



Minutes of the 7th Meeting of the INTOSAI Working Group on Environmental Auditing in Ottawa, Canada

Participants: Attachment 1 contains a complete list of delegates

Monday 24 September 2001, Working Session 1

1. Opening

The chair welcomes all delegates to the 7th Meeting of the INTOSAI Working Group on Environmental Auditing, especially the delegates of SAIs that are attending the meeting for the first time. Mrs. Saskia J. Stuiveling thanks the Canadian Office of the Auditor General for hosting the meeting.

Mrs. Johanne Gelinás (Commissioner for the Environment and Sustainable Development of the Canadian Office of the Auditor General) welcomes all delegates on behalf of the Auditor General and introduces Mr. John Reed as the successor of Mr. Wayne Cluskey. She thanks Mr. Cluskey for his contributions to the Working Group in the last eight years.

The chair stresses that the central function of this meeting is to make decisions on the road to XVII INCOSAI in Korea.

2. Agenda

All delegates approve of the agenda of the meeting.

3. Minutes

A few minor adjustments are proposed to the draft minutes of the 6th Meeting of the Working Group in Cape Town, South Africa:

Mr. Graham Randall (South Africa) suggests an alternative sentence for the part on AFROSAI, 4th line: 'Though the working group has backgrounds in three language groups, the working group is conducted in English.'

Mrs. Ewa Borkowska-Domanska (Poland) points out an error in the list of delegates on Mr. Andrzej Glowacki: 'organisation department' must be 'Environmental Protection Department'. The minutes are adopted with these adjustments.

4. Working group documents

The following documents have been circulating for comments in advance of the meeting:

- INTOSAI Booklet "Guidance on conducting audits of Activities with an environmental perspective"
- Working Group paper "Sustainable Development"
- Working Group paper "The Audit of International Environmental Accords".

The Working Group accepts these papers with no further comments and agrees to use them as part of the conference documentation for XVII INCOSAI in Korea. The Booklet will be available in all INTOSAI-languages. The other two papers in English and Spanish.

5. Organisational aspects of the regionalisation strategy

All regional co-ordinators of the Working Group shortly present the progress that has been made in their region.

AFROSAI

Mr. Graham Randall (South Africa) reports of the first meeting of the Afrosai regional working group, that was held in november 2000 in Tshwane, South Africa. This meeting resulted in a strategic action plan in which group activities, individual activities and reporting responsibilities were set out. Group activities include information exchange, training seminars, 'fresh water' as focus area, the identification of international environmental accords and the exploration of possibilities for joint or coördinated audits. Individual activities are the establishment of an environmental auditing capacity for instance by looking at the monitoring and implementation of national environment policies and carrying out environmental auditing pilot studies. Reporting responsibilities were agreed upon for Afrosai and the INTOSAI working group. The next meeting will take place prior to the Afrosai meeting in Libya.

ARABOSAI

Mrs. Samia Labib (Egypt) explains that the Arabosai regional working group is currently preparing a first questionnaire Environmental Auditing for the Arabosai members. It will be sent to them when all comments and suggestions are received. This is part of the first stage of the working group, in which the strategy should be determined.

ASOSAI

Mr. Liu Xiaoming (China) explains that the Asosai werking group on Environmental Audit was formally set up at the 8th assembly of Asosai, October 2000. China was selected as Chair country. Tasks accomplished by the Asosai working group are the preparation of draft environmental audit guidelines which are scheduled to be approved in april 2002. Also a website www.environmental-audit.org.cn has been established in English and Chinese. In june 2001 an international seminar was held in Beijing, where 9 participating countries discussed issues related to environmental auditing and shared their experiences in this field. Plans in the near future are to emphasise on information exchange, international cooperation on environmental audits and to put the INTOSAI standards more into practice.

EUROSAI

Mr. Zbigniew Wesolowski (Poland) presents the activities of the EUROSAI Working Group on Environmental Auditing (27 members). The past two years was a period of consolidation and focusing on the implementation of the previously adopted strategy and work plan. In total five international audits were completed in the European region (Air protection, Reducing air pollution, OSPAR Convention, Pieniny National Park, Helsinki Convention). Two international audits are being conducted (MARPOL Convention, Danube Convention). Moreover preparations are under way for an international audit on the quality of surface waters (four SAIs will cooperate). Another main activity in the region was the organisation of the first European Seminar on Environmenatal Auditing, held in May 2001. Moreover a report on the European questionnaire was published and presented and the website of the European Working Group was continuously updated. Mr Wesolowski concludes his speech by saying that the efforts made by the coordinator and subcoordinators begin to produce effects.

OLACEFS

The chair handed out a paper that Brazil sent. Brazil picked up the coordination of the Olacefs region after Peru had dropped it. According to the chair this shows that the regional working groups are quite vonorable because of the shifts in people and priorities in the different countries.

SPASAI

Mr. Martyn Pinckard (New Zealand) explains that Spasai consists of many islands in the South Pacific that are not in all cases members of INTOSAI. Also the State audit offices of Australia are member to Spasai. The regional Spasai working group on environmental auditing is planning to have its first official meeting by mid 2002. The questionnaire environmental auditing has been returned by 13 Spasai members of which 11 members were keen to participate in a regional working group. Waste management and water resource issues turned out to be priority topics. An important barrier for environmental auditing is the lack of sufficient data on the state of the environment. Mr. Pinckard shared some regional audit experiences with the Working Group. In October 2001 there will be a meeting to discuss the further work of the group, parallel audit issues, the lack of state of the environment information, the Triple Bottom line reporting (financial, environmental and social impacts) and the role of SAI's.

CANADA / USA

Mr. Wayne Cluskey (Canada) and Mr. Steven Elstein (United States) explain that bilateral cooperation is being undertaken at a lot of issues (i.e. water, waste, air). This week a publication on ballastwater in the great lakes shall be on the website. Criteria for assessing the issues for a bilateral audit are that they must be relevant to both countries and can only be solved on an international level. Both SAI's have a history of working together.

After the general introductions of the regional coordinators, some discussion arises over the issue of the audits that are being carried out. Mrs. Therese Johnson of Norway notes that many SAIs in EUROSAI and SPASAI are working together in joint audits, and she asks what has been achieved in this regard in ARABOSAI, AFROSAI and ASOSAI.

Mr. Graham Randall of AFROSAI responds by saying that Afrosai is still in the planning phase, but an international audit on the elephant population, with the CITES accord as a starting point, is being prepared. Mrs. Labib for ARABOSAI and Mr. Liu Xiaoming for ASOSAI point out that no audits have been carried out yet.

Tuesday 25 September 2001, Working Session 2

6. Discussion draft Working Group document 'Results of the third questionnaire on Environmental Auditing'

Mr. Peter van Roozendaal (the Netherlands) introduced the results of the third survey on Environmental Auditing, which covers the period 1997-1999. The survey was sent out to 180 SAIs. 110 SAIs responded. The response is not entirely representative, as most respondents are higher and middle income countries, especially from the EuroSAI, ASOSAI and Arabosai regions. Some of the results of the survey are:

- most SAIs have a mandate for Environmental Auditing. There is a development from regularity auditing to more performance auditing
- the active SAIs published on average somewhat less reports than in the previous period, but invested more time in doing so
- most SAIs were familiar with the products of the Working Group, although the degree to which they are actually used differs. Most appreciated products are the website, the video and the booklet "How SAIs may cooperate.."
- there is strong support among SAIs for the regionalisation strategy of the Working Group and many SAIs are interested in international cooperation.

The chair suggests that in the 4th questionnaire more attention could be given to international aspects of environmental auditing. Mr. Graham Randall (South Africa) concludes that 'waste' will be an important issue in the future, so the central theme should be extended to it, apart from 'fresh water'. The chair stresses that this questionnaire is a unique instrument to show the governments the

worldwide interests in these environmental issues. Mr. Martyn Pinckard (New Zealand) remarks that SAI's still tend to follow the government investments, and that shifts of audit topics are closely related to shifts in these government investments.

The draft document 'Results of the third questionnaire on Environmental Auditing' is adopted as a Working Group document. It will be included (in the five official INTOSAI-languages) in the conference documentation for XVII INCOSAI in Korea.

7. Discussion draft Working Group document 'Environmental audit – working with a restricted mandate'

Mr. Martyn Pinckard (New Zealand) presents his draft paper on working with a restricted mandate. This subject came up in the discussion at the 6th working group meeting. While increasingly more SAI's work within a 'wider' regularity and performance audit context, a large number of SAI's work within the confines of a traditional or regularity mandate. Therefore the Working group felt it was important to give specific attention to the conduct of environmental auditing within regularity audits. As environmental matters become increasingly significant they may have a material impact upon the financial operation & statements of an organisation. Mr. Pinckard discusses some features of cash accounting and accrual accounting and asks the participants for down-to-earth examples of reporting under a cash basis of accounting that he can use to further develop the paper. In the paper it is explained that in a regularity audit knowledge of environmental matters can be obtained; inherent risks, internal control systems and control environment can be assessed; laws and regulations can be considered and substantive procedures can be performed. Mr. Pinckard illustrates this with the example 'Accounting for key assets in New Zealand', where the New Zealand SAI reported to Parliament that no assurance could be given as to local government's long-term financial security because of the lack of knowledge about the current condition of major infrastructural assets and the absence of strategic planning for the maintenance and development of such assets.

In the discussion that follows this presentation the difficulties of valuing of natural resources are discussed. Mr. Joe Cavanagh (United Kingdom) suggests an alternative title 'Environmental auditing in regularity auditing' that is adopted by the Working Group. He suggests that 'check relevant accounting standards' should be added in the appendix. He remarks that different entities require different forms of accounting. Mr. Zbigniew Wesolowski (Poland) gives some examples of experience with cash-accounting. Mr. Eric Harid (Zimbabwe) asks Mr. Pinckard for specifications on the kind of experiences he is looking for. It is agreed upon to make the paper a working paper for Seoul with the suggested title 'Environmental Auditing in regularity auditing' and to discuss a more detailed version on the next Working Group meeting.

8. Transfer Chair and future of the Working Group

The chair declares that she is very happy with the volunteerance of Canada as the next chair. She explains that the initial idea, co-chairmanship from the Netherlands with a more gradual shift of tasks, was turned down by the INTOSAI-board. This construction was favorite because of the strong emphasis on the first year and the hard work that this creates after an INCOSAI, therefore a more gradual shift would be more friendly to the new chair.

The proposal now is, however, that the present chair steps down at the 48th meeting of the INTOSAI Governing Board in Seoul and the SAI of Canada steps up as chair of the Working Group on the 49th meeting of the Governing Board, at the end of the 17th INCOSAI in Seoul.

The proposal is agreed upon by all participants of the Working Group meeting.

The chair recalls the decision at the previous Working Group meeting in Cape Town that the Working Group should continue after the XVII INCOSAI for a fourth period. She explains that the Working Group has become too large: there is not enough time for discussions on substantive issues. Therefore the chair proposes to split the Working Group in an executive board and an assembly. This construction is new to INTOSAI. The proposal is agreed upon by all participants of the Working Group meeting.

9. Discussion draft Working Plan 2002-2004

Mr. Floris Roijackers (the Netherlands) presents the draft Work Plan. After a summary of the contents of the Work Plan he asks for a general reaction and the opinion of Working Group members on the adoption of a second central theme, for instance 'hazardous waste' or 'climate change'.

Mr. Joe Cavanagh asks in what the online database differs from the website. Mr. Roijackers points out that there is no clearly defined idea of what this should contain. This should be further operationalised. Mr. Cavanagh states that links to websites of regional working groups are an efficient alternative to a central database. The chair remarks that the goal is to get information from the regions on a global level.

Mr. Oivind Berg-Larsen declares that the central Working Group theme 'fresh water' has been a good selling point within the SAI. He stresses that there should not be too many themes. He thinks 'hazardous waste' is a global issue that is interesting to many countries.

The chair agrees that there should not be too many themes, but after five years 'fresh water' the third survey pushes 'hazardous waste' to our attention. Global themes are very important as a stimulation, on regional level there can be other themes as well. Mr. Cavanagh adds that more themes can be covered by way of regional groups, and information and guidance on these themes can be disseminated bottom-up from the regions through the global Working Group. Mr. Asghar Hamidi (Iran) suggests climate change as a theme because it is very important with more international aspects than waste. Mr. Randall says 'waste' and 'wildlife & poverty' are themes within AFROSAI. Mrs. Borkowska-Domanska (Poland) asks if an adoption of a central theme means that Working group members are obliged to focus on it, and only train other countries in this theme. Mr. Hamidi of Iran adds that training in the methodology of these topics is very useful.

The chair proposes that an overview of the Working Group achievements on 'water' should be made in the next period, because the abundance of knowledge has not been efficiently utilized. Then the priority of 'water' as a central theme can be lowered. In the meantime 'waste' can be started by means of a study on international agreements. Mr. Berg-Larsen (Norway) suggests that the overview of water can be produced together with the waterseminar of Poland. Mr. Cavanagh points out that this overview can initially be very simple by using the bibliography on the website. The chair will assess the possibilities within the Netherlands Court of Audit to carry out the overview on water before the waterseminar in Poland.

The Working Group agrees on the adoption of 'waste' (without 'hazardous') as a second central theme. Furthermore it is agreed upon that the overview on 'water' and the study on 'waste' will be made in the next period. The Netherlands will assess the possibilities on water, Norway will carry out the study on waste.

Mr. Graham Randall asks what the Working Group is going to do with UNEP (United Nations Environmental Programme). The chair states that the UNEP has called it a waste that they don't know about the environmental audits of SAIs. Because the UNEP is organised regionally it is a good idea to organise our contacts with them on a regional level. The INTOSAI Working Group could pave this way first. This will be rephrased in the working plan.

For the record, Mrs. Labib points out that Iran and Jordan are not members of Arabosai.

The draft Working Plan 2002-2004 is adopted, including the mentioned adjustments. It will be included in the presentation of the Intosai Working Group at XVII INCOSAI in Korea.

Wednesday 26 September 2001, Working Session 3

10. Presentation of Working Group at XVIIth INCOSAI, Seoul 2001

Mr. Peter van Roozendaal (The Netherlands) gives an introduction on the presentation of the INTOSAI Working Group on Environmental Auditing at XVII INCOSAI. In contradiction to the last INCOSAI in Montevideo, Environmental Auditing does not have the status of congress theme in Seoul. Therefore the possibilities to give formal informative presentations to the INTOSAI-community are limited to a short speech of the Chair in the first plenary meeting. However, the Chair has contacted the host of the INCOSAI, the SAI of Korea, and asked him to provide our Working Group with an exposition space in the conference center where the INCOSAI takes place. In this exposition space there will be an Environmental Auditing information centre, where all the Working Group products will be made available to the INCOSAI-participants, and a poster exposition like the one in CapeTown on the progress that has been made by the (members of) the Working Group in the field of Environmental Auditing. Products of individual members of the Working Group can be used in the exposition if they are available in English. The Netherlands will contribute with a summary of the Netherlands national report on the international coordinated audit 'Marine pollution by ships', that is currently being carried out in a number of countries in Europe.

Mr. Rob de Bakker (The Netherlands) presents the Working Group CDrom 'Environmental Auditing at work', that is developed by the Chair especially for the oncoming INCOSAI. The CDrom gives an overview of the activities and products of the Working Group by means of a copy of the Working Group-website www.environmental-auditing.org, videos on environmental auditing, a presentation of the development of the Working Group and an interactive application on the use of international environmental accords as a starting point for environmental audits. The purpose of the CDrom is to attract attention for environmental auditing in general and the products and activities of the Working Group in particular. The CDrom will be distributed to all participants of the INCOSAI.

Mr. Oivind Berg-Larsen (Norway) will send 10 copies of the joint report by Norway, Denmark and Iceland on the Osoar-convention. He will also send a few copies of the Euro Sai-booklet with contributions to the Euro Sai-meeting in Oslo earlier this year. This booklet will also be distributed to all working group members.

Mr. Eric Harid (Zimbabwe) asks if the CDrom can be distributed to SAI's that won't be attending the INCOSAI. The chair suggests that this can be done by way of the regional working groups. This will also be very effective because the participants in the regional working groups are more closely involved in environmental auditing. The chair will therefore send CDroms to the coordinators for distribution in the regional working groups.

11. Procedural information: next steps between Ottawa and Seoul, and between Seoul and the XVIIIth INCOSAI in Hungary

Mr. Floris Roijackers (The Netherlands) gives an outline of the main landmarks for the INTOSAI Working Group in the next years, taking into account the new structure of the Working Group with an Assembly and an Executive Committee. There are no questions from Working Group members about the proposed timepath. Furthermore Mr. Roijackers raises the questions of which SAI volunteers to host the next Assembly meeting (April 2003). The Netherlands Court of Audit is willing to host this meeting if no other SAI is in the position to do it. No decision is made at this point in time.

Mr. Joe Cavanagh (UK) asks if the new 'long distance'-products will be set out soon. The chair answers positively. The chair also asks to communicate plans that are made on a regional level to the global working group. The chair remarks that it takes a lot of time and energy to get attention for environmental auditing in the own organisations of the members. Several members react to this remark by stating the developments in their respective organisations. Summary of this is that environmental auditing is becoming more recognised as an important issue.

12. Closing

The chair thanks all delegates for their input at the meeting and for the fruitful cooperation during the period she was Chair of the Working Group. She wishes the SAI of Canada good luck as the new Chair of the Working Group. She also thanks the Canadian hosts for the excellent preparation and facilitation of the meeting.

Attachment 1: LIST OF DELEGATES AND SAIs ATTENDING THE MEETING

<i>Country</i>	<i>Delegates for Cape Town meeting</i>	<i>Position in national Audit Institution</i>
Austria	Mr. Heinrich Lang	Head of Department Comprehensive Environmental Protection
Canada	Mrs. Johanne G�linas	Commissioner of the Environment and Sustainable Development
Canada	Mr. Wayne Cluskey	Principal
Canada	Mrs. Liliane Cotnoir	Audit professional leader
Canada	Mr. John Reed	Principal
China	Mr. Xiaoming Liu	Auditor
China	Mr. Dazhu Liu	Auditor
Czech Republic	Mr. Miroslav Kruchina	Director of Environment & Agriculture Department
Czech Republic	Mr. Zdenek Smelik	Member
Egypt	Mrs. Samia Labib	Head of Sector for International Relations
Iran	Mr. Asghar Hamidi	Director General Auditing Affairs
Kuwait	Mr. Abdullah Al-Mudaires	Assistant Undersecretary Audit of Supplementary Bodies and Companies
Netherlands	Mrs. Saskia J. Stuiveling	President
Netherlands	Dr. Peter van Roozendaal	Manager Working Group Secretariat
Netherlands	Mr. Rob de Bakker	Staff member Working Group Secretariat
Netherlands	Mr. Floris Roijackers	Staff member Working Group Secretariat
New Zealand	Mr. Martyn Pinckard	Senior Project Auditor
Norway	Mrs. Therese Johnsen	Director General Performance Audit Department
Norway	Mr. Oivind Berg-Larsen	Deputy Director General Performance Audit Department
Pakistan	Mr. Rashid Ahmed Saleh	Director General Audit, North West Frontier Province
Poland	Mr. Zbigniew Wesolowski	Vice-President
Poland	Mrs. Ewa Borkowska-Domanska	Expert
Poland	Mr. Andrzej Glowacki	Director of the Environmental Protection Department
Saudi Arabia	Mr. Sami Fadin	Financial Controller
South Africa	Mr. Graham Randall	Executive Manager International Auditing
United Kingdom	Mr. Joe Cavanagh	Director Environment and Transport
United States	Mr. David Wood	Director Natural Resources and Environment
United States	Mr. Steven Elstein	Assistant Director Natural Resources and Environment
Zimbabwe	Mr. Eric Harid	Comptroller and Auditor General

Attachment 2: LIST OF DECISIONS DURING THE 7TH MEETING, OTTAWA, SEPTEMBER 2001

<i>Session</i>	<i>Conference Material nr.</i>	<i>Subject</i>	<i>Decision</i>
1	1, 2, 3	Approval of agenda	Approved
	4, 5	Approval of minutes of Cape Town and Working Group documents - Guidance - Sustainable development - The audit of international environmental accords	Minutes approved with minor adjustments. Documents approved. Will be included in Working Group material for XVII INCOSAI, Seoul.
2	6	Results of third Survey on Environmental Auditing	Document approved. Will be included in Working Group material for XVII INCOSAI, Seoul.
	7	Environmental audit - Working with a restricted mandate	A more detailed version of the paper will be discussed at the next Working Group meeting.
	8	Transfer Chair and future Working Group	Members agree to transfer of Chair from SAI Netherlands to SAI Canada, and to the idea of an “executive board” and “assembly” in the Working Group.
	9	Draft Workplan 2002-2004	Approved with amendments: hazardous waste as second theme, a baseline study on hazardous waste (Norway) and an evaluative study of the achievements on ‘water’ (probably SAI Netherlands, in time for water-seminar SAI Poland 2002).
3	10	Presentation of Working Group at XVII INCOSAI including CDROM	Approved
	11, 12	Procedural steps until XVIII INCOSAI, Hungary, and proposition 8th meeting Working Group	Overview of steps approved. No decision taken on which SAI will host the next meeting of the Working Group.