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THROUGH FINANCIAL AUDIT TO ENVIRONMENTAL AUDIT

Roots of Production Pollution:

- The absence of efficient instruments of implementation of the environmental legislation;
- The morally and physically obsolete equipment;
- The cumulative factor arisen from the environmental problems occurring during the previous decades;
- The low effectiveness of the allocated resources;
- The limited international practical experience in resolving the environmental problems.

Major environmental problems

! The water body pollution;

! The atmospheric air pollution by emissions from industrial enterprises and vehicles;

! The constantly increasing amount of production and consumption residues, including toxic ones;

! The soil contamination, ground cover degradation, reduction of flora and fauna species composition.

How to improve the efficiency of the environmental problems resolution

To increase investments in basic activities of federal bodies of the environmental complex

To implement federal target environment-oriented programs

To finance environmental actions primarily through federal budget

Environment and Natural Resources of Russia (2002 – 2010) Federal Target Program

Amount of finance is over **10bln** rubles out of the federal budget

<u>Measures implementation Analysis:</u>

- No timely and complete funding;
- Explicit no-purpose and inefficient channeling of federal funds;
- No expected results achieved, including in comprehensive introduction of the environmentally friendly productions.

Basic activities on the audit of federal budget funds allocated to rehabilitate mineral resources, support agriculture and fishing industry, water resources, forest sector and environment protection

Basic Tasks

To resolve the principal economic and financial problems of the Administrative Industrial Complex and Environment-Oriented Complex that affect the industrial and environmental security of the state

To carry out the state audit of the federal budget, namely the tax and non-tax incomes, use of natural resources and state property as well as utilization of federal budget by ministries and associated governmental agencies

To ensure the integrity of control and expert-analytic measures concerning the established priorities, problems and objects

To put in practice the new type of financial audit, i.e. efficiency audit

2001-2005 Audits

The purpose of the control measures is **to examine the financial, legal and environmental aspects of the issue as well as detect actual achievements, advances and difficulties in protecting the environment**

2001

Control of Funds of the International Bank of Reconstruction and Development allocated with the aim of environment protection

Audit of *the Volga Rejuvenation* Subprogram implementation within the framework of *the Environment and Natural Resources of Russia (2002-2010)* Federal Target Program

International parallel audit of the Helsinki Convention (No.1)

2002

Audit of *the Wastes* Subprogram implementation within the framework of *the Environment and Natural Resources of Russia (2002-2010)* Federal Target Program

Audit of *the Baikal Protection* Subprogram implementation within the framework of *the Environment and Natural Resources of Russia (2002-2010)* Federal Target Program

2003

International parallel audit of the Bucharest Convention on the Protection of the Black Sea

Audit of the efficient utilization of federal funds allocated to protect forests

2004

International parallel audit of the Bucharest Convention on the Protection of the Black Sea

Audit of the efficient utilization of federal funds allocated to protect forests

2004 - 2005

International parallel audit of the Helsinki Convention (No.2)

The audit findings demonstrate the low level of federal budget financing of the environmental activities

International audits within framework of the EUROSAI Work Group on Environment Protection

- Utilization of federal budget funds as well as other resources, including regional and foreign;

- Expert and analytic activities on the environmental assessment of certain regions;

- The reports signed by the representatives of all participating parties have been sent to the Secretariat of the EUROSAI Work Group;

- The audit findings gained international recognition.

The Provisional Procedure of Joint and Parallel Measures Taken in Cooperation with Foreign State Audit Institutions

Conceptual base of international audits

Developed and approved by the Decision of the Board of the Accounts Chamber of the Russian Federation in 2004 based on the 2004-2005 audits as well as recommendations elaborated within the EUROSAI and INTOSAI Work Groups

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THANK YOU