



# EUROSAI

Working Group on  
Environmental Auditing

## NEWSLETTER 2/2011

### MESSAGE FROM THE CHAIR



Dear Colleagues,

The 9<sup>th</sup> Annual Meeting of the EUROSAI Working Group on Environmental Auditing was generously hosted by the National Audit Office of Sweden. I

would like to express my sincere gratitude to both hosts and participants for their contributions to a successful Annual Meeting.

In conjunction with the Annual Meeting the EUROSAI WGEA Secretariat organised a one day seminar on "Best practice in environmental auditing with focus on audit evidence and criteria in relation to the International Standards of Supreme Audit Institutions (ISSAIs)". The seminar was a follow up to the South African Declaration on the ISSAIs, adopted by the XX INCOSAI in 2010. It is good to note the strong interest for this important declaration among our members.

Important to the working group's high level of activities are the members support and contributions. When the working group's activities are positively evaluated by participants, it is due to the fact of being demand-driven and delivered as a close collaboration of the Secretariat and members. The EUROSAI WGEA is truly a working group and I will be looking forward to working with

you the coming years. Our work will be based on the 2012 - 2014 EUROSAI WGEA Strategy and Activity plan, adopted by the 9<sup>th</sup> Annual Meeting.

I extend my best seasonal greetings to you all and will be looking forward to our continued cooperation in 2012.

Sincerely yours,

Jørgen Kosmo

Chair of EUROSAI WGEA

Auditor General of Norway

### UPCOMING EVENTS

***Seminar on auditing natural resources and ecosystems in Oslo, Norway 15-16 May 2012***

The EUROSAI WGEA Secretariat will organise a seminar on auditing natural resources and ecosystems 15 - 16 May 2012. Since 2010, two EUROSAI WGEA seminars have been organized. The first seminar, on auditing climate change, took place in Copenhagen, Denmark in March 2010 while the second seminar, on auditing



waste management, was organised in Oslo, Norway in May 2011. The upcoming seminar will be dedicated to auditing natural resources and ecosystems. Audits reported in these categories cover issue-areas such as forestry, nature protection, fisheries/aquaculture, agriculture and mining.

Member SAIs having 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 2012.

For further information:

[www.eurosaiwgea.org](http://www.eurosaiwgea.org)

***The 10<sup>th</sup> EUROSAI WGEA Annual Meeting, Slovenia, 23 – 25 October 2012***

The 10<sup>th</sup> EUROSAI WGEA Annual Meeting will be held in Slovenia, 23-25 October 2012. The environmental topic for this meeting will be sustainability, and application and audit of data sources in environmental auditing will be the audit related topic.

For further information:

[www.eurosaiwgea.org](http://www.eurosaiwgea.org)

## NEWS FROM MEMBERS

### Belgium

***Sustainable nitrogen management in agriculture***

The Belgian Court of Audit has analyzed the implementation of different measures taken by the Walloon Region within the programme on sustainable nitrogen management in

agriculture-framework which transposes the provisions of Council Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources.

The Court of Audit has established the following: Walloon administration didn't do all it can to change farmers' behaviour in nitrogen management matters. For some measures, the possibilities for performing controls are not used in an efficient way. For other measures, controls have been done but lack effectiveness because sanctions are not imposed in all infringements cases.

Concerning the subsidization of the bringing into compliance of storage facilities for livestock manure, it appeared that the regulations of the Walloon Region aiming at granting those subsidies have been implemented in a flexible way. It also pointed out that the granting of aid didn't take place in accordance with the provisions of article 26, § 1 of European Regulation 1698/2005 that defines a single framework for rural development aid by the EAFRD. The Court of Audit has estimated the amount of the subsidies that were granted in violation of this article between 2.2 and 4.7 million Euros.

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### Hungary

***EUROSAI Electronic Good Practices Database on Audit Quality***

The VII EUROSAI Congress held in Krakow in June 2008 discussed the theme "*Establishing an Audit Quality Management System with a supreme Audit Institution*". As a result of the highly interesting presentations and



discussions held during the Theme Session, the working group in charge of preparing the Congress theme was mandated to produce a guide on corresponding good practices. The document *Achieving Audit Quality: Good Practices in Managing Quality within SAIs* was elaborated by the working group and approved by the EUROSAI Governing Board in its meeting on 4 November 2010.

At the VIII Congress in Lisbon in June 2011 the working group was mandated to establish an Electronic Good Practices Database. The aim of this initiative is to provide SAIs' experts involved in quality management with online access to good practices of EUROSAI member SAIs.

Good practices are collected by means of template; therefore they are available in a uniform and concise way, which facilitates the orientation of users in the database and the search for good practices.

The database will provide links to good practices by countries, Good Practices Guide topics, ISSAI 40/ISQC 1 elements. A Good Practices Matrix will contain a chart of good practice, classified under both the Good Practices Guide topics and the ISSAI 40/ISQC 1 elements. The database will thus include the following:

- Good Practices Matrix
- List by countries
- List by GP topics
- List by ISSAI 40/ISQC 1 elements

The Electronics Good Practices Database is meant to be a living tool, therefore we encourage all EUROSAI member SAIs to share their good practices by completing the template. For ease of orientation, a guidance has been prepared to facilitate filling in the document.

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### ***Impact of Actions Taken Against Air Pollution and in the Field of Climate Policy***

In October 2011, the State Audit Office of Hungary completed an audit with the aim to evaluate whether government and local government actions ensured the implementation of objectives arising from international obligations, national interests and regulations. The audit focused primarily on the areas of high risk, including the measures aiming at the reduction of air pollution and greenhouse gas emissions caused by the energy and transport sectors.

The audit covered the Ministry of Rural Development responsible for environmental protection, as well as the Ministry of National Development responsible for climate policy. In addition, the measures aiming at the reduction of local air pollution were also audited at ten local governments. The audit covered the period between 2006 and 2011.

It was found that the international obligations and objectives ensuring the reduction of air pollution and climate protection were incorporated in the national strategies and programmes, in harmony with national interests. However, the strategy on the reduction of air pollution was not completed, the Framework Act on Climate Protection was not issued, and the National Climate Change Programme was elaborated with a one-year delay. It was also found that the proportion of settlements with an excellent or good air quality increased by 7%, while the proportion of those with polluted air increased by 10%.



The English summary of the audit report is available at:

<http://www.asz.hu/report-summary/2011/summary-of-the-audit-on-the-impacts-of-actions-taken-against-air-pollution-and-in-the-field-of-climate-policy/1119-climate-policy.pdf>

## Latvia

### *The administration of compensation of losses associated with environmental damage*

The State Audit Office of the Republic of Latvia (SAO) has recently completed an audit examining compliance of the administration of compensation of damage caused to the environment with the laws and regulations and the effectiveness of loss compensation.

Within the framework of the audit, the following issues were audited on sampling basis:

- cases examined as part of administrative proceedings (including calculations of environmental damage);
- cases submitted to the State Police initiating criminal proceedings (including calculations of environmental damage);
- cases regarding emergency situations;
- cases regarding calculations of damage caused to the environment.

The scope of the audit included calculations of environmental damage caused to specially protected nature territories, micro-reserves, specially protected species and biotopes, waters, soil and subterranean depths, and the area of nature monuments and fisheries; as well as sustainable forest management and calculations of environmental damage caused to forests and hunting resources.

SAO also took into account research conducted by various independent experts, pointing out that sustainable management of State forests is currently not being sufficiently ensured. It explained that national laws do not require for an environmental impact assessment to be performed when several clear cuttings are being planned together in a forest - a loophole that is used at present by the largest State-owned forest management company, the State Joint Stock Company "Latvian State Forests", which performs several clear cuttings together in a forest without conducting an environmental impact assessment.

During the audit the SAO established that the administration of compensation for damages caused to the environment, forests and hunting resources is not sufficiently effective, and the existing system of penalties is not proportional - national laws contain no mechanism that would motivate violators to pay the administrative penalties imposed. The SAO pointed to the need to legally make penalties commensurate with the damages caused.

SAO also identified duplication of functions and poorly coordinated actions among the ministries involved with environmental protection and with the control of forest and hunting resources. This has resulted in a diminished capacity among enforcement authorities and an increased risk of undetected violations.

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## Luxembourg

Over the past few years, the Court of Auditors of the Grand Duchy of Luxembourg has been



arguing for an integrated approach towards sustainable development in government financial planning. Considering the limits of traditional aggregate measures (e.g. GDP) which pay little attention to the environmental cost of economic activities, the Court is calling for the use of composite indicators in order to assess overall social well-being and economic progress. This approach entails including environmental data into national accounts in order to determine economic policy targets oriented towards sustainable development and to develop a budgetary strategy consistent with these goals.

In its opinion on the draft state budget for the year 2010, the Court has presented innovative approaches and models in the field of sustainable development, such as the work of the Commission on the measurement of economic performance and social progress. This commission was created in 2008 on the initiative of the French government and is chaired by Josef Stiglitz, Amartya Sen and Jean-Paul Fitoussi. In a report published in 2009, the commission outlined the limits of GDP as an indicator of economic and social progress and called for additional information to be taken into account in order to measure social well-being and design sustainable economic policies. On the national level, the Court has supported an initiative by the parliament to commission a review of public finances for the period post-2009 from a sustainable development angle by the Superior Council for Sustainable Development. In this review, the authors warn that historically high GDP growth rates increase the political pressure on national authorities to prioritise accelerating production and revenue rates without respecting the limits of environmental, natural, and resource bases.

In its opinion on the draft state budget for 2011, the Court has renewed its calls for a sustainable budgetary and financial strategy by the government, which includes assessing and measuring environmental data. One example of a set of relevant composite indicators presented by the Court is the «Green GDP» designed by Germany's Federal Statistical Office. This measure aims to assess the impact of economic activities on natural resources and to determine the long-term environmental costs on government finances.

The relevant documents can be found on the Court's website under the following links:

[http://www.cour-des-comptes.lu/rapports/avis/2010/projet\\_de\\_loi\\_6200.pdf](http://www.cour-des-comptes.lu/rapports/avis/2010/projet_de_loi_6200.pdf)

[http://www.cour-des-comptes.lu/rapports/avis/2009/projet\\_de\\_loi\\_6100.pdf](http://www.cour-des-comptes.lu/rapports/avis/2009/projet_de_loi_6100.pdf)

## Netherlands

### *Energy saving in the Netherlands: ambitions and results*

A recently published report of the Netherlands Court of Audit shows three important reasons why energy saving in this country permanently lags behind the objectives:

- Fewer and weaker policy instruments have been used than ex ante evaluations had found necessary.
- The policy conducted in the energy-intensive manufacturing sector in the period 2000-2007 increasingly became less compulsory. The policy had few results.
- Policy in the manufacturing sector only partially matches companies' reasons for investing in energy savings.



Since 2008, a fourth cause has grown in importance: part of the energy saving achieved through the national energy saving policy is negated by the European CO<sub>2</sub> emissions trading system, ETS.

We studied energy saving in the period 1995-2008. The audit combines a broad analysis with in depth studies of the manufacturing sector, the biggest energy consumer: comparing ex-ante evaluations to the measures that were really taken a large scale internet survey in the manufacturing sector, based on a well-known theory of behaviour (Theory of Planned Behaviour); an analysis of the costs and benefits of the main measures in the manufacturing sector.

We recommend the Government, amongst others, to formulate a coherent climate and energy policy, bearing in mind that a substantial and cost-effective reduction in CO<sub>2</sub> emissions can be achieved chiefly by means of energy savings. Moreover, we suggest concentrating national energy saving policy on the sectors that are not subject to the ETS and/or on long term innovations, because otherwise it does not contribute to reducing CO<sub>2</sub> emissions.

The report *Energy Saving: ambitions and results* is downloadable from our website: <http://www.courtofaudit.com/english>

### ***The Ecological Quality of Surface Water in Natura 2000 Areas. Compliance and effects.***

The Netherlands Court of Audit is currently in the process of finalising its performance audit on the compliance with the Water Framework Directive and *Natura 2000* policy in the Netherlands. The report also looks at the effects of the policy measures taken by the

government to reach the policy objectives in 2015.

The audit includes the complete policy cycle, from the early stages of the policy initiative by the European Commission and the role and impact of the Netherlands in the negotiations at the Council level, up to the latest state of play concerning the implementation of the legislation in the Netherlands. The audit also looks more in-depth into eight important *Natura 2000* areas in the Netherlands where the Water Framework Directive is also applicable, in order to perform a 'reality check' on how the policy measures work out in practice.

Additionally, two areas where cooperation with other Member States is required – one with Germany and one with Belgium – are also examined.

The audit will be published in the first quarter of 2012. A summary of the study and the main results will be made available in English.

### ***Cooperative audit on shipment of waste***

Eight European SAIs are 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. 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.

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 will audit their national enforcement agencies. Therefore, they will investigate the organization and effectiveness of the enforcement of the regulation. The findings will be published in a national report. In addition a joint report will be drawn up which will be published in 2012 Q4.

Most national audits are now in the phase of data collection and analysis. The participants discussed the progress and an outline for the joint report at a meeting held in The Hague on 7 and 8 November 2011. Two additional meetings are planned for 2012.

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## Norway

### *The cooperative audit on emissions trading*

A cooperative audit on emissions trading started up in November 2011. Denmark and Norway are jointly leading the cooperation project. Finland, Latvia, Lithuania and Poland are participating, in addition to Denmark and Norway. The group had its first meeting in Copenhagen on the 22 and 23 November 2011 where the participants agreed to the scope of the cooperation. The plan is to finalise a joint report in October 2012.

The focus of the cooperative audit is emissions trading, with the following three sub-topics:

1. The effectiveness of the ETS in reducing national emissions/fostering technology development

2. Registry systems for emissions trading – operation, measurement and reporting
3. Efficiency of CDM and JI programmes

The cooperation will be two-sided:

- SAIs may contribute with results and experiences from recent audits addressing aspects of emissions trading.
- SAIs may initiate and contribute with results from audits to be performed in 2011/spring 2012.

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## Poland

### *ISO 14001 certification of the NIK's Environmental Management System (EMS)*

In July 2011 the Supreme Audit Office of Poland (the NIK) was awarded the ISO 14001 certificate for its Environmental Management System (EMS). In early 2010 the NIK's Environmental Policy was introduced and the EMS established following a two-year planning and training phase. The top management's decision to introduce the EMS in the NIK has been preceded by an intranet questionnaire in which the majority of the staff supported the idea of making the NIK an environmentally friendly office. The system operates not only in the main office but also in all 15 branch offices.

Our main environmental goals focus on:

- efficient use of resources (by saving energy, water and paper)
- minimizing a quantity of waste and improving selective waste collection
- staff environmental education
- increasing environmental awareness of the public through the dissemination of environmental audit reports.



So far the EMS activities have resulted in the reduction of paper use by 20 per cent and the improved effectiveness of the selective collection of waste, which in turn have led to savings in the NIK's budget. The greatest environmental challenge for the NIK in the next few years will be to reduce electric energy use.

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## Russia

During the second half of 2011 the Accounts Chamber of the Russian Federation has completed the following:

- Audit of the use of the federal budget funds and state ownership allocated to studying, reproduction, rational use and protection of water biological resources, including Pacific salmon (together with the Accounts Chamber of the Sakhalin region);
- Audit of use of the public funds directed in 2009 - 2010 on maintenance of ecological safety, and the analysis of the risks connected with preparation for carrying out the XXII Olympic winter games and XI Paralympic Winter games of 2014 in Sochi, and also observance of the ground, wood and nature protection legislation in the organizations providing building of the Olympic objects;
- Audit of the efficiency of the state regulation and use of public funds in 2008 - 2010 allocated for actions for preservation and restoration of fertility of soils and agricultural landscapes and realization of measures on adaptation

and softening of anthropogenous influence on a climate;

- Complex analysis of the effectiveness of the peat fires prevention system in Moscow Region.
- Audit of the efficiency of the measures of the state support and use of the federal budget means directed on overcoming of consequences of a drought of agricultural crops in 2010. By results of this audit we have established facts, that are connected with consequences of a drought for agricultural commodity producers: more than 21,5 thousand economy (in 2,6 times more than in 2009), the destruction of crops of agricultural cultures has occurred on the area more than 13,3 million hectares (in 3 times more than in 2009). The damage on a factor cost in 2009 made about 12 billion roubles, in 2010 - 41,8 billion roubles. Based on the audit results, the Accounts Chamber has directed submissions to federal enforcement authorities to take measures with a view of struggling against a drought and adverse environmental conditions, including actions on melioration development.

The audit reports may be retrieved from:

[www.ach.gov.ru](http://www.ach.gov.ru)







## Slovakia

In August 2011, the Supreme Audit Office of the Slovak Republic published its audit of *"Governance of public funds allocated for flood protection and elimination of the consequences"*. Severe floods hit Slovakia in 2010. Audit was conducted throughout the country. Overall 32 entities were audited. The audited period was 2010.

The purpose of the audit was to check provision of financial, material and other conditions for flood prevention and the elimination of flood consequences; evaluation of the 3E's; and compliance with the adequate use of public funds.

The subject of the audit was to verify:

- the concept of flood prevention in Slovakia
- the compliance with obligations under the act
- the tasks induced by government resolutions in the field of flood prevention
- the spending of public funds allocated for flood protection and elimination of flood consequences
- compliance legislation with the providing of public funds for flood protection.

Flood protection is managed and ensured in Slovakia by the Ministry of Environment, regional and district offices of the environment and municipalities. Questionnaires were sent to 54 selected municipalities with 34 questions about floods.

The audit focused on utilization of public funds allocated for flood prevention; on comparison of costs for prevention and flood consequences;

and on funding from the state budget and EU funds.

The audit produced findings in relation to preparation and approval of flood's plans, deficiencies in flood commission's job, and insufficient funding of flood prevention.

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## Slovenia

### *Levying Environmental Tax on Waste Electrical and Electronic Equipment*

In the summer 2011 the Court of Audit of the Republic of Slovenia published the audit report on levying environmental tax on waste electrical and electronic equipment. The Ministry of the Environment failed to define clearly the purpose of introducing the tax. The Ministry also did not submit a report on the implementation of the Directive of the European Parliament and of the Council on waste electrical and electronic equipment to the European Commission for the years 2007 and 2008, which should have been submitted by the end of June 2010. The Ministry and the Customs Administration were not efficient in registering new persons liable in the register of producers and acquirers, since they did not initiate joint activities for the interconnection of registers of producers and acquirers. This



would enable cross-checks and more efficient control over the payment of environmental tax as well as over the management of electrical and electronic equipment. In carrying out inspections, customs inspectors could give more attention to the areas with the biggest estimated difference between the Statistical Office data on the available electrical and electronic equipment on the domestic market and the Customs Administration data on environmental tax levied. In verifying the regularity of levying and paying environmental tax the customs inspectors were not consistent in imposing fines in case of established irregularities, as defined in the Decree on the Environmental Tax.

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## Ukraine

### *Prospective International Coordinated Audit on Protection of the Black Sea Catchment against Pollution*

At IX EUROSAI WGEA Annual Meeting, October 2011, the Accounting Chamber of Ukraine propounded to conduct International Coordinated Audit on Protection of the Black Sea Catchment against Pollution in 2012-2013 as the next stage of cooperation in the area of the Black Sea ecosystem saving. It will be logical continuation of work, which was started during conducting of Coordinated Parallel Audit on Protection of the Black Sea against Pollution.

Previous audits showed that water from Black sea catchment area is one of the biggest sources of Black sea pollution. The biggest rivers of the catchment are Danube, Dnieper, and Don.

Taking into account the scale of the project the Accounting Chamber of Ukraine is planning to

conduct audit through conducting three separate but coordinated audits:

Audit on Protection of the Danube River Catchment against Pollution (potential participants: SAIs of Germany, Austria, Slovakia, Hungary, Croatia, Serbia, Bulgaria, Romania, Moldova, Ukraine);

Audit on Protection of the Dnieper River Catchment against Pollution (potential participants: SAIs of Belarus, Russian Federation, Ukraine);

Audit on Protection of the Don River Catchment against Pollution (potential participants: SAI of Russian Federation.

The results of these audits will be the base for further Joint Report on the Results of Audit. Now the Accounting Chamber of Ukraine is preparing the draft Common Position. It will be send to all potential participants for discussing.

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### Black Sea Catchment Area

Source: ESRI, HydroSHEDS, GeoNames



## NEWS FROM SUB-GROUPS

### *Meeting of the Mediterranean Sub-group during the 9<sup>th</sup> Annual Meeting of the EUROSAI WGEA in Stockholm, October 2011*

During the 9<sup>th</sup> annual meeting of EUROSAI WGEA in Stockholm in October 2011, the participating SAIs from the Mediterranean region (Cyprus, France, Malta, Portugal, Spain, Turkey and Slovenia) held their fourth, yet traditional lunch meeting.

The SAI of Slovenia presented the idea of conducting possible cooperative audit on the prevention of the Adriatic Sea that was launched by the Court of Audit of the Republic of Slovenia to the SAI of Croatia. The audit would start at the end of 2012. Both SAIs are now exploring this idea further as well as the possibility to enlarge the audit on the whole Mediterranean region. Mediterranean SAIs participating at the lunch meeting expressed their initial interest to take part in such cooperative audit. After elaborating the initial proposal into more details SAIs of Slovenia and Croatia will in cooperation with the Secretariat of the EUROSAI WGEA inform and invite other SAIs from the Mediterranean Region to collaborate in a cooperative audit. Participating SAIs also discussed current activities regarding environmental auditing going on at their SAIs, transport related environmental issues important for Mediterranean region and assessing 3Es in environmental audits conducted by their SAIs.

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### *Lessons learned from the EUROSAI WGEA Nordic Sub-group*

The Nordic Sub-group was founded during the EUROSAI WGEA meeting in Sofia 2009. The group has so far met on four occasions. The meetings usually focus on information and knowledge-sharing. Presentations of recently concluded and also of on-going audits are made with a focus on, for example, methods. We also normally share some preliminary thoughts of future audit topics. Besides the information shared during the meetings, the members of the group also have continuous information-sharing on audits started and concluded. The added value is also that the members have a network of colleagues in to easily consult about issues in the other Nordic countries. During the Sub-group's meeting in Stockholm, it was agreed that the work of the group should continue in its present form.

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## NEWS FROM THE INTOSAI WGEA

### *Recent meetings of INTOSAI WGEA*

INTOSAI WGEA held the 14<sup>th</sup> General Assembly and 11<sup>th</sup> Steering Committee meetings from 7–11 November 2011 in Buenos Aires. Prior to the meetings one day training on environmental auditing for beginners was arranged in cooperation with the WGEA Steering Committee and Secretariat. The meetings were kindly hosted by the Supreme Audit Institution of Argentina. The number of participants who attended the WG14 meeting extended up to 140 participants from 55 SAIs.



### **INTOSAI WGEA Work Plan**

The main aim of the General Assembly was to obtain an interim review of the progress of developing research papers and guidance materials according to the WGEA's current work plan for 2011-2013. INTOSAI WGEA aims to issue two sets of guidance material in 2013: one for auditing water issues and the other on how to integrate fraud and corruption issues into the auditing of environmental and natural resource management. Research materials are under development in the following areas: environment and sustainability reporting; environmental data; land use and land management practices; and environmental issues associated with infrastructure.

The participating Supreme Audit Institutions (SAIs) contributed to the success of the meeting by sharing their innovative audit experiences and introducing conducted cooperative audits. SAIs' audit work was also presented in the parallel sessions organised by the SAIs leading projects in the WGEA's work plan.

A variety of international organisations made presentations at the General Assembly, such as the World Bank, INTERPOL, Transparency International, Association of Chartered Certified Accountants and OECD.

### **Way to Rio+20**

2012 is the year when leaders from the whole world gather once more to Rio de Janeiro to review the global environmental and development problems and search for further ways to proceed towards sustainable development. In line with processes toward Rio+20, the WGEA has commenced the development of a compendium for the Rio+20 Congress introducing environmental audits conducted worldwide. Discussion of the draft of

the document was also a prominent centre of interest at the General Assembly.

### **Future activities**

The Estonian National Audit Office has been the chair of INTOSAI WGEA since 2007 and, as a result of the discussions at the 11<sup>th</sup> meeting of the WGEA Steering Committee, proposes to hand over the chairmanship of the WGEA Secretariat to the SAI of Indonesia starting from 2014.

The next General Assembly of INTOSAI WGEA will be hosted by the National audit Office of Estonia in 2013.

### **For further information:**

[www.environmental-auditing.org](http://www.environmental-auditing.org)

## **FROM THE SECRETARIAT**

### ***The 9<sup>th</sup> Annual EUROSAI WGEA meeting, Stockholm, Sweden, 11-13 October 2011***

The 9<sup>th</sup> meeting of the EUROSAI Working Group on Environmental Auditing was hosted by the National Audit Office of Sweden in Stockholm 11-13 October 2011. 76 participants from 31 SAIs busily engaged themselves in discussions and group work.

The main environmental topic of the meeting was transport related environmental issues. Keynote speeches were presented by the European Environment Agency, the University of Gothenburg and the NGO Transport & Environment. Presentations covering reported audits on transport were made by the SAIs of Sweden, United Kingdom, the Netherlands, Finland and France. In group sessions, participants discussed relevant audit topics, the impact of audits and challenges related to



auditing transport related environmental issues.

This year's audit related topic was the 3Es (Economy, Efficiency and Effectiveness). SAI presentations demonstrated how the 3Es have been adopted in environmental audits. SAIs from the Republic of Slovenia, Switzerland, Sweden and the Czech Republic presented their experiences. Following the SAI presentations, Mr John Sweeney, Head of Audit Methodology and Support Unit at ECA gave an interesting and memorable introduction to what recognizes the 3Es and how they can be understood. In the ensuing group session participants discussed relevant aspects of the 3Es in environmental auditing.

Mr. Jørgen Kosmo, chair of the Working Group, stated in the meeting report that this year's Working Group meeting allowed all participants to gain new knowledge and to be inspired both in their daily work and in identifying new audit approaches. He continued with commending the Swedish National Audit Office for its competent and professional hosting of the meeting. The meeting report is available from the EUROSAI WGEA website.

[eurosaiwgea.org](http://eurosaiwgea.org)



***Seminar on Best practice in environmental auditing: Audit evidence and audit criteria in relation to ISSAIs, October 2011***

The EUROSAI WGEA Secretariat, in cooperation with the Office of the Auditor General of Norway and the Swedish National Audit Office, prepared and carried out a one-day seminar on Best practice in environmental auditing with a focus on audit evidence and audit criteria in relation to the ISSAIs. The seminar took place one day prior to the 9<sup>th</sup> annual meeting of the working group. The aim of the seminar was to address and share experiences on issues related to audit evidence and audit criteria in environmental auditing in light of the new ISSAIs.

The ISSAIs were adopted last year at the XX INCOSAI in South Africa. In the South Africa Declaration, Auditor Generals generally called upon the INTOSAI members to use ISSAIs as a common frame of reference for public sector auditing, to measure their own performance and auditing guidance against the ISSAIs and to raise the awareness of the ISSAIs globally, regionally and at the national level. The EUROSAI WGEA secretariat took notice of the call for awareness raising of the new ISSAIs and saw that a training seminar could be an excellent opportunity to discuss and make environmental auditors aware of the new standards.

Ms Mona Paulsrud (Office of the Auditor General of Norway, head of the INTOSAI Compliance Audit Subcommittee Secretariat) and Mr Jonas Hällström (Swedish National Audit Office, director of the INTOSAI Financial Audit Subcommittee) presented the contents of the standards. The message to the participants was that the standards provide practical guidance to auditors and have been adopted in order to raise the bar of quality and



transparency in public sector auditing. Participants shared experiences and discussed practices related to audit evidence and audit criteria in environmental auditing. Trends and developments in terms of the use of audit criteria and audit evidence was presented by the National Audit Office of Sweden. An audit on climate change was also presented as an example of how audit criteria and audit evidence can be applied by the Supreme Audit Office of the Czech Republic.

#### ***Regional EUROSAI WGEA meeting at the 14<sup>th</sup> INTOSAI WGEA meeting, Argentina***

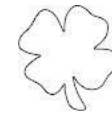
During the 14<sup>th</sup> meeting of the INTOSAI WGEA, the EUROSAI WGEA secretariat organised a regional meeting among the participants from the EUROSAI region.

More than 20 participants from 12 SAIs attended the meeting. The discussion topics were related to the EUROSAI and INTOSAI WGEA's goals on establishing coordinated and effective processes with relevant organisations and institutions, as well as to the recommendation made by INCOSAI last year. INCOSAI encouraged SAIs to increase awareness of the importance of environmental auditing among key international organisations and build working relationships with them.

The participants discussed how SAIs can, individually or jointly, interact and disseminate audit results to external relevant organisations and institutions.

The EUROSAI WGEA members had several ideas regarding how SAIs can contribute to interaction with external organisation on national level. Such as conduct meetings with external organisations, for example on annual basis, for brainstorming purposes as well as ex ante and ex post meetings of audits.

In addition, the participants came up with several ideas on what EUROSAI WGEA can do. Among other things contribute to distribution of national audits, making reviews and communication products of audits and SAIs activities, and to survey international organisations.



#### ***EUROSAI WGEA paper on Auditing Waste Management published on the website***

A proposal to make a short paper on waste from the EUROSAI WGEA secretariat was presented at the annual meeting in the Netherlands 2010. The EUROSAI WGEA Steering Committee supported the idea and the Secretariat started working on the paper in December 2010. A draft version of the paper was presented at the EUROSAI WGEA Seminar on Auditing Waste Management 3-4 May, 2011 in Oslo, Norway. Based on feedback from the members of the working group on the paper, a final version was presented at the 9<sup>th</sup> Annual EUROSAI WGEA meeting in Stockholm, Sweden, October, 2011.

The paper is based on a review of reported waste audits from EUROSAI WGEA members in the period 2004-2010. The purpose of the paper has been to provide an overview of performed waste audits and pass collective experience on to the members of the working group. The paper looks at various auditing aspects such as audit topics, criteria, methodology and findings, and concludes with future perspectives on auditing waste management. The audits reviewed identified a number of key challenges such as the implementation of existing EU waste legislation, data quality, the effectiveness of national waste management practices,



challenges arising from the transition from land filling and incineration to more sustainable waste management practices, coordination of public sector agencies and transboundary movements of waste. The paper is meant to serve as practical aide and supplement to the INTOSAI WGEA guide which provides fundamental information on how to audit waste management. The paper is available from the EUROSAI WGEA website.

[eurosaiwgea.org](http://eurosaiwgea.org)

### ***EUROSAI WGEA Cooperative Audit on Adaptation to Climate Change***

A project meeting of the EUROSAI WGEA Cooperative audit on adaptation to climate change was held in Cyprus in beginning of December 2011.

During the meeting, the project partners discussed among other things the contents of the joint report, sharing of workload as well publication and dissemination of the joint report. The participants discussed in detailed potential common findings based on their preliminary national results. As of now, the project implementation is according to the plan.

The final joint report is planned to be released in December 2012/January 2013.

The next project meeting of the cooperative audit will be organised in June 2012 in Malta.

For more information, please contact the EUROSAI WGEA secretariat

[EUROSAI-WGEA@riksrevisjonen.no](mailto:EUROSAI-WGEA@riksrevisjonen.no)



### ***1st Meeting of the EUROSAI Goal Team 3: Knowledge Sharing Committee, in Prague, 16 -17 November 2011***

At the VIII EUROSAI Congress (Lisbon, Portugal, 2011) the EUROSAI Strategic Plan 2011-2017 was adopted. The strategy is based on four strategic goals. *Goal 1: Capacity Building, Goal 2: Professional Standards, Goal 3: Knowledge Sharing and Goal 4: Governance and Communication.* The Supreme Audit Office of the Czech Republic is chair of Goal Team 3: Knowledge Sharing and invited members to a kick-off meeting in Prague, 16-17 November. The EUROSAI WGEA is a member of the group.

The overall commitment of Goal Team 3 is to encourage cooperation and exchange of experience among EUROSAI members, within INTOSAI and with external partners. The kick off meeting was designated to discuss the operational plan and terms of reference of Goal Team 3. A number of tasks and planned activities were discussed. These items will need to be addressed in the strategic period in order to reach the strategic goal. There were also discussions on the EUROSAI website and other relevant issues.

Draft versions of the minutes, the operational plan and the terms of reference will be distributed to SAIs present for comments in December. Final versions of these documents



are expected to be presented for the EUROSAI Governing Board for approval in May 2012.

### ***Proposed new EUROSAI WGEA cooperative audit on Biofuels***

Biofuels is a topic of importance to all European countries, but of particular interest to EU member states. The ambition of the EU biofuels policy is to reduce greenhouse gas emissions from the transport sector and reduce its reliance on import of fossil fuels. Specific targets have been set for the introduction of biofuels in all EU member states. At the moment, the sustainability of the existing policy is being discussed in terms of side-effects creating food shortage in developing countries and a questionable mitigation effect on greenhouse gas emissions.

Interest among SAIs and the topicality of biofuels led the secretariat to propose this new cooperative audit during the annual EUROSAI WGEA meeting in Stockholm, Sweden, in October 2011. The chair of the working group, the Auditor General of Norway, Mr Jørgen Kosmo, will despatch a formal invitation to join the cooperative audit to all Heads of SAIs being members of the working group.

### ***Laying the foundations for greener transport — TERM 2011: transport indicators tracking progress towards environmental targets in Europe***

The European Environment Agency (EEA) has recently launched its annual report on the progress and effectiveness of transport and environment integration strategies (TREM). TERM 2011 gives an annual assessment on progress towards the European Commission's proposal on greenhouse gas emissions target

for transport by introducing the Transport and Environment Reporting Mechanism Core Set of Indicators (TERM-CSI). TERM 2011 provides also the baseline to which progress will be checked against, covering most of the environmental areas, including energy consumption, emissions, noise and transport demand. In addition, the report shows latest data and discuss on the different aspects that can contribute the most to minimise transport impacts.

For further information:

[www.eea.europa.eu/publications/foundations-for-greener-transport](http://www.eea.europa.eu/publications/foundations-for-greener-transport)

### ***Survey***

During the 3<sup>rd</sup> quarter this year, the EUROSAI WGEA Secretariat surveyed members' priorities for the working group's activities in 2012. The results are being followed up, inter alia when organising the EUROSAI WGEA Seminar in May 2012, and are available on the password protected area of

[www.eurosaiwgea.org](http://www.eurosaiwgea.org)

### ***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.

## **EUROSAI WGEA Secretariat**

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