



**Message
from the
Chair of
WGEA**

The seventh Steering Committee (SC) meeting of the WGEA was held on 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: fruitful and active discussions were held, and all project plans were approved by the SC. Also attending as guests were representatives of the INTOSAI Development Initiative and the SAI of Qatar. I would like to thank all attendees for their valuable effort and input into the work of the WGEA. The Minutes of the meeting, all the presentations, and approved project plans can be found on our website.

The Working Group has grown significantly during the last 9 months, with 69 members now. I would like to welcome new members: Armenia, Azerbaijan, Finland, Mexico, Morocco, Qatar, and Zambia. During the SC7 meeting, the Netherlands and South Africa said that their SAIs had decided to leave the SC. Fortunately, both SAIs will remain members of the Working Group. On behalf of the Working Group, I would like to thank the Netherlands and South Africa for their valuable input as members of the SC.

I would like to bring your attention to that the twelfth meeting of the INTOSAI WGEA, which will be held on 25 to 29 January 2009 and will be hosted by the State Audit Bureau of Qatar, in Doha. Invitations have already been sent out, and I encourage every SAI to consider attending this event. For more information, please see this issue's WGEA News or contact the Secretariat.

The Feature Story in this issue has been co-authored by the SAIs of Brazil and New Zealand, and focuses on their efforts to improve multilateral cooperation on environmental auditing within their respective regions. The News Briefs submitted by twenty SAIs offer information and insights about the key environmental issues important to their country. In the WGEA News, the Secretariat gives a short overview about the SC7 meeting and the next meetings, and overall activities.

Hope to meet you all during WG12 meeting in Doha, Qatar!

Mihkel Oviir
Auditor General of Estonia

Feature Story

Improving Multilateral Cooperation in Environmental Auditing: A Tale of Two INTOSAI Regions

For several years now, the Working Group on Environmental Auditing (WGEA) has encouraged its members to conduct cooperative audits with other SAIs to solve regional environmental problems of mutual interest. The effort stems from a recognition that environmental problems cross international boundaries—and in fact are becoming increasingly global in nature. Moreover, as the only INTOSAI Committee or Working Group with a network of regional counterparts, the WGEA also recognizes that its regional working groups are ideally situated to promote this type of cooperation.

This article, co-authored by the SAIs of Brazil and New Zealand, profiles collaborative efforts of the region representing Latin American and Caribbean SAIs, and the region representing Australia, New Zealand, and the Pacific Islands, respectively. (read more on the following page...)

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Feature Story

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For several years now, the Working Group on Environmental Auditing (WGEA) has encouraged its members to conduct cooperative audits with other SAIs to solve regional environmental problems of mutual interest. The effort stems from a recognition that environmental problems cross international boundaries—and in fact are becoming increasingly global in nature. Moreover, as the only INTOSAI Committee or Working Group with a network of regional counterparts, the WGEA also recognizes that its regional working groups are ideally situated to promote this type of cooperation.

This article, co-authored by the SAIs of Brazil and New Zealand, profiles collaborative efforts of the region representing Latin American and Caribbean SAIs, and the region representing Australia, New Zealand, and the Pacific Islands, respectively. In pursuing their ambitious efforts, both regional working groups availed themselves of the broader resources of the WGEA. They also sought and received the active participation of the WGEA Secretariat, which traveled to both regions and participated in their meetings.

OLACEFS: Members of the Region's Working Group on Environmental Auditing Agree to Collaborate in Tackling Climate Change, Other Key Issues

As the INTOSAI regional group representing the SAIs of Caribbean and Latin American nations, the Organization of Latin American and Caribbean Supreme Audit Institutions' (OLACEFS) stated objectives are to support scientific investigation; conduct training and promote specialization on topics of interest; and provide technical advice, assistance and coordination for the SAIs of Latin America and the Caribbean. OLACEFS's traditions date back to the 1960s, and it has existed under its current name since 1990.



COMTEMA meeting participants at TCU main entrance

Within this context, OLACEFS' members interest in the environmental issues affecting their nations, their governments, and their region has increased in recent years. Consequently, the 8th General Assembly of OLACEFS in November 1998 authorized establishment of COMTEMA, a new working group on environmental auditing.

On June 11-12, 2008, the Brazilian Court Of Audit (TCU) hosted COMTEMA's 6th Annual Meeting in Brasilia. The event was attended by representatives of committee members from Argentina, Colombia, Paraguay, Peru, and Venezuela, and invited guests from Estonia, El Salvador, Mexico, and Panama. The WGEA Secretariat was also invited and attended the meeting.



TCU Minister Ubiratan Aguiar's opening presentation

Among the basic tasks to be addressed at the meeting were the approval of COMTEMA's bylaws, the establishment of performance guidelines, and the adoption of a workplan for 2009-2011. Toward this end, in opening the meeting, the representative from the Brazilian Court Of Audit challenged participants to collectively formulate a harmonious, diversified, and ambitious set of actions to be included in COMTEMA's work plan for the 2009-2011, and to commit to addressing these activities.

Much of the meeting focused on a topic of increasing urgency for member countries and for the SAIs represented at the meeting—climate change. Dr. Gustavo Mozzer, Technical Adviser of Ministry of Science and Technology of Brazil, spoke to participants on the subject, underscoring the need for Latin American countries to accelerate their efforts to determine what measures need to be taken to help their nations adapt to the consequences many predict will result from climate change in coming years.

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The Brazilian SAI delegate discussed the WGEA's recently-completed guidance document, "Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits," illustrating the advantages of adopting the document's suggestions. It also highlighted Brazil's practical experience with the new global, coordinated WGEA audit addressing climate change, involving 13 other countries. The TCU described how this process is unfolding at the WGEA level, with three lines of investigation being pursued: mitigation, adaptation, and science and technology. The TCU stressed that each country has the freedom to choose the lines and subjects of interest to their respective audits, adopting the same matrices developed by the group.



Dr. Gustavo Mozzer speaking on climate change

Since Brazil is the only Latin American member of this global audit, the TCU encouraged COMTEMA members to carry out coordinated audits in themes related to climate change, preferably in cooperation with other SAIs.

Next, as a way to share experiences, the participants gave brief reports on their SAI's progress with environmental audits, including the main projects completed and the results obtained.

With a view toward synchronizing the Committee's work with the WGEA's own 2008-2010 work plan, Brazil, as president of COMTEMA, proposed that climate change be considered the central theme for activities under the 2009-2011 work plan, focusing on the following priority themes:

- Forest protection, use, and management.
- Water resource protection, use, and management.
- Biodiversity protection, use, and management.

In addition to approving COMTEMA's bylaws and work plan for 2009-2011, the members also committed to carrying out a coordinated audit on climate change. They also agreed to develop methodologies to carry out environmental audits on other topics of regional interest.

The draft work plan approved by 6th meeting will be ratified by the members of COMTEMA at the next meeting, which is expected to be held in April of 2009. At that time, a new committee president will also be elected.



Group discussion among COMTEMA participants

For further information about the OLACEFS RWGEA, please contact Carla Ribeiro da Motta at CARLARM@tcu.gov.br or Ismar Barbosa Cruz at ismarbc@tcu.gov.br.

ACAG/PASAI: Regional Working Group on Environmental Auditing Overcomes the Formidable Challenge of Geography to Advance Collaboration, Cooperation

The youngest of the six regional INTOSAI working groups on environmental auditing is based in the Pacific region. The ACAG/PASAI Regional Working Group on Environmental Auditing (RWGEA) was formed in 2002, and covers a very large region – the Pacific Ocean. Members include Australia, New Zealand and Islands in the Northern and Southern Pacific Ocean.

The regional name, "ACAG/PASAI" stems from the fact that its members comprise the Australian Council of Auditors-General (ACAG) and the Pacific Association of Supreme Audit Institutions (PASAI). Twenty-five Auditors General from Pacific states and countries are members of PASAI, and the nine Australian Auditors General belong to ACAG. New Zealand's Auditor General is a member of both groups, as are the Auditors General of the Australian states of New South Wales, Queensland and Victoria.

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Challenges posed by the size of the region

The expanse between the island nations of the PASAI members poses a great challenge in working a regional basis. The northernmost members, the Northern Mariana Islands, are geographically nearer to China and Japan than to many of their fellow Pacific members thousands of kilometres away. There are no direct air links between many Pacific islands, and travel between islands can involve several flights and indirect journeys, flying via Australia, Hawaii, New Zealand, or Fiji. Travel is expensive and time-consuming. The Southern-most member, New Zealand, is a three-hour flight from its nearest neighbours.



The great expanse of the Pacific Ocean and the distances between member countries pose particular challenges for cooperation among ACAG/PASAI working group members

Most recent meeting – April 2008

The RWGEA has met five times since it was formed, with all meetings held in Australia. The most recent meeting was in Melbourne, on 21-23 April 2008, hosted by the Victorian Auditor General Des Pearson. Thirteen audit offices in the region were represented at the meeting, including first-time attendees Palau, French Polynesia, and Tasmania. The WGEA Secretariat also participated. Meeting objectives included: greater integration of the ACAG/PASAI regional WGEA with the INTOSAI WGEA; information sharing and learning about environmental audits; and discussion of a proposal that the ACAG/PASAI region undertake a regional co-operative audit in the period 2008-10.

As a related matter to the idea of a cooperative audit, Peter McVay from Australia's National Audit Office (ANAO) gave a presentation on the WGEA's new global coordinated climate change audit. Australia is one of the 15 countries participating in the audit, and it is the first coordinated audit for the ANAO. Mr McVay had attended a planning meeting for the audit in South Africa. He noted that as awareness about climate change has grown, the issue of adaptation to its inevitable effects had not received as much attention nationally or internationally as

mitigation of greenhouse gas emissions. Participants at the RWGEA responded enthusiastically to adaptation as an area of focus in the coordinated audit, since the prospect of rising sea levels and more frequent extreme weather events makes adapting to the effects of climate change a critical issue for the Pacific region.



Delegates at the Fifth meeting of the ACAG/PASAI Regional Working Group on Environmental Auditing, Melbourne, Australia, April 2008

WGEA-proposed regional cooperative audit in the ACAG/PASAI region

The group also made progress toward deciding upon a possible cooperative regional environmental audit in the region in the 2008-10 work period. In doing so, like its OLACEFS counterpart, the group made use of the recent WGEA guidance document, "Cooperation Between Supreme Audit Institutions: Tips and Examples for Supreme Audit Institutions." That document helped the group consider the type of cooperation needed and the nature of the collaborative process to be pursued. Topics considered included water, climate change, waste, natural resources, and biodiversity. After some discussion, the group decided that a cooperative climate change audit would have the highest impact, closely followed by a cooperative audit on water or natural resources.

Although Australian offices supported the concept of cooperating on environmental audits, they were cautious about committing to any formal actions without reference to colleagues or their Auditors General. However, representatives of several Australian state offices said they were planning audits under the general heading of natural resources, and that there would be an opportunity to cooperate in the planning phase.

Presentations from attendees on recent audits/mandate issues

The meeting also included presentations from attendees on current issues and recent environmental audits. Among them:

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- Geoff Driscoll, Tasmania, told the group about his attendance and impressions of the 11th WGEA meeting in Tanzania in June 2007. The presentation was a strong endorsement of the value of the WGEA meetings in terms of networking and learning.
- Peter McVay, Australian NAO, presented a 2007 audit that evaluated the effectiveness of protection and conservation of threatened species and threatened ecological communities. Mr. McVay discussed some of the challenges in the biodiversity area, including determining which species are most worthy of protecting and whether to focus on individual species, multiple species, or critical habitats. He suggested that compliance and enforcement are always good areas of focus for environmental audits.
- Atunaisa Nadakuitavuki, Fiji, spoke about some of the challenges facing government agencies and the OAG in Fiji under the Environment Management Act. The Act is based on Canadian legislation and requires government agencies to use natural resource accounting to quantify in financial terms the resource capital they administer. Specifically, the Act requires the Auditor General of Fiji to conduct a “sustainable development assurance audit” on those systems of natural resource accounting. The Act does not define these terms or provide guidance, and the Fiji government agencies and the OAG are struggling with the concepts. The RWGEA noted that the WGEA’s review of its 1998 guidance on natural resource accounting may assist.
- Colin Campbell and Alan Charlton, Western Australia, talked about lessons learned in the areas of topic selection, impact, and challenges in several environmental audits conducted by the Western Australian Auditor-General on wetlands, water resources, renewable energy, and other issues.

Overcoming barriers to performance and environmental auditing

A number of other topics were discussed at the meeting, not least of which were the barriers facing many members in conducting effective performance audits in general and environmental audits in particular. To date, most Australian audit offices and the New Zealand audit office are conducting environmental audits, but Pacific Island audit offices are not yet active in the area. In some cases, Pacific offices do not have a performance audit mandate and their focus is on increasing their capability in conducting financial audits.

One recent hopeful development is the Pacific Regional Audit Initiative (PRAI), a collaborative effort undertaken by PASAI in conjunction with the Asian Development Bank, Australian Agency for International Development (AusAID), and the Pacific Islands Forum Secretariat. The PRAI’s overarching objective is to raise public auditing in the Pacific to uniformly-high standards, and has reviewed the capability of Pacific Island audit offices in the areas of financial and performance auditing, including environmental auditing.

The PRAI’s encouragement of Pacific Island audit offices to conduct cooperative financial and performance audits, as well as environmental audits, is certainly a step forward and is consistent with the WGEA aim of working cooperatively in improving the environment.

For further information about the ACAG/PASAI RWGEA, please contact the regional coordinator jonathan.keate@oag.govt.nz.

WGEA News

Highlights of the SC7

The last Steering Committee (SC) meeting was hosted by the National Audit Office of Estonia, in Tallinn on 6 to 9 May 2008. All project leaders in the 2008-2010 work period gave an overview of the status of their project. Project leaders of the guidance materials also presented preliminary tables of contents. The SC approved all work plans. In addition, five subject matter experts gave their presentations and input on the five guidance documents to be produced in this work period: climate change, sustainable development, forestry, fisheries, and minerals and mining.



Representatives of the WGEA Steering Committee members met in Tallinn, Estonia, for its 7th meeting since its formation in 2003

The SAls of Canada and Brazil are preparing a one and a half day biodiversity training course to be carried out for prospective subject matter experts and future tutors from every region. It was decided that, if possible, the tutorial will take place two days before the WGEA Working Group meeting in January 2009 in Doha, Qatar.

Significant projects during work period of 2008-2010 include:

- Five guidance materials on how to audit climate change, sustainable development, forestry, fisheries, and minerals and mining;
- A global audit on climate change involving 15 SAls;
- A training module and a new web page on biodiversity;
- An examination of “environmental accounting” practices worldwide, and among SAls in particular; and
- WGEA web enhancements.

All regional coordinators present at the SC7 meeting updated their activities in the region. In addition, two regions, EUROSAI and OLACEFS, have already decided to carry out a regional cooperative audit on climate change.

Also, representatives from the INTOSAI Development Initiative (IDI) presented their new strategy for 2007-2012 and talked about possible cooperation with the WGEA.

Detailed description of the projects and the Minutes of the meeting are posted on the WGEA’s website on www.environmental-auditing.org

Next WGEA meeting in Qatar

The twelfth meeting of the INTOSAI WGEA (WG12) will be hosted on 25 to 29 January 2009 by the State Audit Bureau of Qatar, in Doha. As the first WG meeting in this working period, it will focus on learning about and sharing information on emerging topics in environmental auditing, as well as on the main topics of the 2008-2010 work plan—climate change, auditing environmental agreements and conventions, sustainable development, auditing the management of natural resources (minerals and mining, forestry, fisheries), and sustainability in the modern audit office. Keynote speakers from the International Union for Conservation of Nature (IUCN), the United Nations Environmental Program (UNEP), and the World Bank have been invited. Invitations for the WG12 meeting were sent to the auditor generals in July 2008. Countries that are not the members of the WGEA may also find the meeting useful and informative.

For more information, please contact Margit Lassi at margit.lassi@riigikontroll.ee or Kairi Raudsepp at kairi.raudsepp@riigikontroll.ee

Other upcoming meetings

The 8th Steering Committee (SC8) meeting will be held in Indonesia, most probably in August 2009. Tanzania has offered to host the 9th Steering Committee (SC9) meeting, which will be held in early 2010, and China has kindly offered to host the 13th WG Assembly (WG13) meeting, most probably in June 2010. The exact timing for all of these meetings will be determined in due course.

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Comings and goings of the SC and WG members

During the 7th Steering Committee (SC7) meeting, the Netherlands and South Africa informed the SC that their SAIs had decided to leave the Steering Committee. Both SAIs will remain the members of the Working Group. The WGEA would like to thank the Netherlands and South Africa for their valuable efforts and involvement as the members of the SC.

The Working Group has grown significantly during the past 9 months. The newest members are Armenia, Azerbaijan, Finland, Mexico, Morocco, Qatar, and Zambia. The WGEA welcomes all newcomers.

The SC now has 16 members and the WG 69 SAI members.

Information on members' environmental audits to be collected annually

It was agreed by the Working Group that beginning in 2008, collection of members' environmental audits (EAs) should be carried out each year. Until 2008, the EAs were collected once every three years with the WGEA Survey. The Secretariat distributed the EA collection form among all INTOSAI members in early April this year. One hundred countries have replied back, with 63 stating that they have carried out an environmental audit in 2007. The Secretariat would like to thank all SAIs for their contributions and cooperation. Information and the audits will be posted on WGEA's website by autumn 2008. The next EA collection form will be sent out in the beginning of next year, early 2009, together with the Sixth Survey questionnaire.

For more information on the WGEA's efforts to collect information on members' environmental audit reports, please contact Kairi Raudsepp at kairi.raudsepp@riigikontroll.ee.

Visual Identity of the WGEA

The Secretariat has developed a fresh new logo for the WGEA. The new logo depicts a drop of water and a leaf on a white circle. The text with the logo can be used two ways: the text can be placed under the logo or on the right side of the logo, depending on need and preference. The identity colours are blue, green and grey. These colours are best visible on natural white (not glossy white) backgrounds. The logo can also be used in black and white.

Should anyone be interested in using the logo (on documents, gifts, etc), please contact Margit Lassi at margit.lassi@riigikontroll.ee and we will be happy to provide you with the files.

What's new on the Web

- Final project plans for work period 2008-2010
- Minutes of the SC7 meeting
- Presentations from SC7

BAHAMAS: Creation of a new environment ministry

A task force made up of senior public servants conducted a study of the environment to see what damage had been done as a result of investments. At the end of the study some recommendations were made, one of which was to form a government agency that would have sufficient power to enforce the environmental laws, and to keep a watchful eye on the environment. As a result of the report, a new "Ministry of the Environment" was formally established, effective 7 July, 2008.

Some of the functions of the new ministry are to ensure the sustainability of the environment for Bahamians and visitors alike by:

- Ensuring that wetlands and national parks remain intact;
- Ensuring that garbage is properly disposed of; and
- Ensuring that nationals desist from cutting down trees that do not need to come down and that are needed to sustain wildlife.

In order to accomplish its goals, the new ministry will be working closely with The Bahamas National Trust, a non-governmental organization (NGO), whose responsibility is to manage the twenty-five national parks (land and sea) throughout the country and to protect all wildlife. The ministry will also be assisted by other government agencies and NGOs/persons whose responsibilities or desires are to sustain or preserve the environment.

The Department of the Auditor General states that it is awaiting further enactment of environmental laws that will provide clearer guidelines for its audits.

For further information, please contact Cynthia L. Rolle at cynthiarolle@bahamas.gov.bs

BANGLADESH: Recent biodiversity audit completed on "Ecologically Critical Area"

SAI Bangladesh carried out an environmental audit during May-August, 2007, on "The Conservation of Nature and Bio-diversity of St. Martin's Island". The island, located in the Bay of Bengal, has an area of 3.37 sq. km. The Department of Environment had declared it as an "Ecologically Critical Area" because of its geographic and natural importance, bio-diversity richness and environmental significance.

The island is specially characterized by the presence of ample coral, unlike the other islands of Bangladesh. It is very rich in wildlife bio-diversity comprising various plants and animal species. The animal bio-diversity comprises 4 amphibian, 29 reptile, 19 mammal, 120 bird (77 national and 43 migratory), 191 mollusk, 15 snake, 3 sea-turtle, 15 shark, 234 sea-fish, and 40 crab species. The plant bio-diversity is reflected in over 150 species of algae, cryptogammic plants, and phytoplankton. Coconut (*Cocos nucifera*) dominates among the terrestrial plants.

The value for money audit was intended to evaluate activities initiated by Bangladesh's Department of Environment to conserve the nature, flora and faunal bio-diversity, establishment of a Marine Park, development of eco-tourism, and judicious use of natural resources.

The audit concluded that:

- Despite its declaration as an Ecologically Critical Area, government still lacks control over the land;
- Both public and private organizations have constructed physical infrastructure without approval from the Department of Environment;
- Proper sanitation has not been ensured, with sewerage and waste contaminating the low aquifer resulting in pollution of potable water sources;
- Uncontrolled tourist activities, frequent movement of mechanized vehicles, light reflections, and generator-produced sound pollution are destroying habitats and safe breeding grounds, especially for sea-turtles; and
- The Marine Park has not yet been established and ecotourism has not been implemented.

The audit recommended steps to ensure proper government control over land and infrastructure development; adequate sanitation; and improvements to sewerage and waste management to prevent pollution of potable water. It also called for improvement in preserving corals, minimizing light and sound pollution, implementing day-time guided eco-tourism activities, and establishing the Marine Park.

For further information, please contact Md. Moniruzzaman at international@cagbd.org

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BRAZIL: Court of Audit hosts major regional environmental auditing event

The Brazilian Court of Audit (TCU) hosted, on June 11th and 12th, the VI COMTEMA (Olacefs Committee on Environmental Auditing) Meeting. The event was attended by representatives of member countries Argentina, Colombia, Paraguay, Peru and Venezuela, and by invited observers from Estonia, El Salvador, Mexico and Panama. During the meeting, the members of the Committee agreed to conduct a cooperative audit on climate change, and to develop methodologies for carrying out environmental audits on other issues of regional interests. The meeting was an important opportunity to improve communication and interaction among the members of COMTEMA.

See related Feature Story. For further information, please contact Carla Ribeiro da Motta at CARLARM@tcu.gov.br

BULGARIA: Recent environmental audits reflect programme and results-oriented budgets.

The National Audit Office (NAO) completed an audit of the programme, "Environmental impact assessment and ecological evaluation" at the Ministry of Environment and Water of Bulgaria for the period 2005-2006, as well as an audit of the same Ministry's activities during the same period to improve ambient air quality.

Realizing the need for constant improvement in environmental quality, the NAO initiated new performance audits of the Ministry's activities in 2007. The first concerns its implementation of a programme to manage the prospecting, exploration and extraction of the mineral resources and conservation of the earth and soils. The second focuses on the Ministry's implementation of the Bucharest Convention on the protection of the Black Sea against Pollution for the period 2005-2007.

For further information, please contact Plamen Kostov at intrel@bulnao.government.bg

CANADA: New Commissioner of the Environment and Sustainable Development appointed

The Auditor General of Canada, Ms. Sheila Fraser, appointed Mr. Scott Vaughan as Commissioner of the Environment and Sustainable Development in May 2008. The position of Commissioner of the Environment and Sustainable Development was established in December 1995 by amendments to the Auditor General Act. On behalf of the Auditor General of Canada, the Commissioner provides parliamentarians with objective, independent analysis and recommendations on the federal government's efforts to protect the environment and foster sustainable development. In addition to carrying out environmental and sustainable development

audits, Mr. Vaughan is also responsible for monitoring sustainable development strategies; and overseeing the environmental petitions process.

"I believe environmental audits are important to hold government to account, by providing objective information to parliament and I look forward to working with the WGEA" says Mr. Vaughan.

Mr. Vaughan has worked in the field of environmental economics for more than 20 years, in the areas of environmental protection, conservation and sustainable development at the international level. He has published in the fields of environment and trade, payment for ecosystem services and, most recently, freshwater management and adaptation to climate change. Before joining the Office of the Auditor General of Canada, Mr. Vaughan worked for the Organization of American States (OAS), where he was the Director of the Department of Sustainable Development since 2003. His work at the OAS included sustainable freshwater management, payment for ecosystem services, climate adaptation and supporting the health and environment ministerial process. Before his time with the OAS, he worked also with the North American Commission for Environmental Cooperation, the World Trade Organization and held a variety of positions with the United Nations Environment Program (UNEP).

Mr. Vaughan holds a master's degree in science and economics from the London School of Economics and Political Science. He is also a graduate of the University of Edinburgh, Dalhousie University, and Mount Allison University.

The next Commissioner's report will be tabled in November 2008. All the Commissioners' reports, including this year's status report containing 14 follow-up audits on subjects ranging from toxic substances to protected areas, are available on the following web site: http://www.oag-bvg.gc.ca/internet/English/aud_fs_e_856.html.

For further information, please contact Carolle Mathieu at mathieca@oag-bvg.gc.ca

CHINA: National Audit Office is actively participating in several WGEA environmental audit projects

Last year, the National Audit Office of the People's Republic of China (CNAO) committed to participating in several new INTOSAI WGEA projects dealing with climate change, sustainable energy, and minerals & mining. Since then, the CNAO has begun research on each of these topics. The CNAO began by designating three project teams to research each issue. It then began collecting data and information, including laws and regulations, on climate change, energy and mineral resources, and translated relevant audit studies carried out by other SAIs. The CNAO then convened two

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meetings for the project teams to discuss how to conduct their research, identify respective responsibilities for each team, and communicate information on their progress and the framework of their guidelines.

At present, the teams' work is progressing smoothly. One team has already started its pilot audit project. Another team is analyzing the auditing methods to be used. Through their research, the CNAO auditors are beginning to learn the latest developments in environmental auditing worldwide, which will be helpful in encouraging Chinese audit institutions to carry out more comprehensive environmental audits.

For further information, please contact Zhou Xun at cnao@audit.gov.cn

ESTONIA: NAO audited activities associated with setting up the ecological network, "Natura 2000"

The NAO of Estonia audited the activities of the Ministry of the Environment in the years 2000–2007 in connection with its establishment of the Natura 2000 network and management of these areas. The NAO's audit focused on forest habitats, as these can be extensively and irreversibly damaged by harmful activities within a short period of time.

According to the NAO's evaluation, the Natura 2000 network developed in Estonia has not been set up and managed in a way that would ensure a favourable outcome for valuable forest habitats. The NAO found that the problems are caused mainly by the inadequate activities of the Ministry of the Environment in coordinating and supervising the Natura process since its inception in 2000.

The NAO's most important observations about formation of the Natura 2000 network and conservation of forest habitats are: in the formation of the Natura 2000 network, the Ministry's aim to preserve the favourable status of habitats in the whole state was not kept in mind; the Ministry's information about the natural forest habitats does not reflect the actual situation in the essential part thereof; collection, correction, and use of data related to the Natura areas have not in fact been organised; and the organisation of conservation and management of habitats is unsatisfactory.

The full report is available in English at our website: www.riigikontroll.ee. For further information, please contact Tuuli Rasso at Tuuli.Rasso@riigikontroll.ee

LESOTHO: Auditor General's Office works with new ministry to help control soil erosion

According to the Lesotho National Conservation Plan, mismanagement of land, over-cultivation, and

overgrazing has led to a national soil erosion rate of 40 million tons per year. It was estimated that at this rate, 30 cm of soil will have been removed in 100 years—significantly reducing the productive capacity of soil in Lesotho.

Accordingly, on 24 March, 2003, the Prime Minister of Lesotho announced in parliament the establishment of the new Ministry of Forestry and Land Reclamation. He explained that the extent of erosion and land degradation in the country demanded a more focused and concerned approach to land reclamation and environmental preservation.

Since soil erosion seemed to be a serious environmental problem for the country that warranted a joint effort, the Office of the Auditor General undertook an Environmental Audit, completed in 2007, to assess the efficiency and effectiveness of measures put in place by the Ministry to correct the prevailing destruction caused by soil erosion and to encourage its prevention.

Currently, there are many projects that have been completed, in progress and to be done in order to prevent further erosion and to reclaim land. All of these are facilitated by the Ministry of Forestry and Land Reclamation.

For further information, please contact Mamahooana Leisanyane at mamahooanal@yahoo.co.uk

LITHUANIA: Audit Office completes key audits on water management and climate change issues; receives presidential recognition

Taking into consideration the importance of water management problems for the State and the extent of planned investments, the National Audit Office of Lithuania (NAOL) evaluated how the Ministry of Environment used resources allocated for water management in 2007 (Use of State Investments for Waste Water Treatment). The aim of the audit was to make sure that investment processes are organized in a way to achieve the nation's goals, to implement the EU requirements concerning water management, and to recommend improvements to these processes. Auditors stated that a possibility to draft a new strategy for water supply and waste water management had to be considered, while also citing a need for speedier implementation of projects and better coordination of their implementation.

A second important environmental audit was conducted in 2008. The NAOL evaluated the efficiency of allocation, use, and trading scheme of the greenhouse gas emission allowances, and examined whether the funds received for the traded emissions were used for reduction of pollution. Almost 2/3 of all the emission allowances allocated to Lithuania are allocated to heating and electricity generators; about 1/5 to oil refiners; and a little over 1/10

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to cement and lime producers. The auditors stated that the greenhouse gas emission allowance scheme should first of all, encourage producers to reduce pollution instead of trading the allowances received for free and receiving the unearned income. They also concluded that although the trading scheme of greenhouse gas emission allowances started operation in 2005, legal regulation of this scheme is still insufficient.

The effective and fruitful work of the NAOL in the field of environmental and energy audits was recognized by the President of the Republic of Lithuania. On the occasion of Lithuanian State Day, the President of the Republic of Lithuania presented the State Award to Ms. Zita Valatkienė, the NAOL Audit Department Director responsible for environmental and energy issues: the Order for Merits to Lithuania - the Cross of the Knight.

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NORWAY: Auditor General assumes Chair of EUROSAI Working Group on Environmental Auditing

The Office of the Auditor General has recently taken on the task of chairing the EUROSAI WGEA. According to the Office, it has high ambitions for the coming years and will do its very best to continue the important work of the working group, including the cooperation with INTOSAI WGEA. It expresses its thanks to Poland, the former Chair, for its support in this transitional period. The Office indicates that one of its first priorities is to prepare for the 6th EUROSAI WGEA Meeting, which will be held 7-9 October 2008, in Kiev, Ukraine. It believes this meeting will be a great opportunity to discuss the future direction of the EUROSAI WGEA and how to improve the management of natural resources and the environment in Europe, with a focus on fisheries, sustainable energy and climate change. The Office also notes its pleasure that the Chair of INTOSAI WGEA, the National Audit Office of Estonia, will participate in this meeting. In addition to the 39 members of the working group, representatives from the other regional WGEA's have also been invited.

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PERU: Contraloría General de la República coordinates an audit with Colombia on protecting the Putumayo River Basin

Since February 2008, the SAIs of Peru and Colombia have been successfully cooperating on an Environmental Management Audit concerning the Putumayo River Basin. The Putumayo River is a tributary of the Amazon River, and forms a large section of the border between the two countries. The basin accounts for an extensive hydrographical network of 160500 km².

The purpose of this Cooperative Audit is to assess environmental management by the public institutions in each of the two countries that are in charge of implementing the Colombian-Peruvian Plan for the Integral Development in the Basin of Putumayo River, in order to identify and resolve the bilateral problems that threaten the sustainable development of settled populations in this basin.

It is expected that a report will be issued in September 2008 by each SAI, along with a "general report" to be co-signed by the two SAIs.

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POLAND: Belarus, Poland, and Ukraine sign a joint audit report on protecting waters in the Bug River Catchment area from pollution

The Bug River forms a natural border between the Republic of Belarus and the Republic of Poland, and along a 360 km section between Ukraine and the Republic of Poland. The three countries have cooperated for many years to protect the Bug River drainage waters against pollution. However, only in the late 1990s did the countries undertake water pollution protection measures to develop common legal and organizational instruments for the integrated water management of the Bug River drainage basin.

The aim of the audit was to assess implementation of Guidelines on Monitoring and Assessment of Trans-Boundary Waters' Pollution in the Bug River Catchment Area, developed under the Convention on the Protection and Use of Trans-Boundary Watercourses and International Lakes and to evaluate investment activities pursued to this end. The audit revealed that:

- Uniform methods have still not been established to (1) study and classify cleanliness of waters in the Bug River Catchment area, (2) set conditions for sewage treatment, and (3) notify proper services of incidents which put river water cleanliness at risk.
- Surface waters' monitoring systems in Belarus, Poland and Ukraine are vividly different, making comparison of test results impossible.
- The scope and effectiveness of investments to protect and improve the quality of waters in the Bug River Catchment area differ greatly across Belarus, Poland and Ukraine.

A joint audit report was signed and distributed at the VII EUROSAI Congress which was held in Krakow (Poland) in June 2008.

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SAUDI ARABIA: The General Auditing Bureau's recent environmental auditing efforts

The General Auditing Bureau (GAB) of Saudi Arabia has been among the first SAIs in the region to pay great attention to environmental auditing, utilizing the experiences of SAIs of developed countries in this regard. GAB is a member of the INTOSAI WGEA, the ARABOSAI regional Sub-committee for the Environmental Auditing Affairs, and the ASOSAI Working Group on Environmental Auditing. Furthermore, GAB participated in the 2nd meeting of the ASOSAI Research Project on Environmental Auditing Guidelines, which was held in Beijing, China, on Jan. 23-25, 2008.

In line with the heightened interest in this issue, GAB sought to enhance its capability and benefit from the experiences of developed countries through annual training courses in environmental auditing; by establishing a specialized environmental auditing unit within GAB in order to improve the quality of environmental audits; by offering GAB staff the opportunity to participate in domestic and foreign seminars on environmental management and auditing; by developing auditing guidelines consistent with the requirements of environmental auditing, and by sending GAB environmental auditors on study-abroad programs for a master's degree in this field.

GAB also implemented a number of audits that were aimed at strengthening government efforts to preserve the environment and prevent pollution. Major GAB efforts over the past three years include performance audits and analyses of Saudi Arabia's main environmental protection authority; of medical waste disposal issues; of prevention of chemical and radioactive pollution; of the handling of farm chemicals and pesticides; of disposal of industrial waste and domestic waste; and of water desalination activities. GAB also conducted an audit of the organization in charge of monitoring gas emissions from power plants, and a performance audit of the department of environmental protection efforts in industrial cities to control air pollution and gas emissions from petrochemical and chemical industries.

To further emphasize its role in environmental auditing, GAB held a seminar to underscore the importance of environmental auditing and environmental protection. Bringing together about 300 government officials from the various GAB-audited ministries and departments, the seminar sought to highlight the grave damages the befall the environment on account of the depletion of natural resources during the so-called industrial revolution and the consequent pollution of air and soil by toxic substances and harmful wastes. The contributions of participants and the papers presented to the seminar helped raise awareness of environmental issues among

government bodies. The seminar also stressed the need for a joint effort to protect the environment and achieve balanced, sustainable development.

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SLOVAK REPUBLIC: SAI finalizing coordinated audit on air and ozone layer protection with SAIs of Slovenia, Czech Republic and Austria

Recognizing that so many environmental issues cannot be sufficiently examined within the borders of one state, Supreme Audit Office of the Slovak Republic proposed a coordinated effort with several neighbouring countries to examine a number of issues related to air and ozone layer protection. Initially joined in the effort by the SAIs of the Czech Republic and Slovenia, the Austrian Court of Audit subsequently joined their initiative, contributing mainly with audit work focusing on climate change issues.

The audit focused on compliance with legal regulations concerning the use of funds for air and ozone layer protection, and the execution of measures to ensure implementation of international obligations in the field of air, climate and ozone layer protection. Taking into account compliance issues associated with international conventions, protocols, and EU directives and guidelines, participating SAIs agreed upon the following common audit topics:

- Compliance with international agreements on meeting emission limits and targets;
- Implementation measures, such as legislation, national strategies, and action programs;
- The emission trading system; and
- The financing system.

The Communiqué with the respective annexes will cover the introduction, common audit topics, different audit approaches of the participating SAIs, common conclusions and recommendations, a table on achievements of objectives and time limits, a table on the emission trading system, national audit reports, and audit preparation and development.

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SLOVENIA: Court of Audit helps to tackle climate change

In June 2008, the Court of Audit of the Republic of Slovenia (CARS) issued a national audit report on tackling climate change. Slovenia is a signatory to the Kyoto Protocol and, accordingly, is obligated to reduce greenhouse emissions by eight percent from 2008 to 2012. CARS determined, however, that the nation's climate change policy is not based on long-term projections of greenhouse gas emissions; does not contain measures to adapt to the consequences of climate change that are already occurring; and is not adequately harmonised with the national development strategy or with policies in the transport, energy and agriculture sectors.

CARS also reported that measures in the energy and transport sectors were not fully implemented and did not achieve planned results. Further, the methods to determine and monitor the effects of each separate measure were not fully developed, casting doubt upon assessments made of actual results. Finally, CARS concluded that the lack of budgetary funds to finance the implementation of measures to reduce greenhouse gas emissions shows that tackling climate change in Slovenia has had insufficient priority despite its participation in the international agreement.

CARS recommended that the responsible bodies establish an independent governmental body to deal with climate change issues. It further recommended that the independent body should immediately start revising the country's mitigation climate change strategy and should start adopting adaptation strategies to deal with the possible consequences of climate change.

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SOUTH AFRICA: SAI and AFROSAI-E secretariat commit to INTOSAI WGEA 2010 goals

During the 7th WGEA steering committee meeting in Estonia, the SAI of South Africa was represented by Mr. George Lourens and Mr. Wessel Pretorius from the AFROSAI-E secretariat. During the meeting, which took place from 6 – 9 May 2008, the SAI of SA announced that it was stepping down as a member of the WGEA steering committee, but that it would continue to be an active member of the WGEA.

With regard to the 2008/10 Work Plan, the SAI of SA has volunteered to take the leading role in the preparation of guidance material on the auditing of sea fisheries. In addition, the SAI of SA will be playing a supportive role in the preparation of guidance material on the auditing of several other items in the Work Plan.

The AFROSAI-E secretariat will be providing support to the SAI of Tanzania, which has taken over the role of regional coordinator for the WGEA. An example of such support can be seen where the secretariat is currently in the process of assisting Tanzania with arrangements for an environmental development workshop for the AFROSAI-E region. This workshop is scheduled to take place from 22 – 26 September 2008 in Pretoria, South Africa.

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TANZANIA: New law empowers the National Audit Office to examine environmental issues in all its audits

To help ensure that Tanzania's environment and the world at large are being well-protected and conserved, the country's new Audit Act of 2008 authorizes the National Audit Office of Tanzania to more widely examine environmental concerns during the course of its work. Specifically, Part IV of the new law requires that during any audit of government expenditure or use of resources, the Controller and Auditor General of Tanzania must examine and report on compliance with environmental laws, regulations and internal environmental policies and standards.

In line with this objective of ensuring sustainable environmental preservation, the audit office is now conducting a performance audit on solid waste management. The audit's objective is to determine how well the solid waste management activities of selected local government authorities are functioning in terms of efficiency and effectiveness. The audit further explores services rendered by service providers, monitoring of solid waste activities, administration of solid waste garbage fees, and management of contracts between franchise contractors and municipality/city councils. Moreover, the audit looks into the appropriateness of the central government's monitoring system for the year 2005/06 and 2006/2007 of a number of local government authorities including the Arusha Municipal Council, Mbeya City Council, Mwanza City Council, Ilala Municipal Council, Temeke Municipal Council and Kinondoni Municipal Council.

This audit is in progress and the report is expected to be completed by December 2008.

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TUNISIA: New law on SAI's scope of audits encourages focus on sustainable development

In 2008, a new law was passed that defines the scope of audits for Tunisia's Court of Accounts as including, in addition to the efficiency and effectiveness of government operations, the examination of sustainable development practices. It further endorsed the Court's strategic plan, which also promotes sustainable development as a main objective. The Court also notes that it has entered into a cooperative arrangement with the Netherlands Court of Audit in which Dutch auditors will regularly visit the country to exchange ideas and provide assistance on the conduct of environmental audits. Finally, the Court announces that it is translating the INTOSAI guide on sustainable development to Arabic in order to make it accessible to all ARABOSAI members.

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UKRAINE: New EUROSAI task force established to handle disasters

The EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes was established during the 7th meeting of the EUROSAI Congress in Krakow, Poland, on 5 June 2008. The Accounting Chamber of Ukraine was elected to Chair the Task Force. The Task Force is open to all EUROSAI members that have a keen interest in the issues of preventing and eliminating the consequences of both natural and man-caused disasters. The SAI of Ukraine is in the process of drafting the Working Plan for 2009-2011, which is to be approved at the first meeting of the Task Force in the beginning of 2009.

For further information, please contact the Task Force Secretariat at ird@ac-rada.gov.ua

UNITED KINGDOM: Wide range of value-for-money environmental audits targets energy efficiency, other issues

The National Audit Office has been working on a wide range of environmental audits in recent months covering a diverse set of topics. Among the most recently-issued reports is a July 2008 review of government programmes aiming to reduce household energy consumption. These include programmes that promote and install energy efficiency measures in homes, set standards for new dwellings, promote the purchase and use of more efficient household appliances, alongside information campaigns to influence householder behaviour. The report also assessed progress toward meeting government energy consumption and efficiency targets.

The data suggested that steady improvements in household energy efficiency have, until recently, offset other trends, such as more and smaller households and the rising popularity of consumer electronics. Household energy consumption rose 19 percent between 1990 and 2004 in the UK, though it has since begun to fall. The NAO recommended that more data should be gathered to understand how programmes impact typical households (such as the potential risks associated with non-compliance with building regulations) and the capacity of supply chains to support the energy efficiency industry.

Other environmental "value-for-money" studies underway at the NAO are examining (1) "Warm Front," an important government strategy to improve energy efficiency and reduce the amount spent by low income households on energy, (2) biodiversity, addressing the over 4,100 designated Sites of Special Scientific Interest in England covering nationally important flora and fauna, habitats, geological features and landforms, (3) the Government's efforts to help businesses reduce the amount of waste they produce and the amount they send to landfills, and (4) sustainable procurement by the Government, in which public procurement practices will be examined as a means toward achieving a lower-carbon and more resource-efficient public sector.

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