Auditing Biological Diversity

" The place of the Republic of Macedonia in its efforts of keeping biological diversity in the environmental area and contribution of SAO of the Republic of Macedonia"

Legislative Basis for Biodiversity Protection

3 Basic laws for biodiversity protection

8 laws for closed fields

20 institutions for studying and monitoring biodiversity

4 financial audits on environment (ministry, funds and projects)

Types of conducted audits

- *In 2002, the SAO conducted regulatory audit of the Environmental Fund for the financial statements of the year 2001.*
- *In 2003, the SAO conducted regulatory audit of the financial statements of MEPP and all projects financed by foreign donors for the year 2002.*
- *In 2003, the SAO conducted regulatory audit of the financial statements on Biodiversity Project for the year 2002.*
- *In 2004, the SAO conducted regulatory audit of the financial statements of Environmental Fund for the year 2003.*
- *In 2004, SAO conducted a preliminary risk assessment of biodiversity activities.*

Audit findings and recommendations

Findings due to Environmental Fund

- ***The status of the Environment Fund was "illegal";***
- ***The audit confirmed the Fund did not establish written policies on the techniques procedures and criteria for its spending;***
- ***The audit also found that the Fund has not adopted measurement tools and indicators of the effects of the financed projects on the environment.***

Audit findings and recommendations

Findings due to Ministry of Environment and Physical Planning.

- ***The Ministry has not solved the fragmentation of responsibilities for environmental monitoring, the management of cross -sectoral issues and the setting of standards.***
- ***As a result of budgetary constrains, the MEPP is not adequately staffed and is not capable to respond to the needs.***

Audit findings and recommendations

Findings due to Global Environment Facility -Project for Developing National Strategy and Action Plan of Biodiversity

- ***SAO found that funds have been spent in accordance with the donor agreements;***
- ***SAO also found that Ministry reports only refer to the project activities and not to the effects of the activities;***
- ***A new document NEAP 2 is being drafted which will include techniques for monitoring the effects of the activities at both national and local level.***

Audit findings and recommendations

Recommendations due to Environmental Fund.

- ***The Government of the Republic of Macedonia should issue an act, special law which will regulate the organisational chart and operations of the Fund;***
- ***The Environmental Fund functions to be included in mandate of the MEPP until establishing required legislative and regulations concerning the Environmental Fund.***

Audit findings and recommendations

Recommendations due to Ministry of Environment and Physical Planning.

- ***The Ministry needs clear definitions of its responsibilities and its mandate regarding the environmental aspects of legislation, monitoring and data management.***

What we recommended?

The results from the regulatory audits are sufficient information for the SAO of RM that the MEPP and the Macedonian Government in general have weaknesses in process of conducting the policy on environmental protection and conclude that certain steps should be taken to overcome these problems.

Challenges faced in the audit

The most challenges SAO of RM faced during the auditing were the following:

- The needs of conducting further more in-depth and detailed preliminary studies on each environmental audit and especially for biodiversity audits which should be done in the future;
- The need of extension on scope, details and criteria in conducting audit (the audit of financial statements provides an opinion only regarding the items stated in the financial statements, but conducting the performance audits will provide the opinion or conclusions for economic, efficient and effective implementation on strategic documents of the activities of the entities of the environmental area;
- The limitations of auditor's number in the SAO;
- The need of further specialization of certain group of audit staff which will be specialized for conducting audits on environment areas;

Future plans

The SAO of RM is in the middle of the process on analysing the available information to define concrete problem that would be audit object in the further period.

During the planning process, the special attention will be paid on the following specific areas:

- ***Fresh water (drinking water, the water quality, rivers, lakes);***
- ***Air pollution;***
- ***Soil pollution;***
- ***Ecosystems and changes in the ozone shell;***
- ***Managing with disasters and readiness for acting in such conditions and etc.***

Thank you