunami/Katrina/Rita/Earthquake

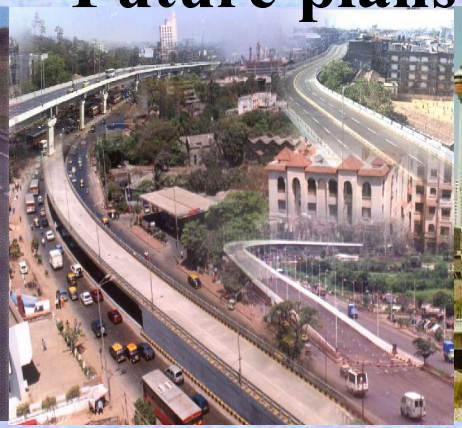
- *ARE THEY NOT ENVIRONMENTAL DISASTERS?*

Let us work together to have clean environment

Only after the last tree has been cut down,
Only after the last river has been poisoned,
Only after the last fish has been caught,
Only then will you find, that money cannot be eaten

Present Scenerio

Future plans



Thank you for patient hearing

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SAI/India