

Message from the Chair of WGEA



Dear Colleagues,

It is an honor for me, as the new Chairman of the Audit Board of the Republic of Indonesia (BPK) and as chair of INTOSAI WGEA, to continue INTOSAI WGEA's active role

in promoting environmental auditing. It is a big challenge for me to lead the biggest working group in INTOSAI with the new 2017-2019 Work Plan. I encourage your valued cooperation and together we may succeed in meeting our common goals. On a very positive note, I am pleased to announce that WGEA has welcomed two new SAIs—the Ecuador SAI and Malaysia SAI—bringing the organization to 79 members. Their participation in the organization is evidence of the increasing awareness of the needed role of SAIs in environmental auditing as well as confidence in WGEA to successfully achieve its goals. These goals, set out in the 2017-2019 Work Plan, comprise activities directly aligned with the XXII INCOSAI message of delivering Sustainable Development Goals (SDGs) by better integrating the roles of SAIs.

To show this commitment to SDGs, WGEA is developing audit guidelines, entitled: *Developing the 2030 SDG Agenda through Environmental Auditing*. This guidance aims to provide SAIs with the concepts, tools, and examples needed to incorporate the SDGs within their environmental auditing framework and to outline the way in which SAIs can monitor targets and determine indicators to prioritize audit topics and design such audits. This is a tall order and, along with other projects, will be presented to the Steering Committee members of WGEA.

Hosted this year by the SAI of the USA, WGEA will organize its 15th Steering Committee Meeting in September 2017. Besides discussing the 2017-2019 Work Plan, the meeting will seek insight in finalizing WGEA guidelines in line with the new format of the INTOSAI Framework of Professional Pronouncements. This SC Meeting will also strengthen cooperation with international organizations such as the Convention on Biological Diversity

Feature Story

Seven Supreme Audit Institutions (SAIs) in the AFROSAI-E region have joined forces to conduct a collaborative audit on Coastal and Marine Management. These SAIs—Liberia, Mauritius, Namibia, Nigeria, Seychelles, Sudan, and Tanzania—represent a large percentage of the African coastline.

See page 2 for the full story.

WGEA News

- 15th INTOSAI WGEA Steering Committee Meeting in Washington, D.C., USA
- Upcoming INTOSAI WGEA training events

See page 4 for details.

and United Nations Environmental Program. At the same time, WGEA in collaboration with the SAI of Indonesia will organize the 4th International Training on Forestry Audits to enhance capacity building of SAIs in auditing forests. Further, at the end of this year, the 5th Global Program on Introduction to Environmental Auditing will be held at the International Centre for Environment Audit & Sustainable Development. In short, this is a busy year for WGEA and an important one to move forward to carry out its goals.

In building mutual support and encouragement, we in WGEA have built close ties to expand awareness of the value of environmental auditing. I greatly appreciate everyone's hard work supporting the activities set out in the 2017-2019 Work Plan and in the years to come. I am confident that all WGEA members will see their commitment to successfully accomplishing the 2017-2019 Work Plan as part of a great contribution to meet the world's SDG agenda and to pass down better environmental protection to the next generation. We are WGEA because we care!

**Dr. Moermahadi Soerja Djanegara,
C.P.A., CA.**

**Chairman of the Audit Board of the
Republic of Indonesia**

News Briefs from Around the SAI World



BULGARIA: Audit Office Examines Energy Efficiency and Air Quality

CZECH REPUBLIC: Audit of Funds to Improve Natural Systems and Landscapes

ESTONIA: NAO Audits Collection and Recovery of Household Waste

INDONESIA: Audit Board Examines Mining Reclamation Activities

KUWAIT: Notes from the ARABOSAI Executive Council Meeting in Qatar

LATVIA: Audit Finds Deficiencies in Addressing Climate Change

NEW ZEALAND: Work Program for 2017-2018 to Focus on Water

ROMANIA: Ministry of Environment and Climate Change Audits Funds Used to Rehabilitate Industrial Sites

TANZANIA: Tanzania Publishes its First Audit of Petroleum Exploration Activities

THAILAND: Legal Problems Arise in Managing Dust from Building Construction

UKRAINE: Activities of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes

UNITED STATES: GAO Issues Update to High Risk List

See page 5 for News Briefs.

Seven AFROSAI-E Member SAIs Join Forces to Improve Coastal Management



Seven Supreme Audit Institutions (SAIs) in the AFROSAI-E region have joined forces to conduct audits on Coastal and Marine Management. These SAIs—Liberia, Mauritius, Namibia, Nigeria, Seychelles, Sudan, and Tanzania—represent a large percentage of the African coastline.

Coastal management is in many ways vital for the well-being of Africa's growing population, with an estimated 25 percent of the continent's inhabitants living in and relying on coastal areas. Offshore oil drilling, tourism, fishing, and aquaculture are key economic activities that increasingly put pressure on fragile coastal ecosystems. The management of coastal areas has become a major challenge for the achievement of related Sustainable Development Goals (SDGs) and targets.

AFROSAI-E identified and selected focus areas for this project based on these critical impacts:

- **Social:** poverty, health, and safety of inhabitants;
- **Economic:** livelihoods, job creation, and economy; and
- **Environment:** sustainable management of coastal, beach, marine, water, and related resources.

The goal of this audit intervention is to assess governments' management and response to the selected coastal risks as well as their progress towards sustainable development priorities, goals, and targets. AFROSAI-E, with the support of GIZ, developed a strategy and process for these audits of coastal and marine management that will involve the aforementioned seven countries, which jointly cover a coastline of about 8,748 kilometres.

This project will focus on the conservation of coastal areas with emphasis on coastal governance and environmental protection of coastlines through legislative compliance and other coastal commitments. The critical issues of climate change, overfishing, and coastal pollution will be assessed and aligned with the SDGs; Africa Agenda 2063; and other international, regional, and national commitments.

The intent of this project is to focus and direct limited SAI resources to potentially make a substantial contribution towards addressing the most significant coastal management risks and resource needs, in order to demonstrate the participating nations' commitment to the SDGs and the Africa Agenda 2063.

AFROSAI-E conducted a thorough research study to identify the most pressing coastal risks and impacts within the 16 AFROSAI-E affiliated coastal countries and their mandated coastal zones. The outcomes of the research study were then used to develop a comprehensive e-learning programme and to plan for the audit.

Why this audit topic: The coastal zones are highly productive systems composed of valuable ecosystems and natural resources that contribute significantly to economic and human well-being. Responsible utilization and management of marine and coastal resources is of vital importance to the coastal region's well-being and economy.

Coastal systems sustain important industries and livelihoods that include fisheries, aquaculture, coastal agriculture, and mineral and petroleum extraction. These areas also have significant social, cultural, and economic value; high population densities; and environmental impacts that tend to be higher compared to inland areas. This also means that coastal systems are under higher exploitation pressures and further at risk to environmental degradation and mismanagement of coastal resources. This trend holds especially true for developing nations where rapid economic growth coupled with urbanization is

GREENLINES

placing heavy strain on coastal systems. Impoverished and some rural communities find their livelihood or direct employment in the fishing industries, while others depend on coastal and beach resources.

The most significant contributors to exacerbating impacts on coastal and marine areas are:

- **Over- and destructive fishing:** Overfishing is regarded as the number one threat to marine ecosystems, and it costs the world economy more than 100,000 jobs and \$3.2 billion per year.
- **Pollution:** About 1.4 billion pounds of trash enters the oceans each year, with 80 percent coming from land-based sources.
- **Climate change:** The effects of climate change are well known, including sea level rise, habitat destruction, loss of biodiversity, and inland risks.

It is therefore imperative that governments affect, promote, monitor, and enforce the development and effective management of marine and coastal environments to ascertain the sustainability thereof, while maximizing economic opportunities within national and international laws and protocols. SAIs responsible for auditing organs of state can assist or add value by reporting on improved coastal management.

Relevance to the SDGs: The 2030 Agenda for Sustainable Development is a new launch pad for global action to promote shared prosperity and well-being for the next 15 years. The SDGs relate to a universal set of goals, targets, and indicators that United Nations member states will be expected to achieve by including them in national strategies and policies. Many of the 17 new SDGs are in some way related to proposed project goal 14, which explicitly addresses the need to “**conserve and sustainably use the oceans, seas and marine resources for sustainable development.**” Other goals include protection and sustainable use of ecosystems and natural resources, such as coastlines; ensuring a healthy planet; responsible stewardship that relates to prosperity, wellbeing, and dignity; and a strong reliance on intra- and international cooperation.

African Union: Agenda 2063: Within an African perspective, Agenda 2063 was initiated to focus on transformative policies that can make a difference. Agenda 2063 and the SDGs are mutually supportive and include aspirations, goals, and priorities to be achieved within the next 10 years. Examples specific to coastal management include goals such as blue/ocean economy for accelerated economic growth and environmentally sustainable and climate resilient communities and economies. Sustainable development and aligning the SDGs with Africa’s priorities was a major consideration in the selected focus areas and related procedural development for the audits.

Most pertinent African coastal challenges: Africa has 54 countries, of which 38 have coastlines. The Small Island Developing States (SIDS) are, in most cases, almost solely reliant on a “blue economy.” Considering the large-scale, interconnected complexity of marine and coastal systems that transcend national boundaries, it was proposed that coastal management would be most effective with an all-inclusive regional approach. Research and literature review revealed that some of the most pertinent coastal zone management challenges along the African coastlines stem from lack of structure; poor or ineffective policies, plans, and strategies; capacity and resource constraints; and poor or limited maintenance, repair, and upgrading of infrastructure, equipment, and other tools. Research further identified weak or limited overall coastal and marine management, exacerbated by defective monitoring and enforcement of coastal and marine legislative requirements, including policies, plans, and strategies.

Focus and aim of this coastal audit: The entire coastal area of the AFROSAI-E region was included in the research, and the subsequent significant focus and risk areas selected were:



- overall strategic coastal and marine management in each country;
- compliance, monitoring, and enforcement;
- coastal pollution and degradation;
- fisheries management (overfishing); and
- climate change.

These focus areas were linked to the relevant SDGs and coastal application thereof, with SDG 14 (life below water) as the focal point. SAIs are key players in overseeing efficient public expenditure towards effective integrated coastal zone management. The pursuit of sustainable coastal management and development depends on

GREENLINES

governance's capacity to guarantee a complete interaction among society, economy, and environment.

The audit teams from the seven countries attended a practical workshop in May for in-depth training on the topic and to prepare the audit plan. The interactive workshop also included guest speakers from environmental agencies as well as the WGEA Secretariat, who shared their insights on the topic. The individual coastal audits (per participating country) are currently in process. A joint publication will follow after the individual reporting processes per country are completed.

WGEA News

15th INTOSAI WGEA Steering Committee Meeting in Washington, D.C., USA

The U.S. Government Accountability Office (GAO) will host the upcoming 15th INTOSAI WGEA Steering Committee Meeting. The meeting will take place September 11-14, 2017, in Washington, D.C., United States of America.

The main objectives of the meeting are to discuss the project plans within the Work Plan of 2017-2019. The Work Plan includes four research paper projects, four audit guidance projects, four training projects, and one guidance updating project in cooperation with the Convention on Biological Diversity.

The Steering Committee meeting will also discuss several other issues related to ISSAI harmonization based on the recent endorsement of the INTOSAI Framework of Professional Pronouncements and the new chairmanship of WGEA.

Upcoming INTOSAI WGEA training events

As part of its Work Plan for 2017-2019, INTOSAI WGEA will hold two training sessions in the coming months. The first training is the Fourth Annual Forestry Audit Training to be held on September 11-15, 2017, in the BPK Training Center in Jakarta, Indonesia. The training will continue the previous training programs on Sustainable Forest Management with several improvements in the methods and updated case studies.

The second training event is the fifth Introduction to Environmental Auditing in Jaipur, India. The training will be held in the International Centre for Environment Audit and Sustainable Development from November 20 to December 2, 2017.



BULGARIA: Audit Office Examines Energy Efficiency and Air Quality

The Bulgarian National Audit Office (BNAO) is currently conducting two environmental audits in the areas of energy efficiency and air quality. The purpose of the first audit is to assess Bulgaria's ability to meet the European Commission's energy regulations for public buildings. Since 2012, the Commission has required all European Union Member States to annually renovate 3 percent of their public building stock in order to reach minimum energy efficiency requirements.

The audit will evaluate the organizational framework that Bulgaria established to (1) inventory and prioritize public buildings in need of renovation; (2) fund and allocate provisions related to the renovations; and (3) monitor progress and implement control mechanisms for the energy audits and certification of buildings. The audit will also review both central and local government renovation plans and measures. Furthermore, the audit provides an opportunity to examine the effect of the European Union's energy efficiency directives on its Member States.

The purpose of the second audit is to track Bulgaria's efforts to improve air quality. Air quality may be used as an indicator to evaluate human health and biodiversity in nature. In Bulgaria, a substantial part of the urban population resides in areas where air pollution significantly exceeds acceptable norms.

The audit will examine government systems designed to manage air quality, including risk assessment, the timeliness and reliability of collected data, and the effectiveness and financial viability of measures undertaken to combat the main sources of air pollution. The audit will also emphasize the need to continuously update the monitoring and reporting mechanisms for air pollution levels. Finally, the audit will examine coordination among the public entities responsible for governing the process, including ministries, environmental agencies, health inspectors, statistical and scientific institutes, municipal governors, and others.

As of mid-May 2017, both national audits had completed the preliminary study stage and were ready to begin their field work. The BNAO expects to complete the audits by the end of the year, with coordinated joint reports to be published in 2018.



CZECH REPUBLIC: Audit of Funds to Improve Natural Systems and Landscapes

The Supreme Audit Office of the Czech Republic (SAO) audited funds provided to improve natural systems and landscapes through the European Regional Development Fund and national subsidy programs. Specifically, the audit examined whether funds provided to protect natural systems and landscapes achieved the expected results and whether the Ministry of the Environment monitored the program to assess its effectiveness in relation to desired changes. The audit also examined 60 protection projects.

The audit found that the ministry did not set quantifiable and measurable objectives for the subsidy programs and was unable to assess their effectiveness. Although substantial funds were spent, there were no positive improvements to natural systems and landscapes with regard to several indicators and even deterioration in the case of other indicators. For example:

- The total area of agricultural land in the Czech Republic is decreasing as a result of the expansion of built-up areas.
- At this time, 63 percent of agricultural land remains potentially threatened by water erosion and 18 percent by wind erosion. No systematic protection has been implemented on most of these lands to prevent soil loss.
- The area of the landscape not fragmented by roads decreased from 54,000 square kilometers in 2000 to 50,000 square kilometers in 2010, with a further reduction expected in the future.

Therefore, the SAO recommends that the ministry take the following steps to improve protection of natural systems and landscapes:

- set quantified and measurable objectives for the subsidy programs;
- set verifiable indicators to measure the benefits of the subsidy programs;
- continuously monitor and assess progress toward achieving target indicators, analyze any deviations between expected outputs and benefits, and adjust the program rules to meet the objectives; and
- assess current conditions to determine the funding required to attain the desired changes.

The full report in Czech and in English is available at <http://bit.ly/2wJgnGO>.

For further information, please contact Sylva Mullerova at sylva.mullerova@nku.cz or Michal Rampir at michal.rampir@nku.cz.



ESTONIA: NAO Audits Collection and Recovery of Household Waste

Estonia, along with other EU countries, has agreed that 50 percent of household waste should be recycled by 2020 in order to reduce waste and save natural resources. The National Audit Office (NAO) of Estonia audited state and local municipalities' waste collection and their efforts to encourage sorting of household waste for recycling. The amount of recycled household waste declined from 32 percent in 2014 to 29 percent in 2015, which is a cause for concern.

The NAO audit used questionnaires and site visits to municipal governments, public opinion surveys, and GIS analysis. Because waste management is a shared responsibility of the state and the municipalities, NAO reviewed activities at both institutional levels. In order to collect information from local governments, NAO sent and received questionnaires from all 220 municipalities. To confirm the answers it received, NAO auditors visited 15 local governments and performed document reviews and interviews. To learn about public awareness and opinions about sorting waste, the NAO carried out a survey using face-to-face interviews of 1,000 people using a public opinion research company. Finally, NAO used GIS analysis to determine the extent to which Estonians have access to disposal sites for large waste items, electronic waste, and other items.

NAO found that organized waste transport has generally guaranteed the collection of household waste but the poor application of waste handling requirements and the low price of the waste transport service do not motivate people to sort waste. Not enough people have containers for different types of waste near their homes, and some types of waste, such as packaging waste, have to be taken to different facilities. The lack of a convenient and understandable collection network is a significant reason why more than half of people do not separate packaging waste from municipal waste, and it causes mixed household waste to be incinerated instead of recycled.

The full text of the audit, "Activity of the State and Local Governments in the Collection and Recovery of Municipal Waste," is available in English at <http://bit.ly/2w1Oe2L>.



INDONESIA: Audit Board Examines Mining Reclamation Activities

In 2016, the Audit Board of the Republic of Indonesia (BPK) conducted a performance audit on the management of reclamation and post-mining activities in the Province of East Kalimantan and the Regency of Kutai Kertanegara in 2015 and 2016. The purpose of the audit was to assess the effectiveness of the governments of East Kalimantan and Kutai Kertanegara's programs in managing natural resources to achieve sustainable development by considering soil-bearing capacity and environmental preservation.

The audit concluded that the two local governments were not effective in carrying out their obligation to manage reclamation and post-mining activities in 2015 and 2016. This was due in part to problems in the evaluation portion of the program. While it is important that post-mining activities and reclamation be implemented in accordance with the plans agreed upon between the mining companies and the government, the local governments have not done their part in evaluating such activities. There has not been a proper reporting system— corroborated with field reviews—to ensure plans are implemented as mandated by the Minister of Energy and Mineral Resources in 2014. As a result, there is a risk that mining companies may not fulfill their commitments under the agreed-upon reclamation plans, and that they will continue mining activities without fulfilling their reclamation obligations.



For further information, please contact Ami Rahmawati at ami.rahmawati@bpk.go.id.

GREENLINES



KUWAIT: Notes from the ARABOSAI Executive Council Meeting in Qatar

The 55th meeting of the ARABOSAI Executive Council was held in Qatar on March 28-29, 2017. The meeting was attended by members from Qatar, Kuwait, Bahrain, Saudi Arabia, Oman, Iraq, Jordan, Mauritania, Lebanon, Morocco, Algeria, and Sudan. (Egypt apologized for not being able to attend.)

The ARABOSAI Environment Audit Committee Chair previously presented a brief report on the committee's work at its first meeting held in Kuwait in February 2017.

The audit committee recommended that ARABOSAI take the following steps:

- Research and study topics related to environmental preservation, achieving sustainable development, and keeping pace with global and regional concerns.
- Enhance SAIs' capacity to perform their audit role in the environmental field and raise awareness within the audit community of the importance of being acquainted with developments in the field.
- Implement a workshop in 2017 on evaluating the efficiency and effectiveness of medical waste disposal.
- The Institutional Capacity Development Committee shall organize a workshop in 2018 on energy control and a training program on environmental auditing standards.



LATVIA: Audit Finds Deficiencies in Addressing Climate Change

The Ministry of Environmental Protection and Regional Development (Ministry) has not developed a high-quality action plan to tackle climate change. Some of the funds available for this purpose have been spent on other needs or invested in ineffective projects, according to the results of the audit report, "Are the Funds Allocated for Climate Change Mitigation Used Effectively and in Compliance with the Legal Framework?"

In the report, the State Audit Office of Latvia (SAO) concluded that the ministry, as the coordinating ministry for climate policy, has not made meaningful progress in developing an action plan for climate change mitigation. An effective action plan would define such important matters as principles for the efficient use of climate mitigation funds; climate policy goals; and required

funding in each sector of the economy – also in the field of waste management, which is under the ministry's full supervision.

For climate change mitigation purposes, Latvia has joined two greenhouse gas (GHG) emissions trading systems:

- The international GHG emissions trading system (revenue is used for the Climate Change Financial Instrument, or CCFI);
- The EU emissions trading system (revenue obtained by the state is used for the Auctioning Instrument of Emission Allowance, or AIEA).

The ministry's lack of an action plan and policy principles has prevented the purposeful organization of AIEA projects. The ministry failed to specify priority support measures for project competitions, based on the effectiveness calculations, and, in doing so, did not observe the Organization for Economic Cooperation and Development's "Good Practices for Public Environmental Expenditure Management."

CCFI projects implemented from 2009 through 2015 have generally achieved their goals, exceeding the total planned reduction of emissions by 13 percent. However, this positive result may mask the effects of the Ministry's continued investment in some ineffective projects at the expense of investments in more successful ones. If each of the CCFI projects is evaluated separately, one may come to the conclusion that almost one out of five projects has not achieved the minimum planned reduction of emissions. Using calculations on the environmental impact caused by one tonne of CO₂ emissions, SAO auditors estimated that the Ministry's continued investment in ineffective projects has resulted in missed opportunities to further decrease CO₂ emissions and avoid at least EUR 1.9 million of environmental damage. The EUR 3.8 million invested in the ineffective CCFI projects should be retrieved and reinvested in further climate change mitigation activities; however, the ministry has delayed making any decisions on these projects for the past 2 years and, as a result, may risk losing this funding.

For the AIEA-funded projects, the ministry has planned competitions since 2012, but actual implementation of projects started only in 2016. The SAO auditors concluded that AIEA funds have been invested in projects with up to 35 times lower performance on effectiveness indicators than CCFI-funded projects. As a result, the effect of the AIEA projects on emissions reduction is expected to be insignificant. A main reason for this is that the ministry did not specify emissions reduction as one of the most significant criteria in project selection. The SAO believes that investing funds in ineffective activities may jeopardize achievement of the common EU goal to achieve a 40 percent reduction in total emissions by 2030, as compared to 1990 levels.

For further information, please contact Mr. Jānis Salenieks at Janis.Salenieks@lrvk.gov.lv.

GREENLINES



NEW ZEALAND: Work Program for 2017-2018 to Focus on Water

New Zealand's Office of the Auditor-General (OAG) has selected "water" as its theme for 2017-2018. The OAG has been shaping its annual work program around a central theme since 2012-2013, in part to increase the impact of its work. The OAG selected water for the upcoming year because of its critical importance to New Zealand's economic, environmental, social, and cultural well-being.

The OAG has chosen audit topics that will examine how well the public sector manages water and delivers services that affect water now and for the future. The OAG proposes to undertake eight performance audits exploring aspects of drinking water, freshwater (both quality and allocation), stormwater, and marine water. More information on the theme is available at www.oag.govt.nz/2017/draft-annual-plan.

This overall aim of the work is to give Parliament and New Zealanders assurance regarding the state of water stewardship and management and help improve public management of water now and in the future.

The OAG plans to begin the work on water by preparing a foundation or scene-setting report to set out some of the issues and challenges in managing water and some of the themes that might emerge from its work. This foundation report will lay the groundwork for the program of eight audits and explain OAG's audit interest in water. After the eight performance audits are completed, the OAG will prepare a short reflections report setting out its overall findings. The OAG's experience from its theme-based work program is that the reflections report at the end of a theme year can have a significant impact.

New Zealand welcomes contact from other SAIs that have undertaken water audit work in the four areas the OAG has selected. *The contact in the OAG is Jonathan Keate at jonathan.keate@oag.govt.nz.*



ROMANIA: Ministry of Environment and Climate Change Audit Funds Used to Rehabilitate Industrial Sites

In 2014, the Romanian Ministry of Environment and Climate Change (MECC), with support from other entities, completed a performance audit entitled "Efficiency and effectiveness of the use of funds regarding waste management actions and greening of areas affected by industrial activities during 2011-2013." The audit focused on compliance with the legal provisions that ensure that the necessary funds are available for rehabilitating

contaminated sites. The audit resulted in multiple findings.

First, according to the legal framework, fulfillment of "environmental obligations **is a priority in the case of: dissolution procedures followed by liquidation, bankruptcy, [or] cessation of activity.**" However, the legislature did not clarify which public authority is responsible for ensuring the environmental obligations are fulfilled: the central public environmental authority or other public institutions under its authority. Similarly, the legislature did not clarify how to rank obligations, particularly those related to providing financial resources necessary to perform the investigation, evaluation, and rehabilitation of the environment.

Second, the audit uncovered other issues that have made it possible to evade or avoid environmental liabilities, including:

- problems with obtaining titles of ownership,
- a lack of surveys and registries of the land owned by former state units,
- the application of land restitution laws,
- inconsistency of the legal provisions governing financial guarantee forms, and
- the lack of concrete results from research and development related to the reuse and recovery of polluting chemicals or biological substances.



TANZANIA: Tanzania Publishes its First Audit of Petroleum Exploration Activities

The Office of the Controller and Auditor General of Tanzania conducted an environmental audit of petroleum exploration activities because of the adverse effect that natural gas operations may have on the environment. For example, the processing plants that flare natural gas emit carbon dioxide into the atmosphere that may jeopardize the health and safety of people. Furthermore, oil spills have detrimental effects on soils, surface and ground waters, and ecosystems.

The audit assessed whether the National Environmental Management Council (NEMC) and the Vice President's Office (VPO) through the Directorate of Environment have effective processes to ensure compliance with environmental policies, laws, and regulations related to petroleum exploration activities in Tanzania, and if such processes are implemented.

The audit found the following:

- NEMC has not developed risk-based inspection plans to conduct inspections of petroleum exploration activities. No inspection plans to

GREENLINES

cover upstream petroleum exploration were mentioned in NEMC's respective annual work plans.

- NEMC maintains an inadequate database of regulated entities. It only maintains a list of all projects on which environmental impact assessments have been conducted and are supplied with an Environmental Impact Certificate. It is not a comprehensive database in which environmental pollution data could be documented and prioritized for risk-based action planning.
- NEMC carried out only 3 inspections across 71 registered petroleum exploration projects for a 5-year period ending in 2015.
- Contrary to the requirements of the Environmental Management Act 2004, NEMC neither prepared nor submitted environmental enforcement reports to the Vice President's Office, Directorate of Environment.
- The VPO lacks a comprehensive plan for monitoring the performance of NEMC on the issues of enforcement of environmental compliance.
- Poor coordination existed between the VPO, NEMC Ministry of Energy and Minerals, and local government authorities on monitoring environmental issues during petroleum exploration activities.

The National Audit Office recommended NEMC and VPO:

- Establish performance standards or parameters for enforcement activities, including carrying out risk assessments, developing enforcement manuals and guidelines, and setting delivery timeframes for each enforcement activity in the petroleum sector; and
- Institute systems to ensure consistent enforcement of environmental control systems through routine, timely, and prompt inspection and enforcement activities rather than basing them on reported incidents or complaints.

For further information, please contact Mr. George C. Haule at ghaule@nao.go.tz.



THAILAND: Legal Problems Arise in Managing Dust from Building Construction

The Auditor General of Thailand has reported that there is no direct legislation to enforce dust management from building construction in rural areas in Thailand. The

Governor of Bangkok has addressed the issue of dust management by issuing specific regulations. However, local administrative organizations have not issued subordinate legislation—i.e., legislation at the local level—to address dust and have not been directed to do so.

One of the causes of this problem is the election process for the mayors of local administrative jurisdictions in Thailand. Local politicians oversee building construction in their jurisdictions and have blocked the issuance of subordinate legislation because requiring dust management leads to higher building construction costs, a reduction in profits, and damages the politicians' popularity. These are powerful disincentives to implementing dust management policies.

The Office of the Auditor General of Thailand, which audits building construction, found that the estimated cost for dust protection materials is unreasonable and the effectiveness of dust protection methods depends on various factors in building construction. In general, the Bangkok Metropolitan Administration sets the rules for dust management and control. However, the rules can only be enforced on dust management for some types of building construction. More specific legislation on protection, control, and management of dust from building construction is needed. In cases in which a program for dust management is not in place, the Office of the Auditor General of Thailand will assist in dust management by notifying audited agencies about provisions regarding dust protection materials.



UKRAINE: Activities of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes

In March 2017, the third meeting of the EUROSAI Working Group on the Audit of Funds Allocated to Disasters and Catastrophes took place in Rome, Italy. The meeting was chaired by the Accounting Chamber of Ukraine, with assistance from the Italian Court of Audit. The Accounting Chamber of Ukraine presented the results of the International Coordinated Audit on Protection of the Bug River Catchment Area from Pollution (a follow-up audit) and the results of annual monitoring on implementation of the recommendations of the International Coordinated Audit of the Chernobyl Shelter Fund.

Following the meeting, participants approved a report on the working group's activities for 2014-2017 and agreed on the group's Strategic Activity Plan for the coming years. The plan includes making contributions to the United Nation's Sustainable Development Goals. In order to achieve this, the working group will focus on measuring countries' efforts aimed at implementing the UN 2030 Agenda for Sustainable Development.

GREENLINES

Acknowledging the results of the EUROSAI Working Group's activity, the X EUROSAI Congress in Istanbul, Turkey, unanimously decided in May to extend the mandate of the EUROSAI Working Group for the next 3-year period. The accepted decision of the Congress is indisputable proof of the relevance of the scope of the group's activity for all European countries and the world.



UNITED STATES: GAO Issues Update to High Risk List

Every 2 years, the U.S. Government Accountability Office (GAO) examines federal programs and operations that are especially vulnerable to waste, fraud, abuse, and mismanagement, or that need transformative change—its High Risk List. This report reviews the status of areas on the list and outlines steps that are needed to improve the programs and operations. It also adds new areas when needed. In February 2017, GAO issued its latest High Risk List update. It includes the status of two environmentally related high-risk areas—Transforming the Environmental Protection Agency's Processes for Assessing and Controlling Toxic Chemicals and Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks—and adds a new area on the U.S. Government's Environmental Liabilities.

Regarding this new area, the U.S. government is financially liable for cleaning up areas where federal activities have contaminated the environment. In fiscal year 2016, this liability was estimated at \$447 billion (up from \$212 billion in 1997). The Department of Energy is responsible for 83 percent of these liabilities and the Department of Defense for 14 percent. Agencies spend billions each year on environmental cleanup efforts but the estimated environmental liability continues to rise. Also, GAO has found that some agencies do not take a holistic, risk-informed approach to environmental cleanup that aligns limited funds with the greatest risks to human health and the environment.

Since 1994, GAO has made at least 28 recommendations related to this area; 13 are unimplemented. GAO will assess progress in addressing this high-risk area and provide an update in the 2019 High Risk List. GAO uses five criteria to assess progress in addressing high-risk areas: (1) leadership commitment, (2) agency capacity, (3) an action plan, (4) monitoring efforts, and (5) demonstrated progress.

A copy of GAO-17-317, *HIGH-RISK SERIES: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, is available on the GAO website at <http://www.gao.gov/products/GAO-17-317>.

For further information, please contact Nathan Anderson at AndersonN@gao.gov.