



National Audit Office

Auditing sustainable development : a National Audit Office perspective

Nicola Thomas

Audit Manager, Energy, Climate change and
Sustainability

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What I'd like to cover

- Why do we need SD audit?
- The auditor's role
- Sustainability at the NAO is...perspectives and examples
- Challenges
- Our future plans

Why do we need SD audit?

- International agenda – SD remains an issue
 - Continuing pressure on resources
 - Rio +20
- National strategies and Targets. In the UK:
 - National Sustainable Development Strategy (2005)
 - New government 2010 (some commitments but no strategy refresh)
 - SD in central government: operational commitments; policy analysis tools, business plans



As auditors our role is...

- To help parliament scrutinise government performance:
 - Check progress
 - To uncover how Government is addressing key challenges
 - To help Parliament and Government address barriers to better management.
- These apply equally to the sustainability auditor as to auditors in other fields.



Sustainability audit at the NAO...

Emerged as a growing number of studies looked across Government.

- **Traditionally - environmental protection** (e.g. flooding, air and water pollution, protecting biodiversity, waste)
- **Then climate change** – took audits beyond the environment department
- **And increasing focus on wider sustainability issues**, also often cross-government





Cross-cutting sustainability topics – e.g. policies to reduce household energy use

Options for scrutiny - specific topics e.g. climate change, transport, renewable energy

Embedding SD in central government – general update (governance, targets, progress for new Government); specific topics – reporting, procurement, adaptation

Sustainability reporting in Government



Audit questions	Compliance with new mandatory sustainability reporting requirements by Government Departments
Methodology / data	<p>Documentary review and interviews</p> <p>Review sustainability reports in annual reports and accounts of each central government department against compliance criteria (e.g. data on emissions, waste, water, other resources).</p> <p>Workshop with practitioners</p>
Findings / recommendations	<p>(Emerging): Broad overall compliance . Few departments complied with all individual requirements.</p> <p>Broader context – purpose of reports, relevance of information included.</p>



Sustainable procurement in Government

Audit questions	Progress by Government departments against sustainable procurement commitments.
Challenges / solutions	Lack of data – that’s a finding; and work with what’s available.
Methodology / data	<p>Document review, interviews.</p> <p>Analysis of: central contracts, top 20 procurement contracts in Government; procurement disclosures in departmental accounts, benchmarking with private and public sectors.</p> <p>Workshop with practitioners (very helpful).</p>
Findings / recommendations	(Emerging context) - Questions regarding the status of sustainable procurement and economic efficiency.
Impact	Not yet clear...although some signs of momentum among lead departments.

Challenges in auditing sustainable development

Challenges	How to overcome
Policy field is large and complex	Map the territory - review issues, policy timetables, stakeholder opinions, spend and data to help identify topics
Science and audit do not mix	Keep them apart – auditors are not scientists (provided have data)
National and international dimensions	Be aware of these – focus on the national
Can be very technical	But not beyond the capacity of audit – use existing toolkits
It can be difficult to evaluate environmental policies and attribute their effects – long time frames, difficult to measure and value costs and benefits, cause-effect not always direct	Significant issue. Focus on interim impacts and targets and underlying analysis

The NAO's future plans

Include:

- Sustainable Development Indicators (new national set) – experience across Europe?

Possibly:

- Sustainability of a specific Department



Thank you for listening

For more information:

Nicola.thomas@nao.gsi.gov.uk

www.nao.org.uk