



EUROSAI

Working Group on
Environmental Auditing

NEWSLETTER 2/2012

MESSAGE FROM THE CHAIR



Dear colleagues,

We are approaching a new year, with new possibilities for further enhancing the activities related to environmental auditing.

The EUROSAI WGEA 10th Annual Meeting was successfully conducted in Cyprus, 23-25 October 2012. I would like to express my

gratitude towards the Audit Office of the Republic of Cyprus for their professional and generous hosting of the meeting. Sustainable development and use of data in environmental auditing were the two main topics of the meeting, topics that are of high current importance and will continue to be of importance in the future. I would like to thank everyone that participated at the meeting with presentations and other valuable input.

In line with recently conducted activities, I am very pleased to let you know that the cooperative audits *Emissions trading to limit climate change: Does it work?* and *Adaptation to Climate Change - Are Governments Prepared?* have been officially launched. The latter was successfully launched 29 November at the 18th United Nations Framework Convention on Climate Change (UNFCCC). Communicating the results of our joint efforts at international arenas is important. A united message from several countries demonstrates the severity of the problems audited, broadens the perspective, and heightens the potential impact of audits nationally, regionally and globally. Furthermore, communication of the SAIs work to external organisation, stakeholders and the public will increase the awareness of the SAIs role in overseeing government's performance in the environmental area.

In 2013, the EUROSAI WGEA secretariat will continue to facilitate knowledge sharing and cooperation among its member SAIs. One of the main activities is to organise and facilitate meetings and seminars. A thematic seminar on

auditing water management will be held 23-24 April in Oslo. The 11th Annual Meeting will be held in Prague, 15-17 October 2013, hosted by the Supreme Audit Office of the Czech Republic.

As Chair, I am looking forward to continued productive cooperation and I would like to use this opportunity to wish you all Merry Christmas and a happy New Year.

Sincerely yours,

Jørgen Kosmo

Chair of EUROSAI WGEA

Auditor General of Norway

UPCOMING EVENTS

Seminar on auditing water management in Oslo, Norway, 23-24 April 2013

The EUROSAI WGEA Secretariat will organise a seminar on auditing water management 23-24 April 2013.

The seminar will be similar to the previous thematic seminars on climate, waste and fisheries and forestry. The main focus will be on practical audit issues including ideas to potential audit topics, lessons learned and best practice related to water management.

Member SAIs who have reported audits in these areas lately will be invited to make presentations. An official invitation and a preliminary programme will be sent to all EUROSAI WGEA members towards the end of January 2013.

For further information, please contact the EUROSAI WGEA secretariat or visit the website:

www.eurosaiwgea.org



The 11th EUROSAI WGEA Annual Meeting, the Czech Republic, October 2013

The 11th EUROSAI WGEA Annual Meeting will be held in Prague, the Czech Republic, 15-17 October 2013. The environmental topic for this meeting will be sustainable land use and assessing validity and reliability in quantitative and qualitative analyses will be the audit related topic.

For further information, please contact the EUROSAI WGEA secretariat or visit the website: www.eurosaiwgea.org

NEWS FROM MEMBERS

Czech Republic

Information about the audit “Funds collected in accordance with Act on Hazardous Waste Management”

The Czech Supreme Audit Office started an audit focused on finances collected according to the law in the field of waste management in July 2012. Results of the audit will be published at the turn of March and April 2013.

The audit is a systemic audit which follows up the previous audit carried out in 2005. The controlled area is particularly the tipping charges collected in connection with hazardous waste. The charges are income of the State Environmental Fund of the Czech Republic (SEF) which uses them on investments back to waste management. The audit covers the years 2007 to 2011.

The audited bodies are the Ministry of the Environment of the Czech Republic (MoE), SEF and the Czech Environmental Inspectorate (CEI). Other audited bodies are selected operators of tips and installations for management of hazardous waste.

Auditors are concentrated particularly on collecting of above mentioned charges and compliance with Czech law by the selected operators and evaluation of this system, for example by CEI on audit activities in waste management, by MoE and SEF on the conceptual and methodical activity.

For further information please contact

Michal Rampír (Michal.Rampir@nku.cz), Hana Balcarova (Hana.Balcarova@nku.cz) or Eva Rekova (Eva.Rekova@nku.cz)

Denmark

Finalized audit on Denmark's reduction of CO₂-emissions and participation in multilateral audit on Arctic Council

Denmark's reductions of CO₂-emissions

In October 2012 the report about Denmark's reduction of CO₂-emission was published. The results were included in the parallel audit performed in collaboration with Poland and a number of Nordic and Baltic countries.

The national report examined the effort made by the Danish Ministry of the Environment and the Danish Ministry of Climate, Energy and Building to ensure that Denmark fulfills its commitment under the Kyoto Protocol in compliance with the Danish climate strategy.

Multilateral audit on Arctic Council

In September 2012 the new Danish Auditor General Lone Strøm signed the strategic plan for a multilateral audit on Arctic Council, which was initiated by the SAIs of Norway and the Russian Federation.

The audit will be reported in a national report and in a joint memorandum made by the participating SAIs. The national report includes perspectives from the self-governing parts of the Danish Realm, Greenland and the Faroe Islands. The joint memorandum will underline some of the environmental challenges and economic opportunities in the Arctic and focus on the work within the framework of the Arctic Council.

For further information, please contact Anders Helmuth Knudsen (ak@rigsrevisionen.dk)

Estonia

Electricity production in Estonia faces great challenges

In September 2012 the Estonian NAO published a report on alternatives for Estonian electricity production. The report emphasizes that in the coming 10 years Estonia will have to deal with three important questions: how to secure our energy supply after our electricity market is 100% liberalised and our old power plants will be closed, how much electricity will be produced in Estonia with the state or consumer support, and what type of generation will be favoured by the state (renewable or non-renewable sources, large or distributed power plants).

Fossil fuels (oil shale) still account for over 90% of total electricity generated in Estonia. Nearly ¾ of oil-shale power



stations are old and must be closed down in the next 10-15 years. The environmental impact of oil shale electricity is big: it accounts for nearly 70-80% of the entire CO₂ emissions, non-hazardous and hazardous waste and water used in Estonia. Nevertheless the report shows that for now the state strongly favours oil shale energy compared with renewable energy.

Estonia's energy sector plans have so far been made only 10 years ahead. However in order to successfully implement structural changes in the technology of production of electricity and in electricity transmission, new plans should look at least 30 years ahead.

A summary of the report is available in English: <http://www.riigikontroll.ee/DesktopModules/DigiDetail/FileDownloader.aspx?AuditId=2264&FileId=12023>

For further information, please contact Airi Andresson (airi.andresson@riigikontroll.ee)

European Court of Auditors

Integration of water policy to the CAP

The Water Framework Directive adopted in 2000 is the main tool setting the objectives for water protection (both for quality and for quantity). In line with this Directive Member States should develop river basin management plans and define "programmes of measures". The Common Agricultural Policy (CAP) has several instruments which may be used to promote sustainable water management. (including cross compliance and rural development measures)

The audit aims to establish whether synergies within the different CAP tools to contribute to the Water Framework Directive goals have been properly created and used.

For further information, please contact Colm Friel (colm.friel@eca.europa.eu)

France

Lessons from the 2010 floods on the Atlantic coast (Xynthia) and in the Var

Marine flooding due to the Xynthia storm on the French Atlantic coast in February 2010 and river floods in the Mediterranean *département* of Var in June 2010 were terrible natural disasters. 64 people lost their lives and two were reported missing.

Following these disasters, the Cour des comptes and three regional Chambers of accounts carried out together controls to analyse the actions engaged by the public authorities before and after the crises to reduce the risks or their adverse consequences. Three territorial reports, one for each concerned *département* (Charente-maritime, Vendée and Var), and a national public thematic report were published.

The thematic report shows the considerable financial cost of the two disasters: about €660 million of public credits and more than €1.3 billion of insurance payments. The report lists the many failings before the disasters in the systems of vigilance and warning, in the risk information, in the prevention actions, in the protection of urbanized areas (with a very poor governance and maintenance of dikes and rivers). It also shows the weakness of the State representatives against the strong desire of building expressed by people in the southern or coastal areas of France, including flood high-risk areas. Since the crisis, the government and its representatives have expressed a new determination to stop these dangerous constructions, prevent better the risk and increase the protection of urbanized areas, but actions must be conducted at their end and often completed. The report assesses also the purchase of houses by the State in the most hazardous coastal areas of the two Atlantic *départements* and its inconsistencies.

Ultimately, a national strategy against the risk of flooding, according to the European directive of 2007, is yet to be defined.

For further information, please contact Cyrille Schott (cschott@ccomptes.fr)

Latvia

State Audit Office evaluates management practices of state owned enterprises (SOEs) operating in environmental sector

The State Audit Office of the Republic of Latvia (SAO) has recently completed an audit examining management practices of SOEs operating in environmental sector.

The scope of audit included the following institutions:

- Ministry of Environmental Protection and Regional Development (hereafter - Ministry);
- The Environmental Investment Fund, Limited;
- Latvian Environment, Geology and Meteorology Centre, Limited (hereafter – Centre).

The SAO concluded that supervision of the SOEs by the Ministry is not sufficient and effective. For example,



contrary to provisions of the *Baltic Guidance on the Governance of Government-Owned-Enterprises* (Baltic Institute of Corporate Governance, 2010), the Ministry as a shareholder does not approve strategy of the Centre.

A number of state owned fixed assets and real estate was invested into the Centre's share capital, although those investments were not necessary for operations of the Centre; some of recently invested fixed assets and real estate were put on auction by the Centre shortly after investing them into the share capital.

The Ministry has delegated a number of state functions to the Centre. The annual state subsidy for performing the above functions was not defined based on adequate financial / economic calculations since neither the Ministry, nor the Centre are aware of actual costs of performing delegated functions. Moreover, auditors found evidences of inadequate utilisation of the state subsidy.

The Ministry and the Centre have not established adequate price calculations in comparison to actual expenses also for commercial services, e.g., laboratory, environmental monitoring and hazardous waste landfill services.

For further information, please contact Jānis Salenieks at (Janis.Salienieks@lrvk.gov.lv)

Netherlands

Adaptation to climate change: national strategy and policy

The Netherlands Court of Audit published a performance audit report on adaptation to climate change on 15 November 2012. The main audit objective was to assess the Dutch government's policy on adaptation to climate change. The audit focused on central government's risk and vulnerability assessments, the national adaptation strategy and policy, the co-ordination of adaptation to climate change and the financial aspects of adaptation.

The report concluded that successive governments have taken measures in recent years to adapt the Netherlands in anticipation of climate change but there is little coherence in the policy pursued and not all areas vulnerable to climate change are covered. There is thus a risk that the Netherlands will not be adequately prepared for the consequences of climate change. If measures are not taken on a timely basis, moreover, their cost will be far higher. The Netherlands might also have difficulty remaining in step with EU policy and the policies of other EU member states.

The findings and conclusions of this audit served as the basis for the NCA's participation in the EUROSAI WGEA

Cooperative Audit on Adaptation to Climate Change.

For further information about the audit and the English version of the audit report, please contact Willemien Roenhorst (w.roenhorst@rekenkamer.nl)

Dutch gas roundabout

The government wants the Netherlands to become the 'gas roundabout' of Europe; a gas hub to secure the long-term supply of gas and strengthen our international competitiveness. The Netherlands Court of Audit investigated how the government has substantiated the need for the gas roundabout, how it checks the implementation and how the Parliament is informed about the process. The NCA discovered that two state-owned companies (Gasunie and EBN) make substantial investments in the gas roundabout. The investments total €8.2 billion by the end of 2014. The Dutch State, the sole shareholder in Gasunie and EBN, has approved these investments but it has not demonstrably checked in all cases that the investments have been in the public interest (which it has to do according to its own policy). Furthermore, the Ministry of Economic Affairs initially did not carry out detailed studies to substantiate the need for the gas roundabout. As Gasunie and EBN are State companies, the Dutch State is exposed to risks on the investments. The dividend received from Gasunie fell from €416 million in 2009 to €182 million in 2010 and was passed in 2011. A big investment by Gasunie in Germany for €2.1 billion had to be written-off for €1.4 billion. The information on the gas roundabout project provided to the Parliament did not consider the State's involvement as sole shareholder in EBN and Gasunie, how the public interest is served and the risks the State runs on the investments.

For more information, please contact Patrick Antenbrink at (p.antenbrink@rekenkamer.nl)

Enforcement of EU Regulations on Waste Shipment in the Netherlands

As part of a cooperative audit carried out by eight SAIs the Netherlands Court of Audit (NCA) conducted an audit on the enforcement of EU Waste Shipment regulation (EWSR) in the Netherlands. The national report was published in October 2012.

The NCA found that the Netherlands complies with the requirements arising from the EWSR and that the Dutch government pays specific and systematic attention to the enforcement of this regulation. There is room for improvement, however, in a number of areas. There was only limited insight into the impact of enforcement activities and the functioning of the EWSR system as a whole. Firstly because it is difficult to investigate illegal flows. Secondly



there are weaknesses in the registration systems. The lack of insight means an opinion cannot be properly formed on the effectiveness of EWSR enforcement in the Netherlands.

Furthermore, the NCA found that the public prosecutor decides not to prosecute three out of ten EWSR cases. This is a higher rate than the target of 10% that has been set by the public prosecutor's office. It means that offences go unpunished or time is spent on preparing official reports for cases that do not have a chance of success in court.

The report is available in English on NCA's website, <http://www.courtsofaudit.nl/english>. For more information, please contact Jan Willem van de Wardt (j.vandewardt@rekenkamer.nl)

Norway

The Office of the Auditor General of Norway's investigation into the Norwegian authorities' control of the Norwegian Emissions Trading System, Administrative Report no. 1 2012

The Office of the Auditor General has published an administrative report on the Norwegian authorities' control of the Norwegian Emissions Trading System (ETS). This audit is part of an on-going cooperative audit on emissions trading amongst Nordic-Baltic countries and Poland.

The investigation covered the correct and safe functioning of the Norwegian Emissions Trading Registry and the authorities' control with emissions measurement, calculation and reporting by companies subject to the ETS. The audit concluded that the Norwegian Climate and Pollution Authority (Klif) has established the Norwegian Emission Trading Registry in compliance with requirements and security standards as set out by EU legislation. Strict application of documentation requirements for opening accounts has to a large extent prevented dubious account holders from gaining access to the Registry. Klif has effectively collaborated with the Norwegian Tax Administration on the discovery of value added tax (VAT) fraud in 2010. The risk of VAT fraud with emissions allowances is now considered significantly reduced since Norwegian VAT rules for emissions allowances were quickly changed to VAT collection by reverse charge. The investigation has shown that Klif's control with emissions measurement, calculation and reporting by companies subject to the ETS is appropriate.

For further information, please contact Kristin Rypdal (kristin.rypdal@riksrevisjonen.no)

The effectiveness of licensing processes for hydro- and wind power plants and power lines in Norway

In Norway, the Ministry of Petroleum and Energy Affairs is responsible for wind and water power production. These installations represent conflicting interventions in the landscape, and this demands a profound licensing process. The management of licenses takes many years, and there is a risk that the process is too slow to contribute substantially to the realisation of the EU 2020 targets related to increasing the proportion of renewable energy. The Office of the Auditor General of Norway (OAGN) has initiated an audit that aims at assessing to what extent the Ministry of Petroleum and Energy Affairs ensures an effective licensing process in line with the renewable energy targets and other commitments. The scope of the audit includes identifying why the licensing process takes time, and what the Government can do to speed up the process. The audit is on-going and planned to be finalised in November 2013.

For further information, please contact Kristine Lien Skog (kristine-lien.skog@riksrevisjonen.no)

Document 3:17 (2012-2013) The Office of the Auditor General's investigation of sustainable management of Norwegian forest resources

The OAG Norway has assessed whether the Ministry of agriculture and food's management and means are securing a sustainable administration of the forestry sector and enabling increased activity in the forestry sector.

The objectives for the sector, sustainable management and increased forestry activity has been relative consistent throughout the last decade, but in the last years there has been a stronger emphasis on how the forest can contribute to mitigation of climate change.

The audit found that Forestry developments in the last decade have not been in line with the Storting's (Norwegian Parliament's) objective of increased logging within a sustainable framework. Furthermore The Forestry Act's requirement for satisfactory regeneration after logging is not being fully complied with. There were also lacks in compliance with and follow up of environmental regulations in the forestry sector. It was concluded that forest owners need more information and guidance in order to manage the resources in a sustainable manner. OAG Norway recommends that the Ministry of Food and Agriculture in their work towards developing the management of forest resources, improves information and guidance towards forest owners, in order to better their knowledge about existing policy tools and their responsibility relating to environmental



requirements. The ministry should also consider improving accessibility of environmental information in general.

For further information, please contact Sigmund Nordhus (sigmund.nordhus@riksrevisjonen.no)

The Office of the Auditor General's investigation into subsidies for biodiversity and outdoor recreational purposes

The Office of Auditor General Norway conducts an investigation on subsidies for biodiversity and outdoor recreational purposes. The subsidies are allocated through the Ministry of Environment. The objective of the study is to evaluate the administration and arrangement of subsidies. More specifically, it looks into whether the grants are contributing to the realization of goals and if the subsidies are soundly managed.

The investigation looks into various grants given to NGOs, local municipalities, research institutions and farmers. The grants are allocated for various purposes, for example enhancing outdoor recreation, stimulating to anadrom fish and game management by NGOs or individuals. Also, some grants are allocated for the management of *priority species* and *selected habitats*. The management of priority species and selected habitats is a soft protection measure set out in the Nature Diversity Act. The subsidies are all administrated by The Norwegian Directorate for Nature Management.

A wide range of methods are used in the investigation, spanning from case studies, surveys of county governors and county authorities, case file reviews of cases from the county governors and county authorities, and interviews. Data from the case file reviews were analysed in SurveyExact, a software for constructing questionnaires, in order to structure the data and produce quantitative data on the cases.

The investigation will be published in the summer 2013.

For further information, please contact Hilde Solli (hilde.solli@riksrevisjonen.no)

Multilateral Audit on the Challenges and Opportunities in the Arctic and National Authorities work with the Arctic Council

The Supreme Audit Institutions of Denmark, Norway, Russia, Sweden and the United States of America have entered into an agreement to conduct a multilateral performance audit of the Arctic Council's Member States' respective national authorities' work related to ensuring environmental protection and sustainable development in the Arctic and implementation of Arctic Council recommendations.

The Supreme Audit Institutions of the other member states of the Arctic Council – Canada, Finland and Iceland are observers to the audit.

The objectives of the multilateral audit are to describe the environmental challenges and economic opportunities in the Arctic and to evaluate the efficiency of the Arctic Council's Member States' response to the challenges and opportunities in the Arctic. The latter includes evaluating the implementation of the Arctic Council's recommendations related to environmental protection and sustainable development. The audit will also consider possible improvements in the interaction of the Arctic States in this field.

The audit objectives are developed into the following paramount audit questions:

1. What is the development and status in the Arctic concerning the environment and economic development and also for the indigenous peoples?
2. To what degree does the Arctic Council efficiently address environmental challenges, economic opportunities and sustainability in the Arctic region?
3. To what degree do the Member States implement the Arctic Council's key recommendations and national goals and strategies relating to the environmental challenges and economic opportunities in the Arctic, and to what degree do the Member States ratify and/or comply with key international conventions?
4. Does the Arctic Council fulfill its mission through an expedient and effective organization, structure and work processes?

In conducting the audit the Parties are on an overall level guided by a Strategic Plan. The Office of the Auditor General of Norway and the Accounts Chamber of the Russian Federation are the audit coordinators. The participating SAIs will, separately and independently, within the scope of the multilateral audit, conduct national audits of the effectiveness of their respective national authority's work related to the Arctic Council. The Parties will however work closely with one another in conducting the audits.

The first working meeting between all the Parties as well as representatives from the SAIs of Canada and Finland took place in Oslo on November 26th-27th 2012. During the seminar various aspects concerning for instance methodological approaches, specific Arctic Council recommendations and coordination activities were discussed.



The basic audit activities will be document review and the use of interviews, lists of questions and questionnaires. Important sources of data include a number of assessments and reports on Arctic environmental and economic development issues and potentials and various national governments ministries and agencies. The various bodies within the Arctic Council and internal Arctic Council documents will also be important sources of data.

There will be close dialogue between the Parties throughout the audit and in latter stages the Parties plan to discuss preliminary findings and conclusions at joint working meetings. Some of the data collection may also be conducted together.

The Parties plan to complete their national reports no later than by the end of 2013. Based on all the national reports a Joint Memorandum will be developed and will reflect key findings and conclusions. The Memorandum will be finalized in first half of 2014.

For further information, please contact Martin Ørvim (bjorn-martin.orvim@riksrevisjonen.no)

Moldova

Environmental performance audit report

"The situation of water supply and sewerage in the settlements of the Republic of Moldova is alarming and in trouble"

Environment is becoming a growing concern both of the society as well as of the state, more so that one of the three goals of sustainable development is the environmental aspect.

One of the global problems mankind is facing is the lack of water and degradation of its quality.

Providing the population with drinking water of good quality is one of the primordial factors of national security of the Republic of Moldova. Another primary factor of the vital activity is the stable operation of waste water discharge systems and reduction of their environmental impact.

The current state of the sector in the country is characterized by limited access of population to water supply and sewage networks, and a significant gap between urban and rural access to water and sewage systems; reduction of sewage plants in relation to water supply systems.

The audit team found that the main objectives of gradual supply of population with drinking water are not fully realized by deadlines.

The worst situation is observed in rural areas, i.e. about 60% of the population. Thus, in rural areas there are no improved water sources with centralized supply, which causes the risk of population in rural areas getting ill due to lack of appropriate physiological conditions. At the same time, the absence of waste water sewage causes environmental pollution, contaminating surface and ground waters. Overflow of untreated waste waters from the communal system causes pollution of surface waters, as they are discharged directly into rivers.

Those reported are conditioned by several factors:

In implementing the state policy on the management of water resources an integrated management was not secured, and the relevant authorities had not fully exercised their duties. The national legislation does not provide for comprehensive duties of specialized central bodies and local authorities in the supply of drinking water, which are formulated in general, without division into levels. The lack of a uniform methodology for accumulation and analysis of data determines the lack of a database on the state of water supply and sewage industry in the settlements.

Inconsistency of policy documents also affects the coordination of the main funding sources of the sector, and there is no mechanism to monitor the achievements in the field.

Allocation of funds is made in a piecemeal manner, without an analysis and justification of priority of objectives and no correlation of availability of funding from various sources to ensure the attainment of the final goal. The Environment Ministry has no information on funded projects and their results, which invokes the inability to know the current situation in the country and creates the risk of using financial resources inefficiently and inconsistently with policies in the field.

The current surveillance system on water quality and environmental protection has predetermined responsibilities, but lacks implementation levers and methodologies. As a result, the monitoring and surveillance system in water supply and sanitation is inefficient and does not ensure timely prevention and liquidation of consequences of environmental and health damage.

From this it appears that the current structure of water resources management does not ensure implementation of sector policies and does not have sufficient and effective tools to achieve the objectives set.

In this context it is important to establish national needs and priorities, and the responsible authorities should resize their duties to ensure achievement of objectives in limited time frames.



For further information, please contact Violeta Balan (v_balan@ccrm.md)

Poland

Landscape parks audited by the Supreme Audit Office of Poland

In August 2012, the Supreme Audit Office published a report on the results of inspections carried out in landscape parks.

Landscape park protection aims to preserve the natural, cultural, historical and landscape values of the region, i.e. its identity and distinctiveness. Landscape parks have their own organisational structures, created in order to enable the performance of activities related to preserving the parks' assets, popularising them and educating people about them.

Polish environmental protection regulations and the position of landscape parks within the system changed between 2008 and 2009. The tasks and powers of government administration as regards landscape parks were devolved to local authorities, which raised many controversies and questions.

The inspections were conducted in 18 landscape parks and 9 territorial government units. They found that the valid legal regulations concerning the functioning of landscape parks were inconsistent and imprecise. They failed to provide a sound basis for the correct organisation of landscape parks and hampered the achievement of the fundamental goal they had been created for.

Furthermore, it was determined that landscape parks were losing to the investment and settlement pressure of local communities. The local government managing the parks cared more about their region's economic development than about its unique natural assets. Landscape park directors did not have sufficient legal instruments to fight such pressure and effectively enforce landscape park protection when issuing planning permits.

In addition, the inspections found a trend towards relaxing and minimising the restrictions valid at the parks. This concerned e.g. using motorboats in parks with numerous bodies of water, conducting earthworks which permanently alter natural topography and sourcing rocks and minerals for economic purposes.

Despite the unfavourable legal, organisational and financial conditions, landscape park services carried out their statutory tasks, such as monitoring, protection of species and habitats, protection of nature reserves and monuments, as well as safeguarding species protection zones located in the park. Natural and educational paths were created in all parks,

while positive conditions for tourism and recreation were ensured. Information on parks and the region was collected and disseminated by publishing awareness-raising materials and guidebooks, organising exhibitions, tours and launching educational projects.

As a result of the inspections, the Supreme Audit Chamber submitted 9 *de lege ferenda applications*, containing changes suggested in regulations to enable effective protection of the unique assets of landscape parks.

For further information, please contact Ewa Borowska-Domanska (ewa.borowska-domanska@nik.gov.pl)

Portugal

Audit on the fulfillment of the Convention on Wetlands of International Importance (Ramsar Convention)

The Portuguese Court of Auditors conducted an audit aiming to assess the accomplishment of the commitments undertaken by Portugal within the Convention on Wetlands of International Importance (Ramsar Convention), to evaluate the management of the resources allocated to wetlands protection and conservation and the results obtained under an environmental standpoint.

The audit concluded that the existing legal framework, although there is no specific legal framework or even the legal definitions for the concepts of wetland and sustainable use of wetlands, provide adequate protection. Wetlands listed as Ramsar sites enjoy the status of protected areas and are mostly also included in the Natura 2000 network.

The ecological conditions of listed wetlands are satisfactory and only occasionally have threats to their sustainability been identified. The bird counts conducted in the most important wetlands and the counts carried out under the Common Birds Census haven't shown significant fluctuations of populations of species of resident, wintering and passage migrant birds sheltered there. Findings include the improvement of water quality, particularly in estuarine areas. Relevant threats identified were the proliferation of invasive species such as water hyacinth and Louisiana crawfish. Threats from biotechnology or biopiracy weren't noted.

It wasn't developed any systematic study on the foreseen impacts that climate change will have on wetland ecosystems, nor performed any valuation analysis of the benefits provided by the services arising from that ecosystems existence and preservation.



For further information, please contact Leonor Amaral (leonor.amaral@tcontas.pt)

Romania

The developing of Guidance on conducting environmental audit

In order to harmonize the specific activities with international good practice and facilitate the implementation of own Audit Standards in accordance with the standards of INTOSAI, the Romanian Court of Accounts top management decided to develop audit guides on specific fields.

Thus, the department dealing with environmental issues developed the Guidance on conducting environmental audit that, after the approval of the Plenum, was submitted to all structures in order to be implemented after 12/01/2012. In developing the environmental audit guide, were taken into account important issues, such as:

- The 4th level of the framework of international standards of the Supreme Audit Institutions:
 - ISSAI 5110 - Guidelines for conducting environmental audits
 - ISSAI 5120 - Environmental audit and regularity audit
 - ISSAI 5130 - Sustainable Development: The Role of Supreme Audit Institutions
 - ISSAI 5140 - Methods of cooperation between SAI's audit within international environmental agreements
 - ISSAI 3000 – Performance Audit Guidelines, Annex 6
- Regulation on the organization and conduct of the activities specific to the Court of Accounts, as well as on the follow-up of the reports resulting from these activities,
 - The Audit Standards of the Romanian Court of Accounts,
 - Best practice in environmental audit.

The Guidance encourages the exercise of professional judgment at all stages of the environmental audit, which is essential, given the diversity of environmental auditing issues, objectives and methods of collection and analysis of data available in the environment audit.

For further information, please contact Dumitru Alămiie, PhD, Counselor of Accounts (dumitru.alamiie@rcc.ro)

The Russian Federation

Among audits of the Accounts Chamber of the Russian Federation conducted in 2012, we would like to draw an attention to the one of the most actual – performance audit of realisation of the state regulation and use of public funds in 2008-2010 allocated for preservation and restoration of soils and agrolandscapes fertility and realisation of measures on adaptation and softening of anthropogenous influence on a climate.

During the audit the Accounts Chamber of the Russian Federation has analysed realisation of the state measures concerning climate change and its consequences for agriculture and has estimated productivity of actions directed to adaptation of agriculture of Russia to climatic changes.

The results of the audit have revealed an appropriate level of the state regulation and use of budgetary funds.

However, un-acceptance of timely measures on adaptation of agricultural sector to climate change brings not only threat of the material losses enlargement, but also certain risks of decrease in competitiveness of agriculture of Russia.

As recommendations, the Accounts Chamber of the Russian Federation has suggested the Ministry of Agriculture of Russia to develop optimum strategy of adaptation and a diversification of the agriculture economy, its sustainable development in the conditions of climate change and to expand a format of mechanisms and directions of the state support.

It is also recommended to government of the Russian Federation to consider possibility of creation of the coordination body responsible for realisation in the Russian Federation of measures on adaptation and softening of anthropogenous influence on a climate.

For further information, please contact Tamara Toloknova (totam@ach.gov.ru)

Slovakia

Waste management in the Slovak Republic

The SAI of Slovakia conducted an audit with focus on the Slovak waste management legislation, audits of the MoE, focusing on waste management (Audit period 2006 – 2010) and the Waste Management Programme of SR 2006 – 2010 (WMP).

In 2006 the full text of Act on Waste no. 223/2001 Coll. was published. This act was mended 32 times by 2010 as two main waste directives were adopted by the EU during the



audit period. For failure to comply with European legislation the EC sent 4 reasoned opinions to Slovakia for undue transposition of

1. The PCB/PCT directive of 1996
2. The landfill directive of 1999
3. The WEEE-Directive
4. The incorrect application of the landfill directive in the national strategy for the implementation of the reduction of biodegradable waste going to landfills

The WMP was approved in 2006 as a basic planning document. It was not published in the Journal of the MoE and did not enter into force. Regional plans were also elaborated with the aim to define principal needs and goals at the regional level and did neither enter into force. This had a negative impact to waste producers and inspection of state administration. Amendment to the Act on Waste will enter into force in January 1st, 2013 with transposition of EU directives.

For further information, please contact Igor Blaško (igor.blasko@nku.gov.sk)

Slovenia

Deciding on the use of water

The Court of Audit of the Republic of Slovenia has finished an audit on efficiency of deciding on the use of water. The audit was conducted as a follow up audit, because competent authorities didn't fully implemented many of the required corrective measures and recommendations, posed in the first audit report published in April 2008.

The Court of Audit established that there are still no reliable strategic background and no firm criteria to decide upon use of water. As a consequence the Ministry for Environment was late and biased at deciding about granting water rights. This led to unfair procedures of those who used water, because on one hand it hampered their business activity and on the other hand it caused unfair assessment of charges for using water. There was also no method established to determine the amount of payment for granting water rights and there was no proper and efficient water pricing policy, based on polluter pays principle. Ministry didn't establish an effective and transparent system of managing and financing investments from the water fund, and not properly addressed the problem of water losses. Upon findings, the Court of Audit required numerous corrective actions to be taken and proposed recommendations to the Ministry for Environment.

For further information, please contact Jerneja Vrabec (jerneja.vrabec@rs-rs.si)

United Kingdom

In June 2012 the NAO reported on the long-term challenges involved in supplying secure, low carbon and affordable electricity. The memorandum describes the government's existing measures and proposed new support arrangements through a reformed electricity market. The NAO expects to report further on the implementation of electricity market reform.

In July 2012, the NAO analysed how sustainable development is embedded into government appraisal processes .

In November 2012, the NAO published a report on the decommissioning of the UK's largest civil nuclear site, Sellafield. The report highlighted the considerable challenge involved in decommissioning the site, due to past neglect and poor planning, and the poor performance against time schedules and costs of the major decommissioning projects.

In 2011, the government introduced mandatory sustainability reporting for central government bodies, requiring the reporting of environmental impacts, including greenhouse gas emissions, waste disposal and water consumption. The NAO published its own sustainability report in its 2012 annual report. It is preparing a briefing for Parliament on public sector organisations' compliance with reporting requirements and lessons learned, for completion in December 2012.

The NAO is also preparing a briefing for Parliament on Sustainable Procurement, for completion in December 2012.

For further information, please contact Jill Goldsmith (jill.goldsmith@nao.gsi.gov.uk)

Ukraine

Black Sea is on the agenda

The Accounting Chamber of Ukraine conducted a follow-up of the audit of the public funds allocated to regulation, protection, research and reproduction of water biological resources and provision of environment safety in the fishing basins of the Black Sea and the Sea of Azov conducted jointly with the Accounts Chamber of the Russian Federation in 2010, and follow-up of the audit on Protection of the Black Sea Against Pollution (2009-2011) conducted by SAIs of Georgia, Moldova, Turkey, Romania, Russian Federation



and Ukraine. The Joint Report of the last audit was presented at IX EUROSAT WGEA Meeting.

The follow-up audits shows that risks of the misadjustment still exist. The main pollutants of the Black Sea are the rivers Danube, Dnieper and Don. Therefore, the Accounting Chamber of Ukraine with Accounting Chamber of Russian Federation have taken the lead in continuing the started activity.

Hence, at the X EUROSAT WGEA Meeting, the Accounting Chamber of Ukraine has initiated the conducting of an audit of the o Execution of the Convention on Cooperation for the Protection and Sustainable Use of the River Danube and also the audit in the sphere of protection of the rivers Dnieper and Don against pollution.

These activities will help to study all sides of a problem of pollution of the Black Sea catchment and prepare adequate recommendations.

For further information, please contact Artur Kryts (rp25@ac-rada.gov.ua)

NEWS ON COOPERATIVE ACTIVITIES

The EUROSAT WGEA cooperative audit on Adaptation to Climate Change is launched

29 November 2012 the cooperative audit on Adaptation to Climate Change was officially launched at the 18th United Nations framework Convention on Climate Change (UNFCCC) in Qatar.

The main conclusion of the report is that governments are not sufficiently prepared for the expected impacts of climate change and do not have adequate actions in place to deal with these unavoidable negative effects. The national audits revealed that most countries have prepared risk and vulnerability assessments of sufficient quality. Up to the time of concluding the national audits, only two of the eight countries had developed a comprehensive adaptation strategy. In most countries, weaknesses in coordination of adaptation are identified. There is also a general lack of cost estimates of impacts of climate change or adaptation measures in policy documents.

The SAIs of Austria, Bulgaria, Cyprus, Malta, the Netherlands, Norway, Russia and Ukraine, and the Europeans Court of Auditors (ECA) were partners of the cooperative audit.

The report, *Adaptation to climate change – are governments prepared?* is available from the EUROSAT WGEA's website: www.eurosaiwgea.org

For further information, please contact the EUROSAT WGEAS secretariat.

Cooperative audit on shipment of waste

Eight European SAIs are in the final stage of conducting a cooperative audit on the enforcement of the EU Waste Shipment Regulation (EWSR). This audit was launched in 2010 by the Contact Committee of the heads of the EU SAIs and is conducted in close cooperation with EUROSAT's WGEA. The EWSR has been set up to control international waste movements, in order to prevent illegal shipment or dumping of hazardous waste. The EWSR is also adopted by countries that are party to the European Economic Area. The following SAIs are participating: Bulgaria, Greece, Hungary, Ireland, Norway, Poland, Slovenia and the Netherlands (coordinator).

The objective of the audit is to improve the enforcement of the EWSR by providing insight into (differences in) enforcement strategies and performance (in terms of results and the achievement of intended effects) among countries. Participating SAIs have each audited their national enforcement agencies. As of November 2012 four of the national reports have been published; a joint report will be published in 2013 Q1.

For more information, please contact Jan Willem van de Wardt (j.vandewardt@rekenkamer.nl)

A new potential EUROSAT WGEA cooperative audit on biofuels

The EUROSAT WGEA secretariat has followed up the initiative taken at the 9th annual meeting in Stockholm last year on a potential cooperative audit on biofuels. Several SAIs have indicated interest in participating. A meeting was organised among interested SAIs during the annual meeting in Cyprus in October this year. Most of the interested SAIs have planned to start national audits related to the topic in 2013. It was decided to organise a kick-off meeting in April/May 2013 to define the extent and content of a potential cooperation. The secretariat will take the responsibility for organising this meeting.

For further information, please contact the EUROSAT WGEA secretariat

2nd Meeting of Goal Team 3 in Warsaw December 4-5th 2012

December 4-5th the 2nd Meeting of the EUROSAT Goal Team 3 was arranged. The VIII EUROSAT Congress 2011 in Lisbon adopted the EUROSAT strategic plan 2011-2017. In order to implement the strategic plan, four Goal Teams has been set up based on EUROSATs four strategic goals. Goal



Team 3 is set up to implement the strategic goal on "Knowledge Sharing," which is to encourage cooperation and exchange of experience among EUROSAI members within INTOSAI, and with external partners. The SAI of the Czech Republic is the Chair of the Goal Team 3, and led the meeting. NIK, the National Audit Office of Poland, hosted the meeting. As Chairman of the EUROSAI WGEA, Norway attended the meeting as an ex-officio members of the Goal Team 3.

The meeting participants discussed progress and planned activities for the four implementation strategies consolidated in the goal team's operational plan. For example to enhance the use of already existing reports and other materials from SAIs, EUROSAI and INTOSAI, GT3 is planning to establish a database of conducted audits by EUROSAI members. Furthermore, the GT3 is looking to arrange training activities for EUROSAI members. The goal team has also conducted two surveys, respectively on members' interests and capacity to partake in cooperative audits, and interest and possibilities for internship and staff secondment among EUROSAI member SAIs. This was done to get input on how to enhance cooperation between SAI, which is the second implementation strategy.

In addition to presenting progress on the 4 implementation strategies, representatives from the WGEA and other working groups, task forces and contact committees presented their activities. Also, members from Goal team 1 and 4 presented planned work and discussed potential overlapping areas. The Chair of the EUROSAI Secretariat informed about the new planned EUROSAI website, and how the implementation of the EUROSAI Strategic Plan is being implemented.

NEWS FROM THE INTOSAI WGEA

Annual Audit Collection and the 7th Survey on Environmental Auditing

The Secretariat of INTOSAI WGEA launched an annual collection of environmental audits in the end of October for updating the database Environmental Audits Worldwide located at the working group's website. Contributions are much awaited as the database is a unique source of information on the global public sector environmental audit practice.

The results of the 7th Survey on Environmental Auditing carried out February-May 2012 have been compiled to an overview report to be published in the beginning of 2013. 37 SAIs from the EUROSAI region participated, making it the

most active and well-represented region. We are grateful to all the SAIs that sent in their answers.

Meetings

- 29 representatives from 13 member-SAIs of the INTOSAI WGEA's Steering Committee convened from 3-6 October 2012 in Jaipur for its 12th meeting. The committee reviewed and approved the progress of projects in the INTOSAI WGEA 2011-2013 work plan and held strategic discussions on potential activities the working group could undertake in 2014-2016. Prior to SC12, representatives from the SAIs of Estonia, India, Finland and Norway met to discuss the first international WGEA training course on environmental auditing to be launched in autumn 2013 in Jaipur.
- On 3-7 June 2013 the INTOSAI WGEA Assembly will gather to WG15 meeting in Tallinn hosted by the National Audit Office of Estonia. Issues related to the Rio+20 process, such as challenges to achieve sustainable development, sustainability reporting and other related topics will be covered at the event. Key-note speakers are invited to share their experiences and several workshop sessions on the 2011-13 work plan topics will be held. Key tasks of the Assembly are to approve the projects of the current 2011-13 work period and the draft of the next INTOSAI WGEA work plan for 2014-16. Invitations to attend the meeting will be sent to INTOSAI members early next year.

For further information, please contact Kaire Kesküla (kaire.keskula@riigikontroll.ee)





NEWS FROM SUBGROUPS

Meeting of the Mediterranean Sub-Group at the 10th annual meeting of EUROSAI WGEA in Cyprus

During the 10th annual meeting of EUROSAI WGEA in Cyprus in October 2011, the participating SAIs from the Mediterranean region (Cyprus, France, Malta, Portugal, Spain and Slovenia) held their fifth lunch meeting.

As the majority of Mediterranean SAIs prior to the annual meeting expressed their wish to have a special seminar on coastal management, the main topic of the lunch meeting was to present problems regarding coastal management, experiences in auditing this topic and their expectations for the seminar. During the conversation it proved that the main problems of coastal management are sustainable use of coastal areas to avoid aggravation of this sensitive environment caused by overpopulation because massive tourism and maintaining good long-term ecological conditions of coastal water and seashores. Although Mediterranean SAIs have very limited experiences in auditing this topic, they indicated coastal management as one of the priorities for their next audits. Therefore all Mediterranean SAIs consider a seminar on coastal management as very important and valuable for them to be able to recognize potential risks and to focus their future audits into the most important areas. As the main topic of the 11th annual meeting of EUROSAI WGEA will be sustainable land use, a special parallel session on coastal management can be organized. Further specification of the topic within coastal management will be mapped during spring 2013.

For further information, please contact Jerneja Vrabcic, (jerneja.vrabcic@rs-rs.si)

FROM THE SECRETARIAT

One-day seminar on Auditing Forests

As has become a tradition, a One Day seminar was arranged in advance of the Annual Meeting. This year the Secretariat arranged the seminar, while invited guests from the Audit Board of Indonesia, kindly offered to conduct the Seminar. The SAI of Indonesia started its involvement with knowledge sharing in the area of forest auditing, by taking on the project of developing a guide on Forest Auditing in the last INTOSAI WGEA project period. This resulted in the INTOSAI WGEA product "Auditing Forests: Guidance for

Supreme Audit Institutions, published in 2010. In the current project period, they have developed a 5 days training course on auditing forests. For the purpose of the EUROSAI WGEA Annual Meeting, this training course has been adapted to fit a one day event. The seminar was further adjusted towards European auditors.

The one day seminar was opened by Mr. Ali Musa, board member of the Audit Board of Indonesia. The main sessions of the seminar were lectured by Mr. Edward Simanjuntak and Mr. Whidas Prihantoro, both environmental auditors and experts in the area of forest audits. In all there were 5 main sessions. These addressed the steps necessary in order to identify risks in forest management, and subsequently design an audit in this area. The instructors introduced first the functions of forests, and next the concept of sustainable forest management. Later in the day participants learnt how sustainable management can be threatened by inadequate action from government, and what these risks consist in from an auditor's point of view. The participants were next taken through the process of designing an audit on forests, and finally given ideas and practice in the potential methods that can be used. In the final exercise of the day, participants were given a chance to try the GIS tool Google Earth, a software program that allows you to identify development of land areas such as forest.

The lectures and exercises were supplemented by case presentations from several participants. Mr. Akis Kikas from the National Audit Office of Cyprus talked about forest challenges in Cyprus, while Mr. Igor Blasko of the SAI of Slovakia, presented the government programs for forest management in Slovakia. Ms. Camilla C. Fredriksen, of the OAG Norway gave a presentation on how a forest audit had been designed in Norway, while Ms. Elizabeth Augustino of NAO Tanzania, presented the experiences of methodology use in a forest audit conducted by her office.

The seminar material is available at the EUROSAI WGEA website www.eurosaiwgea.org

Host of the 12th EUROSAI WGEA annual meeting, autumn 2014

The 11th EUROSAI WGEA annual meeting will be hosted by the Supreme Audit Office of Czech Republic. If your SAI is interested in hosting the 12th EUROSAI WGEA annual meeting in 2014 or the annual meeting in 2015, please let the secretariat know by 1 February 2013. This request will also be included in the accompany letter to head of SAIs to this year's annual meeting report.



New EUROSAI WGEA products - *Annual review of environmental audits* and *Good examples of application of data and methods in environmental auditing*

The EUROSAI WGEA secretariat presented two new products during the 10th Annual EUROSAI WGEA Meeting in Cyprus, the Annual review of environmental audits and Good examples of application of data and methods in environmental auditing. These products were well received by the members and by the Steering Committee. *The annual review* will be published every year, summing up and providing snapshots of national environmental audits conducted the past year across Europe. The objectives with *Good examples of application of data and methods in environmental auditing* is to facilitate for knowledge sharing and good practice between members. These examples will be constructed by several member SAIs, and the value of this activity will be evaluated at the next annual meeting. The EUROSAI WGEA secretariat encourages all to view the new products, available from the EUROSAI WGEA website.

The 2012 Survey of EUROSAI WGEA members

The results of the 2012 survey helped the Secretariat in identifying the member SAIs thematic priorities. The secretariat is working on incorporating the preferred topics in upcoming seminars and meetings. A summary of the survey is available at the password protected part of the EUROSAI WGEA website.

Contact information

We encourage all member SAIs to contact us if you have any questions, comments, or if you have news or information that you want to post on the EUROSAI WGEA website and/or include in the next newsletter.

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