Increasing the impact of our audit:

Environmental audits as case examples

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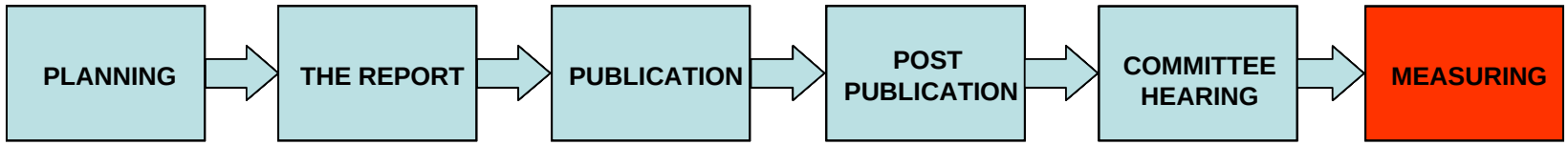
Introduction

- Impacts can be enhanced at all stages of the audit cycle



Concentrate today on measuring

- Key types of impact
- How we measure our financial impact
- Environmental case examples

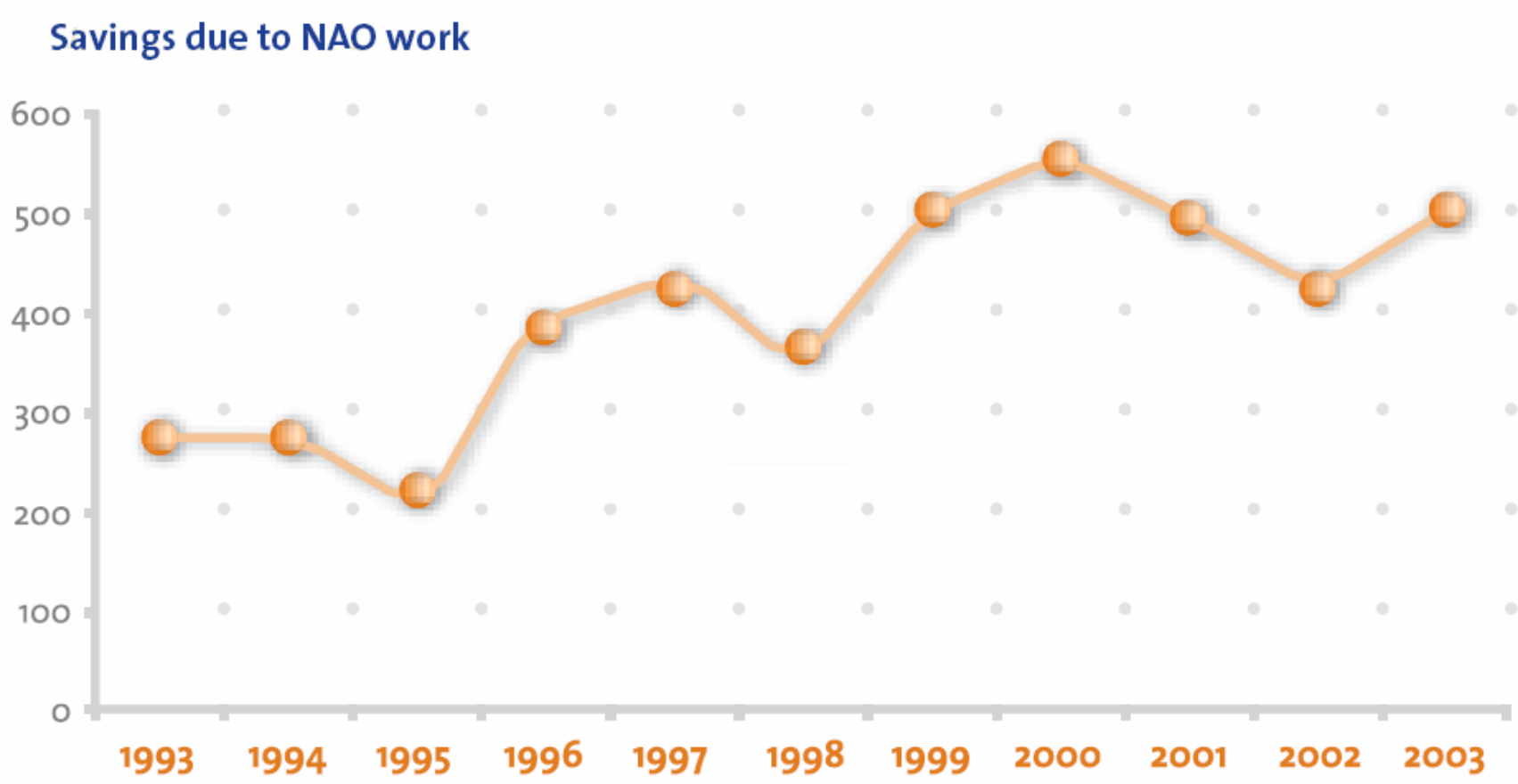
Impacts

- Financial
  - Cash releasing
  - Non cash releasing
- Non-financial
  - Guard against impropriety and corruption
  - Inform Parliament and public debate
  - Improve Service Delivery

Direct Financial Savings

- 8:1 target
- Challenges
  - Attributing causation
  - Departmental agreement
  - Actual rather than potential improvement
- Incentives
- Benefits
  - Transparency
  - Indicator of ‘return on investment’

Performance



Case example: Waste

Environment Agency: Protecting the Public from Waste (2002)

- Recommended lower frequency of waste inspections
- Number of routine inspections fell from 125,000 planned for 2001 to 84,000 in 2003
- Led to £6.15m saving in that year alone

Case Example: Emissions reductions

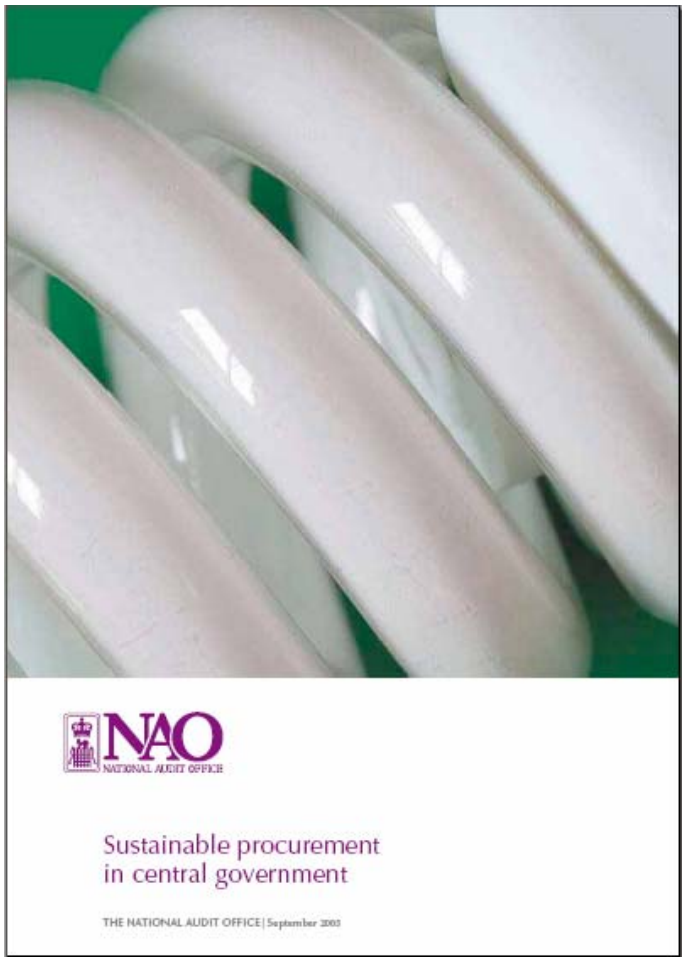
The UK Emissions Trading Scheme: A New Way to Combat Climate Change (2004)

- Raised concern about whether emissions targets were demanding enough
- Helped by our report, government agreed new targets
- £17.7m impact

Non-financial Impacts

- Challenges
  - Longer term impacts
  - Quantification
  - Inherent uncertainties
- Benefits
  - Rounded picture of our impact
  - Sustainable Development

Case Example: Sustainable Procurement



Sustainable Procurement in Central Government (2005)

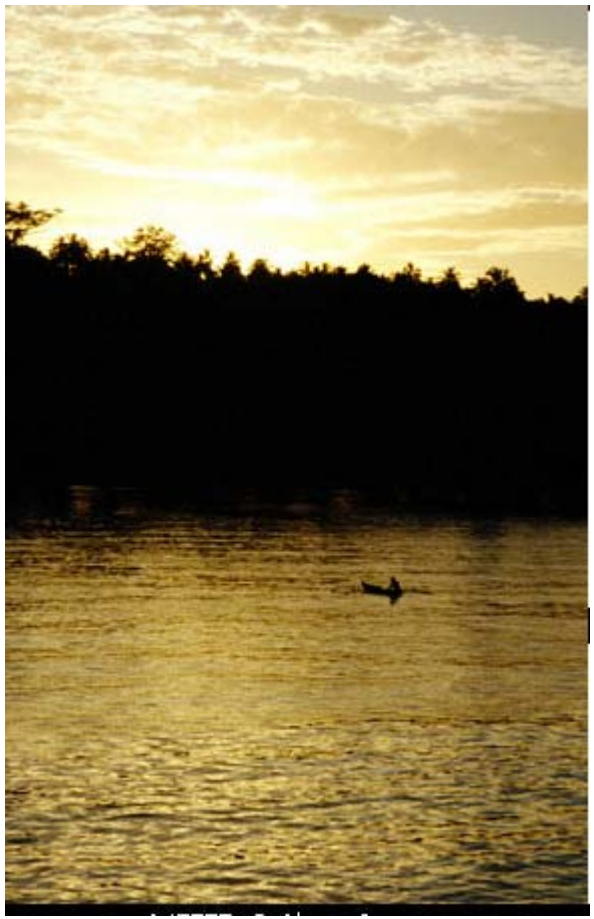
- High press coverage
- Can be used by key stakeholders such as Sustainable Procurement Task Force

Case example: Warm Front

Warm Front: Helping to Combat Fuel Poverty (2003)

- Environment Department now replaces boilers for the fuel poor with most fuel efficient model which also had lower purchase cost
- £400,000 saving to the Department
- Lower fuel costs for the citizens involved
- Potential environmental saving from reduced carbon dioxide emissions

Conclusion



- Face different challenges in monitoring and measuring for both financial and non-financial impacts
- Target and system helps
- High impacts can be achieved in environmental examples