

Guidance materials on Auditing Climate Change

Project Objective

The main objective of the Guidance materials on Auditing Climate Change (the Guide) is to inspire and support SAIs to conduct more audits in this field. The Guidance materials shall contribute to effective and goal-oriented audits that lead to better management.

Project Scope

<p>1. Introduction</p>	<p>Content and structure of the Guide and why audits on climate change are important.</p>
<p>2. Background on climate changes</p>	<p>The Guide will describe what climate change means, what causes it, and the major threats for ecosystems and human beings. The description will include both global/regional and national challenges, highlighting regions most affected by climate change threats.</p> <p>This chapter will also contain a brief explanation about the Key Sectors.</p> <p>The description on environmental threats will contain information mainly from the four Assessment Reports by the working groups of the Intergovernmental Panel on Climate Change (IPCC). This work is based on worldwide scientific consensus.</p> <p>The environmental impacts stress the importance of</p> <ul style="list-style-type: none"> • adaptation to climate changes, and/or • mitigation, including reduction of greenhouse gas (GHG) emissions <p>We will focus on different challenges and obligations to combat the threat of climate change among countries. We will take into account social and economic growth level and capacity.</p> <p>Throughout the Guide we will provide useful tips for further reading and other sources of information.</p>
<p>3. National and international responses to climate change</p>	<p>3.1 International agreements</p> <p>The United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol constitute an international framework setting standards for national responsibility and action to mitigate GHG emissions. The Guide will also include the possible agreement in</p>

	<p>Copenhagen in 2009.</p> <p>Relevant regional and bilateral agreements will be mentioned, and a more detailed description will be enclosed.</p> <p>3.2 Governments' national response to climate change This section will contain an overview of possible audit criteria.</p> <p>The committed actions and responses by governments to manage the climate change threats will be described as targets and policy instruments to adapt to climate change and reduce the GHG-emissions, including investments and the use of science and technologies</p> <p>Relevant players will be covered (i.e. Government, private sector, non-government organizations and society). The European Climate Change Policy will be described as an example of a regional activity which directly influence the national policy level.</p> <p>If possible, examples of good practices by governments will be described.</p>
<p>4. Choosing and designing audits of climate change</p>	<p>This chapter will help SAIs determine how to audit the management of climate change, scoping and methodology.</p> <p>Countries may have different:</p> <ul style="list-style-type: none"> (1) environmental, economic and social threats related to the climate change; (2) obligations from the international conventions; and (3) National governance and available resources to combat climate threats. <p>These national differences may lead to different audit approaches based on national context (lines of inquiry).</p> <p>The Guide will include an easy-to-follow audit step-by-step process for choosing and designing audits of climate change mainly by using a risk-based audit methodology.</p> <p>In addition to national audit approaches, perspectives relevant to cooperate audits on climate change will be considered.</p>

<p>5. Audits of climate change</p>	<p>Audits on climate change will be described as case studies within the different audit approaches, including their main findings and methods used. Financial, compliance and performance audits will be included if available.</p>
<p>6. Good practice</p>	<p>If possible, good auditing practices will be identified and described.</p>
<p>7. Appendices</p>	<p>Glossary, links to relevant audits, published documents (international, regional and national papers) and frequently asked questions.</p>

Planned Methodology and Participants:

Participants:

Throughout the process, we will seek to benefit from the experiences of relevant countries, projects and associations:

The sub-committee

The sub-committee will be an important and representative source of feedback within the INTOSAI organization.

- The following countries volunteered to be members of the sub-committee at the 11th meeting of INTOSAI Working Group on Environmental Auditing (WGEA) in Tanzania in June 2007: Australia, Austria, Brazil, Canada, China, Indonesia, Poland, Russian Federation, South Africa, United Kingdom, United States, Zambia and Zimbabwe. The Netherlands volunteered to become member of the sub-committee in November 2007. In February 2008, Slovenia was invited to join the sub-committee.
- The sub-committee members will be invited to assist in determining the direction of the project and comment on the work plan. We will ask the SAIs to provide us with summaries of audits on climate change if these are not available in English on the INTOSAI WGEA database on environmental audits. They will also be asked to review and comment on draft documents (in April and September 2008), participate in the common meeting in Oslo during autumn 2008, and comment on a final version of the guidance materials in February 2010.

INTOSAI WGEA coordinated audit on Climate change The project is closely connected to the Global coordinated audit and there will be close cooperation between the two projects.

- In the first phase, during 2008, we will discuss cooperation and possible audit approaches, including how to determine the scope and methodology of climate change audits. We should provide mutual support in this process. A draft

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containing the first part of the Guidance (Chapters 1-3) will be sent to the SAIs which take part in the Global Audit in April 2008 and Chapters 1-4 in September 2008.

- We will meet at the 2nd meeting of the Global Audit of Climate Change in Oslo during autumn 2008 to discuss scoping of the joint audits, Chapter 1-4 of the Guide and possible future meeting points.
- In the final phase, autumn 2009, we will cooperate to gather experience and cases on audits of climate change from the global audits (national and/or international approaches).

EUROSAI WGEA coordinated audit on Climate change

The project is also closely connected to the European coordinated audit, and the cooperation will be mainly with the project coordinator, Poland.

- As well as for the Global coordinated audit, we will ask for feedback on chapter 1-3 in April, and chapter 1-4 will be discussed in Oslo in September 2008.
- We will meet in the fall of 2009 to discuss experiences and results from the European coordinated audit, to be implemented in the final version of the guide.

Guide's on how to audit sustainable energy and forestry

We will communicate with the project leaders of the sustainable energy Guide, the Czech Republic, and the forestry Guide, Indonesia. It is necessary to consider if there is useful information that can be exchanged and to clarify how we will cover common topics. We will send our draft materials and ask for feedback according to the milestone plan.

INTOSAI

The WGEA secretariat will be contacted when needed. Climate change and Guidance material will be discussed in the following meetings:

- In May 2008, the project plan will be approved and a draft of the Guide material will be presented at the Steering Committee meeting. .
- A workshop session at the 12th meeting of the WGEA in Qatar in January 2009 will be arranged to discuss and get feedback on the draft paper.
- We will present the Guide at the 13th meeting of the WGEA in June 2010.

UNFCCC

- The UNFCCC climate change secretariat supports all institutions involved in climate change agreements. The team will, in coordination with Canada, Estonia and Poland, contact the secretariat to assure the quality of Chapter 2 and 3 and to discuss how to audit the market based mechanisms and relevant global perspectives in Chapter 4. If needed, we may participate in a joint meeting with the regional and global climate change audits and experts from the UNFCCC in August 2008.

Methodology

- The Guide will be based on relevant documents and planned or conducted audits. Examples of audits on climate change will be downloaded from the INTOSAI WGEA database, and selected SAIs will be asked to provide us with summaries of their audits. Results from the cooperative audits at global and European level will also be included.
- The technical information about climate change and the international regime established to combat this threat is complex. We will use external experts to provide information and assure technical accuracy of the project. Experts will also be invited to discuss background on climate change and possible auditing approaches.

Communication:

Communication with the WGEA secretariat:

1. Meet and discuss the draft work plan in December 2007
2. Give feedback on the work plan in January 2008
3. At the regular key milestones
4. Plan and discuss a common agenda before INTOSAI meetings

Communication with the sub-committee:

1. Comment on the work plan in March 2008 by mail
2. Comment on draft document Chapters 1-3, sent out in April 2008, by mail
3. Comment on draft document Chapters 1-4, sent out in October 2008, by mail.
4. Comment on a final draft version in February 2010 by mail

Communication with the INTOSAI WGEA coordinated audit on Climate change:

1. Give feedback on the work plan in January 2008 at the 1st meeting of the Global Audit in Pretoria
2. Increase and share knowledge in January 2008
3. Identify and discuss audit approaches (Chapters 1-4 of the Guide) during the 2nd meeting of the Global Audit on Climate Change in Oslo, autumn 2008
4. Gather results and experiences from the Global Audit in the fall of 2009
5. Comment on a final draft version in February 2010 by mail

Communication with the EUROSAI WGEA coordinated audit on Climate change:

1. Meet with the Polish SAI in Oslo in February 2008
1. Seminar in Trier, Germany, on EU legislation on climate change and energy security
2. Draft of the work plan of the Guide to be sent to Poland in March 2008
3. Comment on draft document Chapters 1-3 sent to Poland in April 2008, by mail
4. Poland and some other SAIs are joining the 2nd meeting of the Global Audit on Climate Change in Oslo, autumn 2008. We will also discuss Chapters 1-4 of the Guide.
5. Gather results and experiences from the European Audit in the fall of 2009
6. Comment on draft of the Guide in February 2010 by mail

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Communication with the Guide on how to audit sustainable energy and forestry through, mainly by mail correspondence and telephone conference:

1. Draft of the work plan of the Guide to be sent in March 2008
2. Give feedback on each others draft materials in September 2008
3. Comment on draft of Chapters 1-4 in September 2008 by mail
4. Comment on draft of the Guide in February 2010 by mail

Possible Final Output:

Temporary output:

A rough first draft of Chapters 1-3 will be written during the first part of 2008 to provide input to the cooperate audits. Draft of Chapters 4 will be ready and available by October 2008. A draft version to be posted on the INTOSAI's website will be ready in February 2009, accessible to INTOSAI's members.

In 2009, the Kyoto Protocol is likely to be replaced by another international agreement in Copenhagen. The Global and European Audits will probably conclude during 2009, and results and experiences from the audits will be implemented.

Final output:

The final output will be a document published under the WGEA in 2010. A final updated version will be available on the INTOSAI WGEA website in November 2010. An e-guide (based on e-learning) will also be developed during 2009 and completed at the same time as the Guide.

The guidance materials will be published in English. It will be translated into other INTOSAI languages only if there are volunteers among the SAIs.

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Timeline and Key Milestones:

Stage	Action	Date
	Discuss work plan with the Estonian secretariat	12 December
	Send first draft of project plan to the Estonian secretariat and Canada (as coordinator of the Global Audit)	19 December
2008		
	1st meeting of the Global Audit on Climate Change (discuss cooperation and possible audit approaches)	29 January – 3 February
	Meeting with the Polish SAI (discuss the EUROSAI climate change audit)	
	Draft plan to be sent to the sub-committee, the Global and European Audits, and the relevant Guide's.	(March)
	Seminar on climate change, Trier, Germany (meet Estonia, Poland, Czech Republic)	11-12 March
1	Final draft of project plan to the Estonian secretariat	17 March
2	Receive comments from Steering Committee	April
	Draft of Chapters 1-3 to the Estonian secretariat, the sub-committee, the Global and European Audits.	April
3	7th Steering Committee meeting, Tallinn, Estonia (approve the project plan) Present the plan	6-9 May
4	Final version of the project plan	30 May
	Draft Chapters 1-4 to UNFCCC	September
	Meet the UNFCCC (in cooperation with the global audit)	
	Draft Chapters 1-4 to the Global and European Audits, and the relevant Guide's	September
	2nd meeting of the Global Audit on Climate Change (discuss audit approaches for Chapter 3 with the sub-committee and the Global Audit)	September/ October
	Draft Chapters 1-4 to the sub-comitee	October
2009		
6	12th WGEA, Doha, Qatar (Workshop on the Guidance materials)	January
	Draft version published on the web-site	February
7	Draft of the Guide to the secretariat (if needed)	?*
8	8th Steering Committee meeting	?*
	Meeting with the cooperative audits to discuss cases, best practice and gather experiences	November
2010		
	Draft of the Guide to the sub-committee, the	January

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	Global and European coordinated Audits and the relevant Guide's	
9	Final draft of the Guide to the secretariat	?*
	9th Steering Committee Meeting, review and approve the draft of the Guide and the e-based Guide	?*
	Publish an e-based Guide	June
10	13th WGEA meeting: Final approval	June
11	Final version of the Guide – translation, editing, printing etc.	September

* Note: The date of the INTOSAI's WGEA SC meetings in 2009 and 2010 are not final. The plan will be adjusted when the meeting points and the dates are decided.