



EUROSAI

Working Group on
Environmental Auditing

NEWSLETTER 1/2012

MESSAGE FROM THE CHAIR



Dear Colleagues,

The year of 2012 marks my 5th year as Chair of the EUROSAI WGEA. As Chair, I am very pleased to take note of the high level of activities that is maintained in the European region. Annual meetings and seminars are organised, and a

number of cooperative audits are currently on-going. It is precisely these types of activities that facilitate mutual sharing and learning between SAIs, contributing to the benchmarking of best practices. I would like to thank all SAIs that take the time to participate in these activities and share with others their experiences in the field of environmental auditing.

Regarding the 10th Annual EUROSAI WGEA Meeting, I am very pleased to announce that the Audit Office of the Republic of Cyprus has offered to host the meeting, which will take place 23–25 October. The meeting will focus on the highly topical issues of sustainable development and use of data in environmental auditing. I am certain that the meeting will be a great success with the CAO as host. The day prior to the meeting a training seminar on Auditing Forests will be organised.

In May, the EUROSAI WGEA organised the seminar *Sustainable Fisheries and Forests Management* in Oslo, Norway. In addition to contributions from participating SAIs, representatives from the UNECE, University of Aalborg, and the Norwegian Ministry of Food and Agriculture contributed to awareness raising and competence building in the field. I would like to thank all contributors and participants for a fruitful seminar.

As Chair of the EUROSAI WGEA, I am looking forward to a continued work towards enhanced collaboration, information and knowledge sharing, and competency

building between European SAIs in the field of environmental auditing.

I wish you all a great summer, and will be looking forward to seeing you all in Cyprus in October for the annual meeting.

Sincerely yours,

Jørgen Kosmo

Chair of EUROSAI WGEA

Auditor General of Norway

UPCOMING EVENTS

The 10th Annual EUROSAI WGEA Meeting, Cyprus, 23 – 25 October 2012

The 10th EUROSAI WGEA meeting will be held in Cyprus, 23-25 October 2012. The environmental topic for this meeting will be sustainable development, and data in environmental auditing will be the audit related topic.

Prior to the annual meeting, on Monday 22 October, a training seminar on Auditing Forests will be held. The seminar will function as a follow-up to the recently conducted EUROSAI WGEA Seminar *Sustainable Fisheries and Forests Management*. The INTOSAI WGEA Guidance for Auditing Forests will serve as a baseline for the seminar. The SAI of Indonesia, project leader of the guidance, has kindly offered to hold the seminar.

For further information, please contact the EUROSAI WGEA Secretariat ([EUROSAI WGEA@riksrevisjonen.no](mailto:EUROSAI_WGEA@riksrevisjonen.no))



NEWS FROM MEMBERS

Belgium

Audits on the federal and regional climate policy

In the course of 2008, the Belgian Court of Audit decided to carry out audits relating to the Belgian climate policy. Given the internal distribution of powers in Belgium as regards this matter, the Court chose to monitor the implementation of the federal climate policy as well as some aspects or measures of the regional climate policy.

As a result, three reports have been drawn up:

- At the level of the federal State: report on the "Federal climate policy - Implementation of the Kyoto Protocol" (June 2009)
- At the level of the Walloon Region: report on the "Rational use of energy in buildings - Management of the financial support financed by the Energy Fund" (January 2010)
- At the level of the Flemish Region: report on the "Use of flexibility mechanisms in the framework of the Flemish climate policy" (December 2011)

A fourth report is in its final phase. It focuses on one particular aspect of the Flemish climate policy, namely the support of the Flemish Region for a sustainable local energy policy through municipal cooperation agreements.

For further information, please contact Mr Christian Leflere (leflere@ccrek.be) or Mr Michaël Stassart (stassartm@ccrek.be)

Bulgaria

Audit on transboundary shipment of waste

The audit on the effective enforcement of the European legislation on transboundary shipment of waste for the period January 2007 – June 2010 was conducted as part of the coordinated audit initiated by the Contact Committee of the Heads of EU SAIs and the ECA.

The Bulgarian SAI took part in the audit considering the importance of organizing and regulating the supervision and control of waste shipments in a way which takes into account the need to preserve, protect and improve the quality of the environment and human health and which promotes a more uniform application of the Regulation 1013/2007 throughout the Community.

It was found that conditions have been created for the enforcement of the Regulation. Activities have been undertaken to implement the supervision and control of

transboundary shipment of waste. The lack of sufficient knowledge and expertise outside the structure of the Ministry of Environment and Water and of the necessary quantity and quality of the information collected does not guarantee effective implementation of the Regulation.

Recommendations have been given to the auditees to improve the identified weaknesses.

For further information, please contact Ms Ivanka Kesiakova (ikesyakova@bulnao.government.bg)

Implementation of the adaptive measures of the Government of the Republic of Bulgaria

The Bulgarian National Audit Office also carried out an audit on the implementation of the adaptive measures of the Government of the Republic of Bulgaria in connection with climate change for the period 2006–2010. The audit is part of a coordinated audit on the adaptation to climate change as an initiative within the EUROSAI WGEA.

The audit focused on evaluating the results of the implementation measures and actions taken by the Government for adapting to climate change and/or increasing the country's adaptive capacity in the vulnerable sectors – water management, agriculture and forestry.

Governmental measures and actions concerning natural disaster and accident prevention and prevention of the consequences thereof limited to the National Early Warning and Alert System, including early monitoring, have also been audited.

Until the end of 2010 a national strategy for adaptation of the vulnerable sectors to climate change in Bulgaria has not been developed. This poses a risk for non-fulfillment of the international commitments for development and implementation of national programmes comprising measures for adaptation till 2012.

The Bulgarian government has planned and implemented measures that contribute for the adaptation of the agriculture, forestry and water management. Most of the measures and activities aimed at adaptation in the area of agriculture and forestry have been evaluated as effective.

For further information, please contact Ms Rossena Gadjeva (r.gadjeva@bulnao.government.bg)

Cyprus

Adaptation to climate change with focus on water, forests and agriculture

The Audit Office of the Republic of Cyprus has just completed an audit on adaptation to climate change. The



audit was carried out in the context of a cooperative audit initiated by the EUROSAI WGEA.

The audit objective was to examine the measures taken in Cyprus to facilitate adaptation to climate change and assess their implementation, coordination and effectiveness, with particular focus on the sectors of water, forests and agriculture.

The main audit findings are the absence of a formal risk and vulnerability assessment, absence of a national adaptation strategy, the lack of official climate projections from the national meteorological service department, the implementation of measures taken merely to address existing problems rather than facilitating adaptation to future climatic conditions, and the lack of coordination between various Departments implementing the measures. As a result of inadequate planning, the economy, efficiency and sustainability of certain actions implemented, is questionable.

Many of the above mentioned issues are expected to be resolved through the CYPADAPT project, co-financed by the LIFE+ 2010 programme, which is currently in progress, expected to be completed by March 2014.

The relevant report, which is in Greek, is available on the website of the Audit Office of the Republic of Cyprus www.audit.gov.cy. A summary of the audit findings will be included in the joint report of the EUROSAI WGEA cooperative audit.

For further information, please contact Mr Akis Kikas (akikas@audit.gov.cy)

Czech Republic

SAI audits funding and property management associated with several national park administrations

In December 2011, the Supreme Audit Office of the Czech Republic (SAO) completed an audit on the management of funds and state property associated with several national parks' administrations. Audited bodies included the Ministry of the Environment of the Czech Republic, the Krkonoše Mountains National Park Administration, and the National Park and Protective Landscape Area of Šumava. The audit covered the years 2009 and 2010.

During the period under review, administrations of these national parks were budgeted CZK 962 032 thousand, and in the same period it was sold timber worth of CZK 800 844 thousand. The amount of state finances fell dramatically between the years 2009 and 2010. The lack of funds was balanced by increased timber sales. This raised a question as

to whether the national parks' administrations should be established as allowance organisations, whose purpose is not timber mining and timber sales.

In 2009, an international agreement between the Czech Republic and the Republic of Austria was signed, identified an area along their common border where spontaneous development of ecosystems in the National Park Šumava is not possible. The width of this area in 2011 was extended to a minimum 500 metres from the state borderline. The purpose of this agreement was apparently to protect Austrian forest land against infestation by bark beetles. Hence, pest disinfection that was formerly prohibited in the first zones of the national park is now allowed.

A key overall finding by SAO auditors was the absence of a conceptual document related to the development of national parks.

For further information, please contact Mr Michal Rampír (michal.rampir@nku.cz)

Information about the audit "Funds earmarked for the mitigation of industrial pollution and environmental risks"

In April 2012 the Czech Supreme Audit Office launched an audit which aim is to scrutinize provision, drawing and use of funds earmarked for the mitigation of industrial pollution and environmental risks. Results of the audit will be published in the 4th quarter of 2012.

The audit is focused on the Priority Axis 5 of the Operational Programme Environment (OPE) - Grants for the Limiting of Industrial Pollution and Environmental Risks, and covers the years 2008 to 2011.

The audited bodies are the Ministry of the Environment of the Czech Republic (MoE) as the managing authority of OPE and the State Environmental Fund of the Czech Republic (SEF) as the mediating body of OPE. Other audited bodies are selected beneficiaries of financial assistance such as the Czech Environmental Information Agency, universities or business organisations.

Creation of BAT centres for individual industrial activity categories, technologies for monitoring and limiting industrial pollution or creation of the regional information system of severe accident prevention can be supported from this programme. More than EUR 60 million from the European Regional Development Fund in OPE are available for such purposes.

Auditors are going to scrutiny for instance the conceptual and methodical activity of MoE and SEF and their work on monitoring and evaluation of programme's outcomes. As



regards the beneficiaries of financial assistance, auditors are going to focus on economy, efficiency and effectiveness of usage of the financial support.

For further information, please contact Mr Michal Rampír
(michal.rampir@nku.cz)

Denmark

Audit on national measures taken to protect the ground water in Denmark against pesticides leaching

In December 2011, the Danish National Audit Office published the audit report: *“The national measures taken to protect the ground water in Denmark against pesticides leaching.”*

Among other things, Rigsrevisionen’s examination showed that the Ministry of the Environment’s management of the protection of the ground water has been inadequate in significant areas:

1. The pesticide approval scheme, which is a cornerstone in the prevention of pesticide leaching into the ground water above the maximum admissible concentration, is meant to prevent the approval of pesticides with high risk of leaching into the groundwater.
2. The framework of rules providing the basis for the municipalities’ and the waterworks’ testing of the concentration of pesticides in the drinking water abstracted by the waterworks. The Ministry of the Environment has taken measures to tighten up administration.

The inadequate administration by the Ministry of the Environment has entailed a risk of pesticide leaching into the ground water above the maximum admissible concentration, and has also had the consequence that the waterworks have not tested the water for relevant pesticides. The drinking water may therefore, without the knowledge of the Ministry of the Environment and the municipalities, have contained pesticides. According to the Ministry of the Environment, the concentration of pesticides is, however, not assumed to have represented a health hazard.

The Ministry of the Environment is now implementing a number of changes in the administration of ground water protection.

For further information, please contact Ms Britt Sulsbrük
(bs@rigsrevisionen.dk)

European Court of Auditors (ECA)

EU measures’ contribution to adapting the capacity of the fishing fleets to available fishing opportunities

The European Court of Auditors (ECA) published in 2011 an audit (Special Report 12/2011) on the EU measures’ contribution to adapting the capacity of the fishing fleets to available fishing opportunities. The EU Common Fisheries Policy (CAP) seeks to guarantee the sustainability of fish resources through preventing the catches from putting the renewal of fish resources in danger, and through balancing the fisheries capacity of the fleet and fisheries opportunities.

The audit looked into the implementation of these two basic ideas. Key findings of the audit were that the *framework, design, and implementation* of the measures constructed to balance fishing capacity with available fishing opportunities are unsatisfactory. The audit concluded that the overcapacity of the fishing fleet continues to be one of the main reasons for the failure of the CAP in assuring sustainable fishing activities. Despite the fact that reduction of the fishing overcapacity has been a recurrent theme in previous reforms of the CAP, current measures have failed.

Regarding the impact of the audit, it is still too early to see. Nevertheless, the European Parliament through the Committee of budgetary Control and the Fisheries Committee has expressed a great interest in the audit’s conclusions and recommendations, and a new regulatory framework is under preparation.

For further information, please contact Mr François Osete
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Finland

Summary of climate audits in Finland

The NAO of Finland has summarized the results of five audits related to climate and energy policy. The results show that it is possible to increase the efficiency of climate spending and improve the effectiveness of climate policy.

The audits found weaknesses in the information base related to the cost-effectiveness of different measures. Some cost-effectiveness problems result from the EU’s policy setting, since, besides emissions reductions, the share of renewables also needs to be increased. Although renewables decrease dependence on oil, their impact on reductions of greenhouse gas emissions is not always clear.

The biggest share of climate-related funding is directed at supporting climate and energy technology. However, the



setting of objectives for this funding has been vague, thus eroding the preconditions for meeting climate goals. Another problem from the viewpoint of effectiveness is spending that runs counter to climate objectives. There are, for instance, several tax subsidy mechanisms that make private motoring profitable, while at the same time other measures are used to reduce emissions from transport.

The NAOF drew attention to the opacity of Finnish climate and energy strategy. The NAOF called for the greater transparency of climate policy and participation of citizens, municipalities and small energy producers. Climate budgeting should also be improved, for example by releasing a separate climate budget or assessment of climate spending.

A summary of the audits will be available in English in August:

http://www.vtv.fi/en/publications/international_publications

For further information, please contact Ms Vivi Niemenmaa (vivi.niemenmaa@vtv.fi)

Hungary

Enforcement of EU Regulations on Waste Shipment

As part of a coordinated audit* approved by the EU Contact Committee and carried out by eight SAIs, in May 2012 the State Audit Office of Hungary's national audit was completed. The aim was to evaluate whether the institutional and legal frameworks established for the supervision and control of transboundary waste shipments and their operation are in harmony with the requirements of the EU Waste Shipment Regulation.

The audited entities were national organisations designated on the basis of the EU Waste Shipment Regulation: the competent authority; the Ministry of Rural Development, as the ministry in charge of environmental protection, supervisory body of the competent authority and two customs offices.

The audit found that supervisory and monitoring systems of cross-border waste shipment had been set up and operated in Hungary. A discrepancy could be observed, however, regarding the cooperation of authorities, the exchange of data and information, as well as the detailed regulation of checks and the harmonisation of rules applicable to commodities and waste.

* Previous news: NEWSLETTER 2/2011, Netherlands Court of Audit

It was forward-looking that following the audited period (in 2011), the harmonisation of the utilisation of legal regulations concerning customs, police, and environmental protection started. The number of checks, specialised trainings, and educational activities increased.

For further information, please contact Ms Katalin Tóthné Kiss (tothnekk@asz.hu, cc: international@asz.hu)

Latvia

State Audit Office evaluates the emissions trading system

The State Audit Office of the Republic of Latvia has completed an audit “Compliance of the Greenhouse Gas Emission Allowances Administration with Legal Requirements and Effectiveness of the System in Latvia.”

During the audit the State Audit Office established that the European Union Emissions Trading System in Latvia cannot be considered effective, and the objective, as specified in the European Union directive 2003/87/EC - “to reduce greenhouse gas emissions with the least possible diminution of the economic development of enterprises” is not fully achieved.

It was found out that policy planning documents and legal framework do not provide an obligation for enterprises (operators) to invest the revenues earned from the sale of emission allowances in the reduction of emissions (except in regulated public service sectors from 2008), which does not facilitate focused efforts towards decreasing emissions. In the Emissions trading period 2005-2007, the revenues obtained from the sale of emission allowances were not fully used for reduction of emissions – 17% of the energy sector operators, selected on sample basis for audit purposes, used revenues from the sale of emission allowances to cover expenses not related to the reduction of emissions.

During the audit it was also detected that if an operator does not use an installation for a long period of time, national legal acts do not entitle the state authority to cancel the emissions permit issued to the particular operator, and to reallocate emission allowances to other operators; thus several operators having suspended their operations did not use emission allowances, which could have been allocated to other operators.

Informative report of the audit in English is available at http://www.lrvk.gov.lv/upload/Info_zin_SEG_emisija_19Dec2011_EN.pdf



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

Malta

The National Audit Office (Malta) recently published the performance audit report: Safeguarding Malta's Groundwater. The report concluded that the current inadequate status allocated to Malta's groundwater was expected to deteriorate further unless the necessary measures are implemented to address prevailing and climate change concerns. To date, the implementation of the relative climate change adaptation measures was limited to initiatives considered to impact groundwater in the short-term. The initiatives were also meant to comply with the climate change 'no pain checks', namely that their implementation will need to be undertaken irrespective of climate change implications.

Since the publication of the report, the National Strategy on Climate Change Adaptation has been formally adopted. Moreover, various initiatives are being taken in conjunction with other NAO recommendations. These include measures relating to the conduct of further research, subjecting the risk and vulnerability studies to public debate, as well as determining the financial implications of the proposed measures.

The findings and conclusions of this audit served as the basis for the NAO's participation in the EUROSAI WGEA Cooperative Audit on Adaptation to Climate Change. Participation in the cooperative audit provided the NAO with the opportunity to share knowledge with other participating SAIs. Additionally, this experience enabled the NAO to report on critical issues relating to the sustainability of natural resources.

For further information, please contact Mr William Peplow
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Norway

The Office of the Auditor General of Norway's investigation into the management of aquaculture, Document 3:9 (2011–2012)

The Office of the Auditor General of Norway submitted a performance audit report on the *management of aquaculture* to the Norwegian parliament (the Storting) on 6 March 2012. The report concluded that the aquaculture industry is facing significant environmental challenges, among other things in the form of high figures for escaped fish, salmon lice and extensive losses due to disease. The report also concluded that the extent of these and other environmental challenges is

so great that it is necessary to strengthen the management of aquaculture in order to ensure environmental sustainability and the possibility of future growth in the industry.

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

Parallel preliminary performance audit between the Office of the Auditor General of Norway and the Accounts Chamber of the Russian Federation

The Office of the Auditor General of Norway and the Accounts Chamber of the Russian Federation is currently undertaking a parallel preliminary performance audit on the Arctic Council. The Arctic region is faced with various environmental challenges and at the same time it is becoming more open for commercial activities. To ensure the protection of the environment and a sustainable development of the Arctic, international cooperation and joint efforts are necessary. The Arctic Council is the only circumpolar forum for political discussions on Arctic issues, involving all the Arctic states, and with the participation of its Indigenous Peoples. The preliminary audit will be completed in June 2012 and all the other SAIs of the member states of the Arctic Council are invited to take part in a cooperative main audit investigation.

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

The Office of the Auditor General's investigation into the management of hazardous waste

The Office of the Auditor General has published a performance audit report on management of hazardous waste. The objective of the investigation was to evaluate the authorities' work on ensuring that hazardous waste is properly handled. The audit entity was the Ministry of Environment and the Norwegian Climate and Pollution Agency.

The audit covered the government's management of the area in general, and its responsibility related to the collection and declaration, reception and treatment and control of export of hazardous waste. The investigation focused in particular on electrical and electronic waste, building and construction waste, waste containing oil and mercury from dental surgeries. Cooperation with intermunicipal auditing companies and a waste stream analysis were among the methods used for collecting audit evidence.

The audit found that the authorities have implemented several measures to help to ensure that hazardous waste is properly handled. There has been a reduction in the amount of hazardous waste subject to unknown handling, but there is



still hazardous waste that is not collected. Many enterprises still fail to comply with the regulations for hazardous waste, and there are weaknesses in the authorities' management of the area related to supervision, monitoring the development and evaluating policy instruments. Also, the control of the export of hazardous waste is inadequate.

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

The Office of the Auditor General's investigation into the sustainability of reindeer husbandry in Finnmark

The investigation shows that larger parts of the plateau of Finnmark, the most northern county in Norway, is overgrazed because there are more reindeers than the pastures of lichens can bear. Between 2002 and 2010 the number of reindeers has increased with 40 per cent. Due to the lack of food, many reindeers are not in a good condition. The average slaughter weight and the income from meat production are under the limit values for an ecologically sustainable reindeer husbandry. In addition, these last years the economic situation for many Sami reindeer herders has deteriorated.

According to the Storting - the Norwegian parliament - reindeer husbandry must be ecologically, economically and culturally sustainable. The Ministry of Agriculture and Food has developed criteria for ecologic sustainability, but not for economic and cultural sustainability. Thus the Ministry has insufficient means for reaching the goal of sustainable reindeer husbandry. The process for working out a set of rules of practice together with the reindeer herders has also taken a lot of time.

The Ministry must ensure that the herders establish and carry out plans for reducing the number of reindeers. In this matter, the Ministry must use appropriate economic incentives and sanctions.

For further information, please contact Ms Marte Schrøder (marte-kjersti.schroder@riksrevisjonen.no)

Portugal

Audit on CO₂ control and reduction mechanisms – National Allocation Plan for Emission Allowances 2008-2012 and Portuguese Carbon Fund

The Court of Auditors of the Portuguese Republic (Tribunal de Contas) has recently completed an audit on the nation's greenhouse gas emissions and the control and reduction mechanisms under the Kyoto Protocol and the European Union Emissions Trading System (EU ETS).

The scope of the audit included:

- The implementation of the national plans for control and reduction of CO₂ emissions made under the National Programme for Climate Change
- The National System for the Estimation of Anthropogenic Emissions by Sources and Removals by Sinks and the National Inventory Reports submitted to UNFCCC
- The allocation, issue and surrender of the licenses and the emissions verifying under the National Allocation Plan for Emission Allowances
- The transaction registries data under the Portuguese Registry of Emission Allowances, the Community Independent Transaction Log and the International Transaction Log
- The application of funds committed to the Portuguese Carbon Fund to obtain carbon credits

The main audit findings were:

- The political option taken by the Government was the assignment of all the licenses free of charge, not considering the possibility of auctioning 10% as allowed by the EU ETS Directive as an alternative to the State Budget for funding the acquisition of carbon credits to cover the expected deficit
- Despite the proper operation, the inflexibility of the allocation process resulting from the EU ETS Directive rules led to the continued allocation of the same number of licenses in case of installations production cessation or huge reduction
- In the years 2008 to 2010, the operators as a whole have transferred abroad a total of 9,742,591 carbon credits, with a total net income estimated at € 157.8 million. That transference presented a growing trend, and the 2011 balance of the seller operators had already reached 3,774,669 units in August
- At the end of 2010 the Portuguese Carbon Fund's total commitments were € 140.9 million, including € 98.7 million of payments already made. The assets of the Fund included 4.2 million EUA and 862,578 CER, acquired by a total of € 50,676,571. The Fund was also supporting with € 12.127 million national projects of emission reductions, corresponding to a total of 1.61 Mt CO₂e
- Portugal was likely to meet its commitments under the Kyoto Protocol due to the reduction of economic activity and higher share of renewables in energy



consumption, since the downward trend in emissions from sectors within and outside the ETS is maintained without significant changes

Regarding the conclusions, recommendations were made to the Minister of Environment to promote the establishment of rules for the use of the revenues from auctioning of allowances that accrue to Portugal from 2012, the investment in Portugal, supporting projects that result in measurable emission reductions of greenhouse gases or in carbon sinks creation, contributing both to achieve international commitments on climate change and competitiveness and economic development of domestic firms, should be preferred, in detriment of participation in investment funds and / or purchase of carbon credits that result in investment in other countries.

Recommendations were also made to the Minister to set guidance on the strict observance of the legal mechanisms for issuing environmental permits concerning the setting of emission limit values for greenhouse gases other than CO₂.

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

Romania

Participation of the Romanian Court of Accounts in the coordinated parallel audit of protection of the Black Sea against pollution

The state of the Romanian coastal and sea quality depends mainly on the Danube River, atmospheric deposition, off-shore activities, and pollution sources located in the North-East of the Romanian littoral. The Romanian Court of Accounts made an assessment of the progress of the implementation of commitments resulting from the Convention on the Black Sea Protection against Pollution, as well as the monitoring and analysis of the efficiency of the use of public funds allocated for this purpose (year 2009), and a reasonable assurance was obtained related to the following aspects:

- Romania has made entreaties and has taken measures related to the compliance of the engagements undertaken by means of the Bucharest Convention
- An institutional structure is in place in this respect, as well as systems for control, prevention and consequences elimination of the pollution of the marine environment
- Financial programs have been provided

The Romanian Court of Accounts recommended that improvements should be made in the coordination between national authorities regarding the sustainable development of

the Black Sea coastal zone, and of the capacity of the health authorities to control the implementation of legislation in the field of bathing water. The administrative capacity regarding the European funds management and implementation at all governmental levels should be strengthened. Finally, it was recommended that the works for wastewater collection and treatment in the human settlements, and the actions to integrally protect and rehabilitate the coastal zone, should be continued.

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

Slovenia

Efficiency of managing forests in Slovenia

Slovenia is one of the most forested countries in Europe. More than a half of its territory is covered by forests. Forests are considered one of the most valued natural resource, thus proper and efficient forest management should be in place. In this regard the Court of Audit conducted an audit to establish whether the forest management in Slovenia is efficient and whether it assures that forests are really considered as one of the most valued natural resources.

The report was published at the end of May 2012 and revealed quite many findings. There are no strategy and action plans which would establish solid objectives according to the "SMART" principle and also no specific activities how to reach set objectives. Monitoring of the progress is therefore very difficult. There is no accurate and up-to-date database on forests, investments in forests and felling of trees; this aggravates the planning of efficient measures to improve conditions in forests and monitor their performance.

The management of state owned forest is inefficient because there is no proper monitoring of concessionary contracts, which leads to unfinished contracted maintenance of forests and increases the risk of long-term deterioration of health conditions of Slovene forests.

Although the report has been published only recently there have been quite many impacts from the audit: amendments to the current law on forests regarding planning and performing measures to improve health conditions of forests have been proposed to the parliament; a new information system to support timely recording of felling and reforestation has been introduced, and new obligatory procedures to auctioneering wood from state forests have been proposed.



For further information, please contact Ms Jerneja Vrabcic
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Sweden

Ongoing and recently concluded activities within the Swedish National Audit Office's audit strategy on climate change

During 2012, the Swedish National Audit Office (SNAO) has so far published three more audits within the audit strategy on climate change: Climate-related taxes, Climate research and development, and Long-term planning of infrastructure. We have begun our work on a synthesis report of the strategy, which will be published during autumn 2013. In addition, we have ongoing pre-studies on Energy efficiency programs for energy-intensive industry and Green electricity quotas.

Audit on climate-related taxes – Who pays? (RiR 2012:1)

The audit report was published in February 2012. The Swedish National Audit Office (SNAO) used several different quantitative methods and made own calculations based on large quantities of data. Some of the main findings were that climate-related taxes are unequally distributed and that the Polluter Pays Principle isn't fully applied. There are major differences in how much different polluters pay for their emissions. According to the SNAO's calculations, households pay an average of SEK 2,800 in energy and carbon dioxide taxes per ton of carbon dioxide emissions. Manufacturing industry and energy sectors pay an average of SEK 140 per ton. Swedish businesses in the EU ETS have in practice ended up paying very little, in some cases nothing, for their emissions, due to reductions of tax levels and exemptions from climate-related taxes. Furthermore, Swedish businesses in the EU ETS have received free allocation of emission allowances and there have been plenty of supplies for emission allowances since the cap of the system has been high in relation to actual emissions. The surplus of free emission allowances for Swedish businesses represents a windfall gain and redistribution within the economy, equivalent to approximately SEK 1.8 billion.

For further information, please contact Mr Fredrik Engström
(fredrik.engstrom@riksrevisionen.se)

Audit on Swedish Climate Research (RiR 2012:2)

To achieve the long-term climate objectives, research and development is essential. The Swedish National Audit Office (SNAO) has audited Swedish climate research – how much funding it is allocated, which research areas are targeted and what the effects of the research are. The audit focused on

research directed towards reducing emissions of greenhouse gases. The overall conclusion by the SNAO is that Swedish climate research has the potential to contribute to achieving the climate objectives. Funding for Swedish climate research has increased significantly during the past years and produces a comparatively large number of scientific papers and patent applications. It is, however, unclear to what extent the climate research actually contributes to reduced emissions in the long term. The main reason for the uncertainty is that the government does not follow up Swedish climate research, neither regarding its funding, direction nor results. It is therefore unclear to what extent climate research leads to the development and use of new products. The Government lacks an overall strategy for how the climate research shall promote the climate objectives. In order for research to effectively contribute to the long-term climate objectives, Swedish climate research should be clearly targeted towards the climate objectives and the commercialization of research results.

For further information, please contact Ms Camilla Gjerde
(camilla.gjerde@riksrevisionen.no)

NEWS ON COOPERATIVE AUDITS

Audit on the management of the protection measures of Lake Peipsi

The National Audit Office of Estonia and the Accounts Chamber of the Russian Federation signed the memorandum of their first coordinated audit in March 2012. The audit focused on the management of Lake Peipsi, which is the fourth largest lake in the EU and is situated on the border of the Republic of Estonia and the Russian Federation. The main ecological problem for Lake Peipsi is its eutrophication caused by an increased load of nutrients and pollutants. Considerable contributors to the lake's bad condition are the use of fertilizers in agriculture and insufficient wastewater treatment.

The parallel audit focused on the information about the activities affecting the condition of the lake, implementation of the measures for reducing the pollution load, supervision of the pollution sources and the effectiveness of the work of Estonian-Russian joint commission on the protection and sustainable use of the lake Peipsi.

Parties to the parallel audit concluded that there is a need to agree on common conservation goals, evaluation criteria for assessing the condition of the lake, and to coordinate the main activities for reducing the pollution loads.

For further information, contact Airi Andresson at
Airi.Andresson@riigikontroll.ee. The full Estonian audit



report (in English) and the memorandum of the parallel audit are available on the NAO's website (www.riigikontroll.ee)

The EUROSAI WGEA cooperative audit on Adaptation to Climate Change - final stage

The aim of the project is to contribute with knowledge on how adaptation policies are implemented on national levels in Europe. Furthermore, how risk and vulnerability assessments are applied in decision making and how strategies and plans are implemented to prepare for climate change impacts. Moreover how coordination of adaptation issues are ensured on governmental level. The study also addresses potential results and impacts of the policies.

The SAIs of Austria, Bulgaria, Cyprus, Malta, the Netherlands, Norway, Russia and Ukraine, and the Europeans Court of Auditors (ECA) are partners of the cooperative audit. The SAI of Hungary is observer of the project.

Based on the national findings and a fact finding study by ECA, a draft joint report has been made. The report highlights identified challenges and draw common conclusions related to governments' actions in adaption to climate change. Last week the final partners' meeting was held in Malta where the draft report was discussed.

The joint report will be finalised after the summer holidays. The joint report will be published at several EUROSAI and international environmental events this autumn, including at the annual meeting in Cyprus in October and a side event at the United Nations Framework Climate Change Conference (UNFCCC)" in Qatar, Nov/Dec 2012. We encourage all SAIs to notify national actors attending this conference about this side event.



For further information, please contact Ms Herdis Laupsa (herdis.laupsa@riksrevisjonen.no)

Second meeting of the cooperative audit on emissions trading in Vilnius, Lithuania

The Auditor General of Lithuania was host to the second meeting of the cooperative audit on emissions trading in Vilnius, on June 13th and 14th 2012.

The objective of the meeting was to exchange results and experiences from recent and on-going national audits in the field, and to identify key messages for the joint report. The following SAIs cooperate in this audit under the joint leadership of Denmark and Norway: Finland, Latvia, Lithuania, Poland and Sweden.

The cooperative audit focuses on three sub-topics related to emissions trading:

1. The effectiveness of the ETS in reducing national emissions
2. Registry systems for emissions trading – operation, measurement and reporting
3. The efficiency of CDM/JI programmes

The group discussions will be helpful both in filling in and interpreting the answers to the agreed set of audit questions. The meeting agenda also comprised discussions on the structure and lay-out of the joint report, and plans for its dissemination.

The next and final meeting is planned for mid-September in Gdansk, Poland, where a draft version of the joint report will be discussed. The final report is expected to be released in November 2012.



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

Cooperative audit on national parks

19-20 March 2012, the kick-off meeting of cooperative audit on national parks was held in Warsaw. The meeting saw representatives from SAIs of Denmark, Lithuania, Norway, Poland and Ukraine who shared their views and expectations of the audit of national parks.

Presentations by the meeting participants revealed some differences as well as some similarities in the definition of



national parks, prohibitions on activities imposed in the parks and in the management of national parks. It is envisaged that each participating country will cover at least two of the following subtopics: nature conservation and protection of biodiversity in national parks; management of national parks; and use of public funding in national parks.

A joint report of the cooperative audit will come out soon after the last participating SAI releases its national audit report in July 2014. The draft agreement on cooperative audit of national parks has been cleared with participating SAIs and will be signed by Auditors General in autumn.

To perform an international cooperative audit of the national parks was proposed by the Polish SAI and agreed by Auditors General during Nordic – Baltic – Polish SAIs meeting in August 2011 in Oslo.

For further information, please contact Ms Lina Balėnaite (Lina.Balenaite@vkontrolė.lt)

NEWS FROM THE INTOSAI WGEA

World Congress on Justice, Governance and Law and the Rio+20 conference

In accordance with the INTOSAI WGEA work plan for 2011-2013, the working group contributed to the United Nations Rio+20 conference held in Rio de Janeiro 20-22 June 2012. On 21 June 2012, the WGEA held a side event “Environmental Auditing for Better Environmental Governance” in the official conference venue. Prior to Rio+20, on 17-20 June, INTOSAI WGEA contributed to the *World Congress on Justice, Governance and Law for Environmental Sustainability* organized by United Nations Environment Programme. Auditors General from more than 20 SAIs and the Secretariat of the WGEA participated in discussions and compilation effort of a Rio+20 Declaration on Justice, Governance and Law for Environmental Sustainability presented to the Heads of the Rio+20 conference.

<http://www.uncsd2012.org/>

<http://www.unep.org/DELG/worldcongress/>

Upcoming meetings

- The 12th meeting of the WGEA Steering Committee will take place in Jaipur, India, in October 3–6 2012. The Steering Committee will then review and approve the progress of the 2011–2013 work plan projects and start compiling the next work plan for the period of 2014-2016. Representatives of the regional working groups on environmental auditing, including EUROSAI WGEA will be represented at the meeting.

- The 15th Assembly meeting of INTOSAI WGEA will be held in Tallinn, Estonia in June 2013. The Assembly will approve all the completed projects as well as the next work plan for 2014-2016. Participating SAIs can expect interesting tutorials on the completed guidelines and research projects and will have a chance to sign up to the teams of the new work plan projects. Following the WG15, smooth transition process of handing over the chairmanship of INTOSAI WGEA from the SAI of Estonia to the SAI of Indonesia will commence.

For further information, please contact Ms Kaire Keskula (kaire.keskula@riigikontroll.ee) or Ms Tuuli Rasso (tuuli.rasso@riigikontroll.ee), or visit the INTOSAI WGEA webpage www.environmental-auditing.org

THE IV MEETING EUROSAI TASK FORCE ON THE AUDIT OF FUNDS ALLOCATED TO DISASTERS AND CATASTROPHES



The IV Meeting EUROSAI Task Force on the Audit of Funds Allocated to Disasters and Catastrophes was held in Wroclaw, Poland, 21-23 March, 2012. The host of the meeting was the Regional branch of the NIK (Supreme Audit Office of Poland) in Wroclaw. Representatives of 11 SAIs took part in the meeting. The goals of the meeting were:

- Experience sharing in the area of assessment criteria of efficiency using budget funds by SAI while conducting audit in the sphere of prevention and consequences elimination of disasters and catastrophes
- Signing the Common Position on Cooperation for Coordinated Parallel Audit (Control) of Public Funds Allocated to Prevention and Consequences Elimination of Disasters and Catastrophes by SAIs



of Azerbaijan, Belarus, Italy, Kazakhstan, Moldova, Poland, Russian Federation and Ukraine

- Approving the Work Plan of Task Force on 2012-2014.

According to the Work Plan, Task Force is planning to conduct international coordinated audit of funds allocated on the prevention and extinguishing of natural fires, international coordinated audit of implementation of state policy in the sphere of protection and safety of work in the coal-mining industry and other.

Among other issues participants discussed second draft of Good Practice Recommendations for the Audit of Funds Allocated to Disasters and Catastrophes and cooperation with EUROSAI Goal Team 3 “Sharing Knowledge.”

The next meeting is planned to be in March next year.

FROM THE SECRETARIAT

EUROSAI WGEA Seminar on Sustainable Fisheries and Forest Management

15–16 May the EUROSAI WGEA organised a seminar on *Sustainable Fisheries and Forests Management*, in Oslo, Norway. 42 representatives from 20 European SAIs attended the seminar. The first day of the seminar, keynote speakers from the United Nations Economic Commission in Europe (UNECE), the Norwegian Ministry of Agriculture and Food, and the University of Aalborg spoke about the current state of forest and fisheries resources in Europe, including some central policy challenges. The keynote speakers also touched upon the future prospects for sustainable management and development of the fish and forest resources. Following the keynote speakers, presentations on relevant INTOSAI WGEA Guidances, as well as cooperative audits, were held.

The second day of the seminar, two parallel workshops on auditing fisheries and forests were conducted. SAI representatives presented national audits of fisheries and forests. At the end of each workshop, common challenges were identified, and possible solutions were discussed. A major challenge to auditing forests is that many European countries experience and increased fragmentation of the forest ownership. Regarding fisheries, the overcapacity of the fishing fleets in relation to the fishing stocks continues to represent the main problem in the area. Also, the fact that the EU and several European states are leaving more and more space to private stakeholders and the civil society represents a new landscape for SAIs. Finally, in both areas, a recurring challenge is the difficulty of obtaining valid and reliable data. At a general level, several audits demonstrated the potential impact of auditing fisheries and forest. The

Secretariat is very thankful to all that participated and shared their experiences in the field.

The seminar presentations are available at the EUROSAI WGEA webpage <http://www.eurosaiwgea.org>

A new potential EUROSAI WGEA cooperative audit

Following the decision made at the 9th annual meeting in Stockholm last year, the secretariat has sent a letter of interest in attending in a cooperative audit on biofuels to all heads of SAIs of the working group. Several SAIs have indicated interest in participating. In addition a number of SAIs are willing to share information and knowledge from already conducted audits on this topic.

In order to discuss informally the initiative and the further process, the secretariat organized a short meeting among interested SAIs during the EUROSAI WGEA seminar on sustainable fisheries and forest management in Oslo 15-16 May 2012.

The next step will be a separate meeting for all interested SAIs during the annual EUROSAI WGEA meeting in October. Before this meeting, the secretariat will compile information on performed biofuels audits and summarize relevant issues to be covered in a potential cooperative audit.

For further information, please contact the EUROSAI WGEA secretariat (EUROSAI-WGEA@riksrevisjonene.no)

EUROSAI Goal Team 3

The EUROSAI WGEA Secretariat submitted in April 2012 its annual progress report to the EUROSAI Goal Team 3 (Knowledge Sharing). In the progress report, the Secretariat informed about upcoming activities, meetings and seminars. As an ex officio member of the Knowledge Sharing Team, the EUROSAI WGEA will continue to contribute to the enhancement of cooperation and exchange of experience, and participate in the key activities of Goal Team 3.

EUROSAI WGEA Webpage

The EUROSAI WGEA has updated the list of environmental audits and the lists of external and SAI expertise. Under *Auditing tools*, some structural changes have been made and a new methodology site on data and method resources has been added. On this site, links to documents, reports and research papers that are relevant to environmental auditing will be published continuously. Also, the structure of the EUROSAI WGEA meetings and seminars has been somewhat modified. The EUROSAI WGEA Secretariat will continue to publish relevant reports and audits on our webpage, and we encourage all SAIs to send us information on newly published environmental audits. The EUROSAI WGEA Secretariat also encourages all members to log on



with the username and password in order to gain access to all contents of the webpage.

Survey

During the 3rd quarter this year, the EUROSAI WGEA Secretariat will survey members' priorities for the working group's activities in 2013.

New Colleagues

The EUROSAI WGEA Secretariat is pleased to introduce two new colleagues.

Ms Eivor Hovde Hoff has worked for the Secretariat since March 2012, and is a recent MA graduate in political science from the University of Oslo.

Ms Camilla Constance Fredriksen has been working at the OAG Norway with environmental performance auditing within the topics of climate change, hazardous waste and forests. She has participated in the INTOSAI WGEA joint Global Audit on Climate Change, and has been a part of the team developing the INTOSAI WGEA Guidance Paper, e-learning and training course on Climate Change. She has also contributed as a trainer in environmental and performance auditing as a part of OAG Norway's and AFROSAI-E's activities.

Contact information

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

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