



EUROSAI

Working Group on
Environmental Auditing

NEWSLETTER 2/2018

MESSAGE FROM THE CHAIR

Dear Colleagues,



The end of year calls for a stock-taking exercise – to pause and reflect on actions past and envisage desired future paths. It is also the standard practice of many audit offices to issue annual reports and overviews in fall or winter, as SAI Estonia did in mid-

November when I had the honour of presenting my first annual report as an Auditor General to the parliament.

Taking stock of EUROSAI WGEA's work, I believe it is safe to conclude that year 2018 was another busy and exciting one. We had two wonderful meetings hosted by our Finnish and Slovakian colleagues on topics – environmental governance, climate change and increasing the impact of environmental audits – that were of interest to many, as was evident from active attendance and eagerness of auditors to contribute with presentations and discussions.

I am also particularly happy over the first EUROSAI WGEA Massive Open Online Course on auditing water issues, as this project is a testament to the ability of our members to work together and achieve good quality outcomes. With the first "edition" of the MOOC just being wrapped up, we already know that this course has a global reach beyond Europe. We should therefore never underestimate the difference our seemingly modest actions could make.

Looking ahead towards 2019, I note with satisfaction that themes with direct real-life connections – waste and biodiversity – will be on the agenda. As I emphasized upon presenting my office's annual report to the members of the parliament – people need the government to go to the heart of real-life problems and offer solutions that work. Having a circular economy instead of landfills and halting biodiversity loss to the benefit of humans and ecosystems alike call for just this kind of mind-set but are also complex policy areas where SAIs could also offer support.

In the current edition of the Newsletter, you will find a feature story on the air quality audit conducted by the SAI of Poland as well as many news items from Members, the WGEA Secretariat and PASAI RWGEA.

Have a good read!

Yours sincerely,

Janar Holm
Auditor General of Estonia
Chair of EUROSAI WGEA



UPCOMING EVENTS

Save the dates for 2019: EWGEA Spring Session and 17th Annual Meeting

The dates and locations of EWGEA's upcoming meetings in 2019 are now confirmed. **Spring Session** will take place in Kalopanayiotis, Cyprus on 7-8 May 2019, focusing on waste management and circular economy.

The 17th Annual Meeting of EUROSAI WGEA will be held in October 2019 (dates tbc soon) in Luxembourg, hosted by the European Court of Auditors. Biodiversity will be the central topic of the Annual Meeting.

More information at kaire.keskula@riiqikontroll.ee.

FOCUS ON AIR QUALITY

TO BREATHE OR NOT TO BREATHE? Findings of the audit on air protection in Poland

By Mr Mariusz Gorczyca, Economic advisor and Mr Wojciech Dudek, Auditor

On 11 September 2018, Polish SAI (NIK) published a report on findings of the audit concerning air protection (against pollution). It was again, in the last few years, when we dealt with this important environmental and social problem (previous NIK's report on air protection was published in December 2014). This time the national audit was one of the audits carried out simultaneously within international project on air quality, idea for which was born during the WGEA meeting. SAIs from 15 countries, together with European Court of Auditors, took part in the common project coordinated by Dutch and Polish SAIs.

Is it better than before?

Despite a bigger scope of activities than in the period audited previously, the air quality in Poland in the years 2014-2017 still significantly differed from limit and target values. Exceeding the normative values of B(a)P, PM₁₀ and PM_{2.5} commonly occurred in the mentioned period. However, exceedances of the limit value of NO₂ were recorded on a smaller scale (the problem referred to four cities). In the years 2014-2017 maximum annual concentrations of PM₁₀, PM_{2.5} and NO₂ were almost twice

as high as the accepted values for those substances. Cases have also been recorded where too high PM₁₀ daily concentrations occurred for more than half a year and annual concentration of B(a)P exceeded the target value by almost 20 times. These statistics mean that Poland is still one of the EU countries with the worst air quality.



@rh2010-stock.adobe.com

General conclusion

According to NIK's findings, the activities of the audited public entities do not provide sufficient protection of citizens and natural environment from adverse effects of air pollution by the following substances: PM₁₀, PM_{2.5}, B(a)P and NO₂.



Problem of effective air protection concerns the authorities at various levels

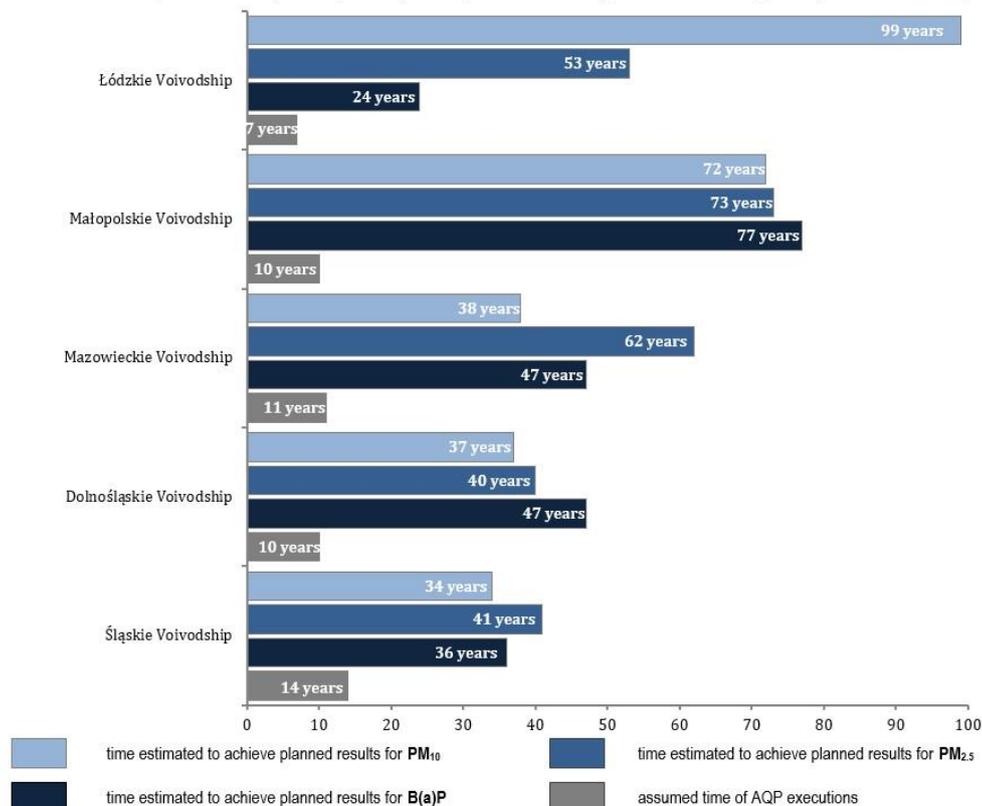
In NIK’s opinion, inadequate air quality resulted both from inefficient activity of public entities on every level of their operation (national, regional and local), and from insufficient coordination, and therefore lack of consistency of activities undertaken within extensive structure of air protection system. Such conditions do not foster effective spending of public funds for air protection.

- **Minister of Environment** has not provided proper functioning of important mechanisms of the air protection system, including being an unreliable national coordinator for the activities executed towards air protection and monitoring the process in an inadequate manner. **Minister of Energy**, for his part, despite NIK’s findings presented in the years 2000, 2014 and 2016, did not take immediate actions

aiming at bringing into force quality standards for solid fuels, and adopted – in the project of these regulations – accepted parameters for solid fuels, which do not sufficiently secure the citizens and natural environment from negative influence of air pollution. Only the **Minister of Entrepreneurship and Technology** executed assigned tasks by regulating requirements for solid fuel boilers;

- **Audited autonomous authorities within voivodships** (regional level), except for Małopolskie Voivodship, have not created complex systems enabling management of the air quality improvement process in the regional scale. Construction of Air Quality Plans (AQPs) in the remaining units subject to audit was marked by a significantly lower usefulness of activities towards providing satisfactory air quality on the area of a given voivodship. In NIK’s opinion, such a situation resulted particularly from imprecise and too general

Estimated time necessary for full execution of AQPs assumptions concerning reducing emission from commercial and residential sources (in a voivodship scale) at the present pace of executing remedial actions (for the period 2014-2016)



Source: Prepared by NIK on the basis of external expert opinion and data obtained during the audit.



regulations specifying rules for developing AQPs, and from lack of consistent methodology while creating those documents. What should be positively evaluated is the fact that the regional self-government used their competence to introduce anti-smog resolutions specifying standards for equipment used in a given region to burn solid fuels for heating purposes as well as types and quality of such fuels. However, efficient implementation of those regulations and attaining planned effects shall be difficult because of limited inspection possibilities and because of proposition of provisions prepared by Minister of Energy concerning quality standards for solid fuels. Those regulations, in that shape (project of regulation of 1st February 2018), do not guarantee meeting the emission requirements for Class 5 boilers and solid-fuel boilers set in Eco-design regulation – a standard which has been adopted in the anti-smog resolutions;

- So far, the scale and pace of the remedial actions undertaken by communities (local level) – except City of Kraków – have been insufficient to attain results specified in AQPs, i.e. ecological effects for activities related to reducing emission from commercial and residential sector. Collected data and performed analyses point out that achieving required values of reduction of PM₁₀, PM_{2.5} and B(a)P emission, with the present pace of remedial actions, may take between 24 to almost 100 years in different voivodships.

Recommendations

The full version of the national report contains 17 recommendations addressed to the Prime Minister and four Ministers, and one general conclusion for the Parliament. This general conclusion concerns creating air protection policy on the national level, which should include reduction in solid fuels use in commercial and residential sectors. According to NIK, current possibilities of achieving considerable improvement in air quality can only be provided by changing the heating structure of households by relevant limitations – from central level – in using solid fuels in commercial and residential sector, and by increasing use of municipal heating networks and gas grids or other less emitting heating sources.

Afraid of the future?

Despite significant reduction of air pollution over the past decades (mainly as a result of introducing restrictive requirements in the industry sector), the air quality in Poland is still far from standards adopted by the EU. That is why European Union Court of Justice passed the decision of 22nd February 2018, stating that Poland infringed the EU law in the area of air quality and that values of PM₁₀ concentration accepted for this substance were being exceeded in a continuous manner. Such a situation may also result in imposing substantial financial sanctions on Poland.

If you wish to get more information of NIK's audit on air protection in English please visit:

<https://www.nik.gov.pl/en/news/air-protection-in-poland.html>

If you have a question to ask coordinators of NIK's audit on air protection please contact: Wojciech Dudek wojciech.dudek@nik.gov.pl; Mariusz Gorczyca mariusz.gorczyca@nik.gov.pl



NEWS FROM THE SECRETARIAT

16th Annual Meeting of EUROSAI WGEA held in Bratislava

The 16th Annual Meeting was held from 26-28 September 2018 in Bratislava, Slovakia. Prior to the meeting, on September 25th, training seminar on climate change connected data took place. Altogether more than 70 representatives from 33 SAIs attended these events.



Climate change and increasing the impact of environmental audits had been chosen as central topics of the Annual Meeting. At the training seminar, focus was put on various types of climate change data as well as data sources.

Meeting participants had a chance to hear keynote speeches made by experts from the European Commission, European Environment Agency, OECD, Comenius University (Slovakia) and the World Resources Institute. SAI representatives introduced their recent audits related to climate change issues and experiences in increasing the impact of environmental audits; an overview about ongoing cooperative environmental audits within the European region was also provided. Particular attention was paid to discussions among the working group members regarding future cooperative audits starting from 2020 and beyond.

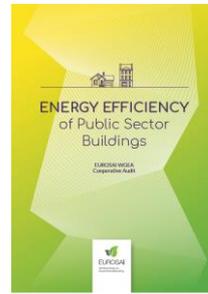
Representatives of the U.S. Government Accountability Office, General Audit Office of Argentina, the State Audit Bureau of Kuwait as well as the Ministry of Environment and Environment Agency of the Slovak Republic had been invited as special guests to the Annual Meeting.

In the sessions connected to the impact of audits, participants actively discussed how to regard audit impact

in different audit stages as well as how could visibility of environmental audits increase impact.

Please refer to www.eurosaiwgea.org for meeting materials and report.

EUROSAI WGEA cooperative audit on public sector buildings' energy efficiency finalized



In October 2018, EUROSAI WGEA cooperative audit on energy efficiency of public sector buildings was published. As a common finding emerging from national audits, the SAIs of Bulgaria, Belgium (Flanders), Estonia, Hungary Latvia, Lithuania, Portugal and Slovakia found that

efforts towards fulfilling the public sector's leading role in the field of energy efficiency of buildings should have been greater and more systematic.

While countries have done well in transposing the targets of the EU Directives into national law, national audits found that funding for increasing buildings' energy efficiency had mostly been incoherent, and the effectiveness of the financial support system had often not been analysed. Only one country could report that the funds spent for fulfilling the 3% renovation target for central government buildings were being monitored.

Please refer to

<https://www.riigikontroll.ee/Suhtedavalikkusega/Pressiteat/ed/tabid/168/ItemId/1009/amid/557/language/en-US/Default.aspx> for further information.

16th INTOSAI WGEA Steering Committee meeting

The Secretariat participated in the 16th INTOSAI WGEA Steering Committee meeting held in Prague, Czech Republic on 22-25 October 2018. Progress Report of EUROSAI WGEA was presented to the SC members.



EUROSAI Strategic Goal 1 Meeting

EWGEA's Secretariat also took part in the meeting of EUROSAI Strategic Goal 1 team meeting chaired by the SAs of Czech Republic and Germany in Tirana, Albania on 30-31 October 2018. Progress of EWGEA's activities falling under SG1 (e.g. meetings, cooperative audits and MOOC on water issues) was presented.

Environmental Compliance and Governance Forum

Followed by discussions held at the 16th Annual Meeting, both among EWGEA Steering Committee members as well as the General Assembly, the Chair of EWGEA applied to change the status of membership within the European Commission's [high-level expert group](#) to that of an observer. The Secretariat of EWGEA was also present as an observer at the Forum's 2nd meeting held on 7 December 2018 and will introduce the results of the said event to EWGEA Steering Committee members ahead of its teleconference in February 2019.

NEWS FROM MEMBERS

BULGARIA: SAI Bulgaria audited energy efficiency of buildings owned and occupied by the central and local authorities



The audit assessed Bulgaria's preparedness to achieve the objectives for improving the energy characteristics of buildings owned and occupied by state and local authorities over the period 01.01.2014 - 31.12.2016. Subjects of evaluation were the actions undertaken by the state for the timely and correct implementation of Directive 2012/27/EU and Directive 2010/31/EU regarding the obligations for the buildings of public bodies to set an exemplary role in the field of energy efficiency. The implementation of the undertaken actions was assessed in terms of: the established strategic and legal framework to ensure the fulfilment of these obligations; the availability of sufficient and transparently distributed financial resources at national level to fulfil the obligation; and a developed and functioning system for monitoring the achievement of the energy efficiency objectives for the building stock.

The audit concluded that Bulgarian authorities have taken steps to achieve the obligations for improving the energy characteristics buildings owned and occupied by the central government; however, further efforts are needed to overcome the identified weaknesses. The adopted *National*

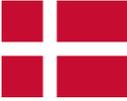
Plan for Improving the Energy Characteristics of Heated and/or Cooled Buildings – Owned by the State and Occupied by the State Administration does not provide all the conditions for the practical implementation of the existing national and European obligations. The development of a mechanism for coordination, implementation, monitoring and control of the renovation activities still remains a challenge to be undertaken. The majority of central government bodies have not yet developed energy efficiency programs and some of them demonstrated a lack of understanding of their obligations under the Energy Efficiency Act. Although on national level there are several financial instruments with significant financial resources, there is no reliable estimate of the indicative amount of the investments necessary for the fulfilment of the obligation under Art. 5 of Directive 2012/27/ EU. A system for monitoring and control of energy auditing and certification activities has been developed by the Sustainable Energy Development Agency. During the audited period the number of energy audits carried out steadily increased and the agency still managed to maintain a high number of checks on the results of the submitted documentation.

Local authorities set their energy efficiency targets according to their own priorities, which in most cases are related to renovation of kindergartens and schools and not



administrative buildings. The renovation of municipal buildings relies heavily on external financing (operational programs, national funds, etc.).

DENMARK: Audit on the support of the fisheries sector

 In October 2018, the Danish SAI published an audit report that assessed whether the Ministry of Foreign Affairs is managing support from the European Maritime and Fisheries Fund (EMFF) to the fisheries sector correctly.

The audit report concludes with a strong criticism of the Ministry of Foreign Affairs' overall management of support to the fisheries sector from the EMFF. As a result of the ministry's inadequate management, support from the EMFF have been provided to applicants in conflict with the regulations, and applicants have not been treated equally. The ministry's inadequate management entails a risk that the European Commission will reclaim funding already provided.

The report answers the following questions:

- Is the Ministry of Foreign Affairs managing funding from the EMFF in a manner that allows the ministry to determine whether the basic admissibility conditions for receiving support have been fulfilled?
- Has the Ministry of Foreign Affairs ensured that the applications fulfil a number of other important criteria for receiving EMFF support?

The analysis of the first question showed that the Ministry of Foreign Affairs' management does not allow the ministry to determine whether applications for support from the EMFF fulfil the basic admissibility requirements. First, the Ministry of Foreign Affairs has assessed the basic admissibility requirements on an incorrect basis, because the ministry has failed to manage the EU penalty point system for fishing vessels in compliance with the regulatory framework. The ministry has not to the extent required imposed penalty points for serious infringements of the fisheries rules. The ministry has imposed penalty points in 34 cases in the period 2013-2017. It is the Danish SAI's

assessment, that the ministry should have imposed penalty points in additionally 29 cases. We assess that, in failing to do so, 24% of the examined funding has been provided to fishers who would have been excluded from receiving funding had the penalty point system been managed correctly.

The analysis of the second question showed that Ministry of Foreign Affairs has operationalized the additional criteria either incorrectly or only vaguely, and as a result, it has failed to ensure fulfilment of a number of other essential requirements to receive and keep funding. Under the largest scheme for support under the EMFF, for instance, the ministry has not applied the correct support rates in up to 75% of the cases examined, and therefore the amount of funding provided has been excessive in many cases. To this should be added that the Ministry of Foreign Affairs' checking of compliance with the requirements has been flawed. In several cases, the ministry has failed to ensure that the requirements concerning offers from potential suppliers, invoicing and evidence of payments have been fulfilled. As a result, the ministry has asked the Legal Adviser to the Government to investigate 18% of the cases included in Rigsrevisionen's sample, and the ministry expects to report minimum 10% of the cases in the sample to the police. The Legal Adviser to the Government is investigating an additional number of cases. The ministry intends to report the suspected fraud cases to The European Anti-Fraud Office (OLAF).

The first chapter of the report is available in English: <http://uk.rigsrevisionen.dk/publications/2018/12018/>.

For further information, please contact Michael Kuur Sørensen, mks@rigsrevisionen.dk.

ESTONIA: Follow-up audit on hazardous and radioactive waste management

 In autumn 2018 NAOE published a follow-up audit which examined whether there have been improvements compared to year 2015 as regards the accuracy of data on hazardous and radioactive waste, the proper treatment of such waste, and the prudent management of the only state-owned



hazardous waste treatment centre in Vaivara (photo below).



Author: Viire Viss

The NAOE found that the Ministry of the Environment and its agencies have started to implement most recommendations included in the NAOE's previous audit report but not all problems have been solved decisively. Cooperation between the Environmental Inspectorate and the Environmental Board, who is issuing environmental permits, in inspecting the businesses' waste reports and controlling the companies has improved. However, information systems with an analysis module that would expedite and simplify the analysis of waste reports and monitoring data, issuing of permits and supervision of businesses are not available yet.

Also, a new problem was identified: some types of hazardous waste have started to pile up on enterprises' premises. One reason for that is the unavailability of proper hazardous waste management services. The only state-owned hazardous waste treatment centre in Vaivara has not been consistently operational and its management remains problematic. The centre was closed in 2012-2015, did not treat any waste and polluted the environment. Ministry of the Environment must take serious steps to reconsider the ownership and financing of the centre to keep it operational and economically viable.

As for radioactive waste, the Ministry of the Environment still lacks a clear long-term solution on treating naturally occurring radioactive materials (NORM) generated in Estonia during various production processes. These have piled up on business premises since 2004 and there is still no clear policy for handling them after 2024. Ministry of the Environment must revise the national action plan for

radioactive waste treatment so that it would clearly set the method for treating NORM waste and residues that is acceptable.

Summary in English is available on

<https://www.riigikontroll.ee/tabid/206/Audit/2469/Area/15/language/et-EE/Default.aspx>

For further information, please contact Airi Andresson at airi.andresson@riigikontroll.ee or Viire Viss at viire.viss@riigikontroll.ee.

EUROPEAN COURT OF AUDITORS: Lots happening at the ECA



The case for EU environmental and climate-related actions is strong, and auditing these very important policy areas continues to be a priority activity at ECA.

In November, we published an opinion on the Commission's proposal for the post-2020 common agricultural policy (CAP). One of the issues we raised is that despite the Commission's ambitions and calls for a greener CAP, the proposal does not reflect a clear increase in environmental and climate ambition. The Commission's estimate of the CAPs contribution to related EU targets appears unrealistic.

In October, ECA organized a seminar on tools for auditing nature and biodiversity. The seminar provided insights into the work of environmental economists and how the results of their work can be used in practice.

ECA also published in October its Special Report 24 of 2018 on [instruments for climate action](#). This audit found that the EU's funding programs for carbon capture and storage and innovative renewable energies had significant teething problems. *Stefan Den Engelsen* (stefan.den.engelsen@eca.europa.eu) can provide more details.

In May, ECA published its Special Report 5 of 2018 on the links between [renewable energy and sustainable rural development](#). This audit found that potential synergies between the two remain mostly unrealized.



In September, ECA published its Special Report 23 of 2018 on the EU's [actions to improve air quality](#). This audit found that EU citizens still breathe harmful air due to weak standards and poor implementation. *Joao Coelho* (joao.coelho@eca.europa.eu) can provide more details.

The above reports, as with all ECA's reports, are available [online](#) in all the working languages of the EU.

As part of ECA's audit on air quality, we cooperated with EUROSAI WGEA's joint audit on air quality involving 15 other SAI's. ECA also hosted one of the working meetings of the cooperating SAI's. Cooperating with the other SAIs was, as always, a valuable learning experience for ECA. Joint audits are a great way for SAIs to address important environmental and climate subjects, especially where international commitments are involved. One difficulty with joint audits is that SAIs have different procedures and timeframes for planning their audits.

Going forward, we see scope to develop new forms of cooperative audit action. For example, as well as joining forces to produce a specific joint audit report, EUROSAI WGEA could promote themed areas of audit activity (e.g. how countries deliver on their commitments under the Paris Agreement). One step further would be to develop common audit questions and a common approach. SAIs could plan the audit according to their own timeframe, increasing the flexibility as compared to a joint audit. As SAIs audit these themes over several years, EUROSAI WGEA could produce several snapshots bringing together emerging issues from the SAI's work, perhaps even reporting them in a common format.

FRANCE: Enhance operators' performance through Governmental guidance



Between 2009 and 2016, the Court audited seven national parks (PNF), the protected marine areas Agency (AAMP) and the National

Office for water and aquatic environments (Onema) before they became part of the French Biodiversity Agency (AFB) on 1 January 2017. At a time when the State and the AFB are about to conclude their first common roadmap, the Court wished to clarify the purpose of this work by

evaluating the exercise of State supervision over biodiversity operators.

The main missions of operators - in their purpose, consistency and the professions they involve - are not clearly defined and remain insufficiently set out in the documents drawn up, sometimes without any coherence between them, to guide the operators' annual or multiannual activity. Their economic model does not result from formal discussions, even though the growth of **external resources** represents a challenge because State operators must contribute to the effort of restoring the public accounts. The Court recommends defining the priorities allocated to each institution under supervision, in the light of its essential missions, and a coherent economic model, in a contract of objectives and means if needed, whose duration would increase from three to five years.



The supervisory authorities must also set clear and harmonized legal and financial rules and implement the operational means required to provide operators with an operating framework that is favourable to their performance, while respecting their autonomy. A better controlled annual management calendar and better involvement of budget controllers and public accountants alongside operators could strengthen the budgetary and financial resilience of the institutions. The deployment of data collection and processing protocols and functional IT tools are essential to the success of mission sharing (sharing scientific data, implementing police missions) or support services and functions. The Court therefore recommends introducing an annual management dialogue, based on the implementation of the institution's contract of objectives.



The ministers' response expresses a broad convergence of analysis with the terms of the Court's summary report and highlights the actions undertaken or planned. The main ways for improvement are increasing the duration of the contract of objectives and performance (COPs), strengthened coherence between the framework documents, seeking to boost and diversify resources, convergence of human resources management rules, deepening risk management work using internal budgetary and accounting control tools.

Nathalie Reuland, external auditor

LATVIA: Audit finds deficiencies in addressing targeted actions for “historical” radioactive waste management

 In the 1960s in the Latvian city of Salaspils, a  Nuclear Reactor was built according to a former Soviet Union design as the only civilian research reactor in the Baltic States. In 1995, a few years after the collapse of the Soviet Union, a decision was made to shut down the Research Reactor and the preparation for decommissioning was started. Therefore, timely actions for dismantling of the former Research Reactor are very important due to the physical condition of “historical” radioactive waste which is still left in the Reactor and needs to be disposed safely.

During the financial audit on the Annual Accounts for year 2017 of the Ministry of Environmental Protection and Regional Development (Ministry), the State Audit Office of Latvia (SAO) assessed the compliance issue regarding the dismantling measures of the Research Reactor. The audit found that the Ministry has not updated the plan for the dismantling approach – whether the Reactor should be demolished completely (up to “green field”) or adapted for further scientific activities. It should be noted that costs between these scenarios differ more than three times.

Measures taken so far have not been planned in a consecutive and coordinated way – although there is no updated plan for the dismantling approach, the Ministry makes procurements for demolishing the Reactor and requires additional funding. Moreover, the requested

funding is based on outdated calculations made 15 years ago, posing a risk that during the actual implementation of the measures there should be significantly higher funding required. It should be noted that due to the delay of the dismantling measures, every year additional costs arise due to the Reactor's safe maintenance measures.

As a result of the audit, SAO recommended the Ministry to apply the best project management practices for the dismantling measures of the Research Reactor, providing a proper management of all project areas, including project integration, scope, time, costs, quality, human resources, communication, risks, procurement and stakeholders.

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

SLOVENIA: Efficiency of monitoring and preventing damage caused by bark beetles



The Republic of Slovenia is one of the most forested countries in Europe - forests cover more than 58% of its surface area. Management of forests is not only in the interest of the owners (three quarters of forests are private), but also in the public interest, therefore it is important that the state regulates this field efficiently.

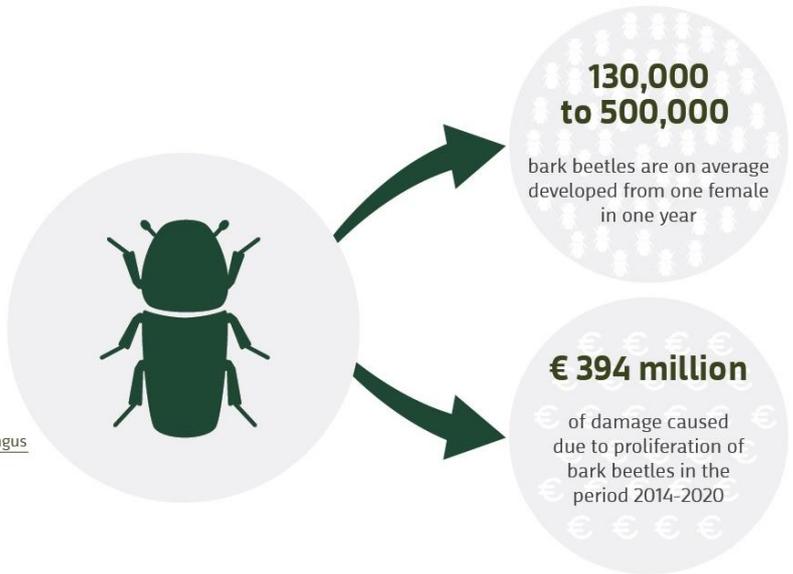
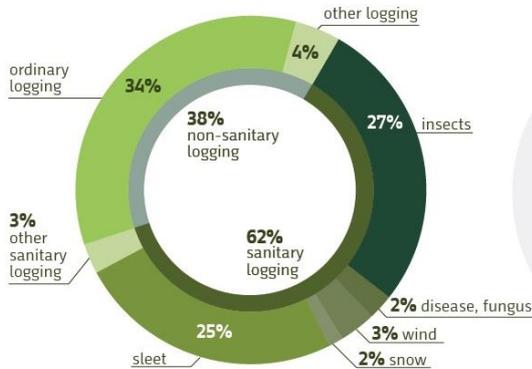
In the past years, bark beetles (small insects that reproduce in the inner bark of spruce trees) have been proliferating wildly. Damage caused by these insects in the period from 2014 to 2020 is estimated to EUR 394 million. Climate changes affect the intensity of their proliferation as well as planting of certain tree species in the past (a deviation from the natural condition, due to economic reasons).

The audit revealed the following:

Most of bark beetle outbreaks are detected by Forest Service, which orders owners of the forests to remove and destroy infested trees. 53.8% of orders issued to forest owners were not implemented within the deadline. And only for 11.1% of orders not implemented, enforcement procedures were later demanded by Forest Service. Ministry has developed indicators for assessing the performance of Forest Service in combating bark beetles.



Logging due to proliferation of bark beetles represents **single most important cause** for sanitary logging in the period 2014-2027



During the audit, Forest Service adopted new internal guidelines to increase its efficiency in monitoring and preventing damage caused by bark beetles.

Due to forest management in the past, the area covered by spruce trees in Slovenia is almost four times larger than it would be without human interference. Forest Service plans to reduce the proportion of spruce seedlings in overall planting needs proposal in order to bring forests closer to their original, natural state. However, it is not yet clear which tree species shall be used instead of spruce trees since a consensus on the matter has not yet been reached.

Forests are managed by forest owners, guided by forest management plans developed by Forest Service. During the audit, it was not quite clear which works planned in the forest management plans can be defined as primarily in the public interest and can be therefore enforced by Forest Service. Since 2012, public funding of works planned in the forest management plans has decreased by more than a half, thus causing negative impact on the amount of work carried out in the forests by forest owners. Forest management plans are therefore implemented in smaller proportion as before, which according to SAI Slovenia, has led to higher risk of bark beetles' outbreaks.

In order to improve efficiency in monitoring and preventing the damage caused by bark beetles, Forestry Institute is developing methods of remote detection of bark beetle

outbreaks and simulation models for prediction of bark beetles' outbreaks.

Despite significant efforts, auditees have been only partially efficient in monitoring and preventing the damage caused by bark beetles. SAI Slovenia gave several recommendations to the auditees.

More info: <http://www.rs-rs.si> and sloaud@rs-rs.si.

SWEDEN: Audit of the protection of valuable Swedish forest



In June 2018, the SNAO published a report on the protection of Swedish valuable forest. Every year, the state allocates SEK 2–3 billion for the protection and maintenance of valuable nature. The state can establish formal protection of forest land through the formation of national parks, biotope conservation areas, nature reserves or by signing nature conservation agreements. Formal protection of forests is financed through state appropriations. Beyond the state's formal protection of forests, the forest owners themselves are also expected to contribute through voluntary set-asides of forest. Protection of valuable forest land is an important means of achieving the environmental quality objectives that the Riksdag has decided upon, above all the objective of Sustainable forests.



The purpose of the audit was to assess whether the state's initiatives have contributed effectively to the achievement of these objectives. The SNAO's conclusion is that deficiencies in initiatives, knowledge and the coordination of statistics have rendered the protection of valuable Swedish forest less effective than it otherwise could be and that cost-effectiveness can be improved.

Audit findings:

- Increased knowledge on areas requiring protection is necessary for more strategic work and effective prioritising

The state's forest protection work has so far primarily focused on area objectives and percentages at the national level. To achieve the objectives, the work should also focus on the quality and function of the areas to a greater extent. In order to improve the quality and function of the protection, there needs to be increased knowledge on the areas requiring protection, the different regional needs of protection and the voluntary set-asides, along with a higher degree of strategic planning, for the agencies to be able to prioritise effectively. Additionally, increased maintenance efforts are needed in protected areas.

- There is a risk of the protection becoming more extensive (and more expensive) than necessary in certain cases

The choice of the form of the protection and the design of the compensation can affect the cost-effectiveness. For example, in order to achieve cost-effective protection, it is important that the areas, for which encroachment compensation is paid, have high protection values. The audit shows that there is a risk that the protection is more extensive in certain cases than what is required to fulfil the purpose of the protection. However, protection of areas with somewhat lower protection values can be cost-effective if the compensation paid out is also lower.

- Need for more consensus around which areas are to be approved for formal protection and voluntary set-asides

The division of responsibilities between the agencies with regard to the type of formal protection that each agency primarily works with may have consequences in terms of

the reporting and follow-up of the work. Also, the state lacks sufficient knowledge on the voluntary set-asides, especially with regards to quality and sustainability. For there to be transparent and comparable follow-up and reporting of the objectives to the Riksdag, there needs to be more consensus around which areas are to be approved for formal protection and voluntary set-asides, as well as increased coordination of statistics.

- Uncertainty as to the meaning of sector responsibility may have undesirable consequences

Through sector responsibility, forest owners are expected to take on more responsibility than what the law requires for the purpose of achieving the environmental objectives, for example through voluntary set-asides. The audit shows that the meaning of sector responsibility is unclear, both with respect to how the Government communicates and the agencies act, and how the forest owners understand their own responsibilities. This uncertainty may have undesirable consequences as it hinders improved transparency regarding voluntary set-asides and increases the risk of losing land values that have yet to be determined.

The full report in Swedish and a summary in English is available on <https://www.riksrevisionen.se/rapporter.html>.

For further information, please contact Linda Sahlén Östman, Linda.Sahlen-ostman@riksrevisionen.se.

SWEDEN: Audit of the Swedish Rural Development Program 2014–2020



In October 2018 the SNAO published a report on the Swedish Rural Development Program 2014–2020. The Rural

Development Program is part of the efforts to implement the EU's 2020 strategy for Europe, the overall objective of which is smart, sustainable and inclusive growth.

Approximately 37 BSEK (3,6 BEUR) are available for the Swedish program. Support and compensation can be sought for various purposes, such as environmental measures in farming, investments in physical assets and for the expansion of commercial services in rural areas.



The aim of the audit was to examine whether the Rural Development Program for the period 2014–2020 has been designed and implemented in a manner which makes it possible to effectively achieve its objectives. The audit focused on the Swedish Government's choice of measures and allocation of funds in the program, on the production of result information and on conditions for the effective processing of support cases by the authorities concerned.

Audit findings:

- **The Swedish Government's design of the Rural Development Program hamper effectiveness and the ability to achieve effects**

The EU regulations allow a certain amount of national discretion in choosing which measures (and how many of them) should be included in the national programs. The Swedish Government chose to include a large number of measures and also a number of national initiatives in the Swedish Rural Development Program. This makes it difficult to assess which objectives, at the EU and at national levels, the various measures in the Swedish program should contribute to and which results should be achieved. The fragmentation of the program, with a large number of measures and many small budgets, risks limiting the impact that the measures can have on rural development. In addition, it may mean that the funds cannot be fully utilized and that the desired effects may thus fail to materialize.

- **The program structure entails excess administrative work and increased costs**

The structure of the Swedish Rural Development program, with a large number of measures, makes the administration of the program burdensome and thus increases administrative costs. The excess administrative work also threatens to shift the focus away from the achievement of the program's objectives and results.

- **Resource-intensive performance reporting does not contribute to a better program**

The EU regulations require regular and detailed reporting on the efforts of the Rural Development Program. The

reporting requirements have meant that the Swedish authorities must devote significant resources to fulfilling these requirements. But the value of the extensive information collected for the European common indicators is limited. It is questionable whether the indicators can provide the information on results and effects that are the purpose of the performance reporting.

- **A high degree of complexity and flaws in the IT systems hamper processing**

The processing of support cases by the Swedish authorities has so far been associated with problems, resulting in long processing times and long wait times for the payments to support-seekers. The complex program structure, as well as extensive performance reporting, makes the processing of support cases time consuming and resource intensive. In addition, the development of new IT systems has been delayed and the systems have often lacked functionality. Many applications for support initially could not be processed at all, and that the authorities must still process certain elements in support cases manually.

- **The threat of a lack of resources which may further delay processing**

The county administrative boards process the majority of all support applications within the Rural Development Program. In light of the long processing times and the lack of resources anticipated by the county administrative boards it is reasonable to assume that the problems of delays and long wait times for the payments will persist throughout the program period. The county administrative boards assess the funds earmarked for the government authorities' administration of EU-funded support to be insufficient to cover the entire program period.

The full report in Swedish and a summary in English is available on <https://www.riksrevisionen.se/rappporter.html>.

For further information, please contact Ms. Annelie Jansson Westin, annelie.jansson-westin@riksrevisionen.se.



NEWS FROM OTHER REGIONS

Record participation by PASAI in introductory MOOC on environmental auditing!

At this year's meeting of the ACAG PASAI regional working group on environmental auditing (RWGEA), in Brisbane, May 2018, PASAI members asked the RWGEA to develop an environmental auditing training program for the region to build capacity in this area.

As a first step, we actively encouraged PASAI and ACAG members to take part in online training opportunities that are available. We are pleased to report that 27 staff from PASAI recently passed the **Massive Open Online Course (MOOC) Introduction to Environmental Auditing in the Public Sector**, which ran over four weeks in September and October 2018.

The 27 PASAI participants were from the following audit offices:

- Office of the Auditor General, Western Australia
- Samoa Audit Office
- Tonga Office of the Auditor General
- Office of the Auditor General, Fiji
- Solomon Islands, Office of Auditor General
- Vanuatu National Audit Office
- NZ Office of the Auditor-General
- Audit Office of New South Wales
- Office of Public Auditor, Micronesia

We found the course to be a very useful introduction to environmental auditing, and a good platform to take part in other online training courses available.

Some of the PASAI participants have since begun the **MOOC on Auditing Water Issues**, running from 12 November to 16 December 2018, and will be keen to participate in further MOOCs as they are developed. We will consider other training needs and opportunities for

the PASAI region in the lead up to the next RWGEA meeting (May 2020).

We got some good feedback from the Samoa Audit Office, with the whole performance audit division participating in the course and finding it very educational and informative. See the next item.

Jonathan Keate, RWGEA coordinator, OAG New Zealand

MOOC JOURNEY – SAMOA perspective

Six members of Performance, Compliance and Environmental Audit (PCEA) unit in Samoa Audit Office (SAO) took part in 'Introduction to Environmental Auditing in Public Sector' MOOC.

The team found it educational and very informative. The course materials were easy to read and follow, and the 4-week duration was perfect, not too short nor too long as they have other competing priorities. The MOOC platform was very friendly and approachable with the different languages available.



Some of the team with their certificates

The PCEA team learned a lot during the online course:

- Understanding Environmental Good Governance to integration of Sustainable Development Goals (SDGs);



- Learn and comprehend the planning of performance audit using Audit Design Matrix (ADM); and
- Comprehend the execution process and development of Audit Reports.

As part of our monthly In-House Training within SAO, some of the team managed to share and present on Audit Design Matrix (ADM) and how this is useful in planning and designing a performance audit. The team will share more to staff to have a fair understanding of environmental issues; especially now climate change, SDGs and 2030 Agenda is a phenomenal topic.



On the following picture, there are the 6 members from SAI Samoa who are currently registered for the 'Auditing Water Issues' online course.



Thank you EUROSAI WGEA and Estonia for these great opportunities. We are looking forward to more!

Oceanbaby Penitito, Samoa Audit Office