



INTOSAI
Working Group
on Environmental
Auditing

2011-2013 Work Plan

INTOSAI Working Group on Environmental Auditing

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Acronyms

AFROSAI	African Organization of Supreme Audit Institutions
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASOSAI	Asian Organization of Supreme Audit Institutions
CAROSAI	Caribbean Organization of Supreme Audit Institutions
COP15	Fifteenth session of the Conference of the Parties
EUROSAI	European Organization of Supreme Audit Institutions
IDI	INTOSAI Development Initiative
INCOSAI	International Congress of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions
RWGEA	Regional Working Group on Environmental Auditing
SAI	Supreme Audit Institution
PASAI	Pacific Association of Supreme Audit Institutions
UNFCCC	United Nations Framework Convention on Climate Change
UNEP	United Nations Environment Programme
WGEA	Working Group on Environmental Auditing
WSSD	World Summit on Sustainable Development

1. Introduction and Background

Over the past eighteen years, the INTOSAI Working Group on Environmental Auditing (WGEA) has been instrumental in encouraging SAIs to conduct audits of environmental issues and programs and in helping them build the capacity to do so. The practice of environmental auditing is now common in many Supreme Audit Institutions (SAIs). Over the past decade, more than 2,000 environmental audits have been conducted.

The 6th Survey on Environmental Auditing showed the value Working Group members continue to draw from the sharing of practice across the Group. This work plan sets out the vision, mandate, goals, and proposed actions of the INTOSAI Working Group on Environmental Auditing for 2011-2013. It has been developed by the WGEA Chair and Secretariat (The National Audit Office of Estonia), drawing on the results of the 6th Survey on Environmental Auditing, and in consultation with the WGEA Steering Committee. It has been drawn up for approval by WG members and presentation to all the members of INTOSAI.

The International Organization of Supreme Audit Institutions (INTOSAI)

INTOSAI is the professional organization of supreme audit institutions (SAI) in countries that belong to the United Nations or its specialized agencies. INTOSAI was founded in 1953 and has grown from the original 34 countries to a membership of 189 full members and 4 associated members. As the internationally recognized leader in public sector auditing, INTOSAI issues international guidelines for financial management and other areas, develops related methodologies, provides training, and promotes the exchange of information among members.

Within INTOSAI, there are seven regional organizations of SAIs:

- Africa (AFROSAI),
- Arab countries (ARABOSAI),
- Asia (ASOSAI),
- Caribbean (CAROSAI),
- Europe (EUROSAI),
- Latin America and the Caribbean (OLACEFS), and
- The Pacific (PASAI).

Each regional group has its own headquarters and organizes seminars, congresses, and other activities for the SAIs in its region.

In 2004, INTOSAI adopted its 2005–10 Strategic Plan, which enumerates its Mission, Vision, and Core Values and identifies four Strategic Goals in the areas set out below.

- Goal One - Accountability and Professional Standards,
- Goal Two - Institutional Capacity Building,
- Goal Three - Knowledge Sharing and Knowledge Services, and
- Goal Four - Model International Organization.

INTOSAI WGEA work and activities support all these goals, and in particular Goal Three.

The INTOSAI Working Group on Environmental Auditing (WGEA)

The INTOSAI WGEA was formed during the INTOSAI Congress in 1992. The Netherlands' Court of Audit was the first Chair, and it served in this capacity for nine years. In October 2001, the Office of the Auditor General of Canada began its term as Chair and Secretariat of the Working Group. The SAI of Estonia took over the Chair and the Secretariat in November 2007 at the XIX INCOSAI in Mexico City.

The WGEA membership started out with 12 countries, and it now has over 70 participating members (see Appendix 1), who attend meetings in order to learn from their peers and share their own experience, which makes it the largest INTOSAI working group. Six of seven INTOSAI regions—AFROSAI, ARABOSAI, ASOSAI, EUROSAI, PASAI, and OLACEFS—have established regional working groups or committees on environmental auditing (RWGEA) to support the sharing of practice and the undertaking of collaborative audits within regions. English is the official language of the WGEA.

In 2001, a WGEA Steering Committee was established. It serves as the management committee for the WGEA, emphasizing project management, long term planning, and operational decisions. The Steering Committee currently has seventeen members, including the Coordinators of the Regional WGEAs (AFROSAI – Tanzania, ARABOSAI – Egypt, ASOSAI – China, EUROSAI – Norway, OLACEFS – Argentina, PASAI – New Zealand). In contrast, at full WGEA meetings, the emphasis is on information exchange and learning. Formal document of the *Roles and Responsibilities of the INTOSAI WGEA Working Bodies* was adopted at the twelfth meeting of the WGEA (WG12) in Doha, Qatar in 2009. The document is available on the WGEA website www.environmental-auditing.org under “About WGEA”, “Mission and Mandate”.

Overview of past WGEA accomplishments

The WGEA has achieved a lot since it was established in 1992. By the end of 2009, it had

- formed a close cooperation with the Regional WGEAs and supported them;
- developed 19 guidance papers and studies on environmental auditing, most of them available in 5 INTOSAI languages available on WGEA website under “WGEA Publications”.
- developed a biodiversity training module and, in conjunction with the INTOSAI Development Initiative (IDI), prepared a two-week training course on environmental auditing and delivered it also in INTOSAI regions;
- conducted six surveys on environmental auditing in the entire INTOSAI community;
- increased the profile of the WGEA with external international organizations, by participating at the World Summit on Sustainable Development (WSSD), UNFCCC 15th session of the Conference of the Parties (COP15) and by developing bilateral relationship with the United Nations Environment Programme (UNEP).
- strengthened networks between SAIs, which facilitated the exchange of information, ideas, and experience;
- developed and maintained the WGEA website www.environmental-auditing.org; and
- published the WGEA newsletter *Greenlines* (electronically).

The WGEA's Continuing Mandate and Long-Term Vision

The WGEA aims to encourage the use of audit mandates and audit methods in the field of environmental protection and sustainable development by both members of the Working Group and non-member supreme audit institutions.

Derived from the mandate and INTOSAI Strategic Plan Goal 3, WGEA has formed its long term vision:

The WGEA and its members share a commitment to use the power of public sector audit to leave a positive legacy for future generations, by improving the quality of the environment, the management of natural resources, and the health and prosperity of peoples around the world.

To help realize this vision, the WGEA also adopted the following supporting objectives:

As a globally respected, professional and influential organization, the WGEA provides value-added and leading edge tools, services and training to its members, helping them to increase the impact of their work and influence on decision-makers.

Leading by example internally and externally, and with the active and strong support of its regional bodies, the WGEA emphasizes mutual support and cooperation, knowledge creation and sharing, capacity development and training.

Based on the Sixth Survey on Environmental Auditing¹ most of the SAIs have conducted environmental audits and it is an increasing trend. Human capacity and other capacity in environmental auditing, e.g. budget, training, methodology, has increased in recent years in most of the SAIs. Almost all SAIs plan to conduct environmental audit(s) in 2009-2011, more than a half plan to increase the number of them. SAIs appreciate cooperative activities (e.g. information exchange, cooperative audits) a lot and find it a relevant and useful tool in their work. It is believed that using information technology, like developing interactive websites and using e-training as one of the tools, is most beneficial for the future cooperation between SAIs. The most used and important INTOSAI WGEA products are the auditing guidance materials, home page and *Greenlines* newsletter. SAIs pointed out the main obstacles they experience in the development process: insufficient monitoring and reporting systems, insufficient data on the state of environment, and lack of skills or expertise within the SAI. It was underlined in the survey that it is extremely important to continuously carry out environmental audits and develop their capacity through trainings and different cooperative activities.

The results of the Sixth Survey show very clearly that the work of INTOSAI WGEA is much appreciated and developed documents are widely used in SAIs' everyday work.

¹ *The Sixth Survey on Environmental Auditing*, INTOSAI WGEA, 2009, available at www.environmental-auditing.org.

2. Introducing the INTOSAI WGEA's 2011-2013 Work Plan

This work plan is designed to help the WGEA realize its vision and fulfill its mandate. For 2011-13, the WGEA has not changed the established goals set for the previous work period. The goals and associated actions are described in the following section. Proposed goals for the work period of 2011-13 are:

- Goal 1: Up-date existing and develop new guidance materials available to SAIs, conduct research studies on emerging topics in environmental auditing.
- Goal 2: Facilitate concurrent, joint, and coordinated audits.
- Goal 3: Enhance information dissemination, exchange, and training.
- Goal 4: Increase cooperation between the WGEA, international organizations and other INTOSAI bodies.

Goals are achieved through specific actions. Each proposed action requires a SAI to act as overall project leader. Project leaders are responsible for many aspects of a given project, including preparing individual work plans and progress reports, organizing meetings and consultations (when necessary), authoring drafts, and communicating with the Steering Committee and WGEA members. Each project leader is in turn generally supported by a subcommittee. Subcommittee members are expected to review and comment on key documents related to the project (largely through email) and may also undertake specific tasks (such as research or writing) as agreed with the project leader. In all cases, the Chair establishes overall management processes and schedules to guide the development of projects. The WGEA Steering Committee oversees all projects.

The following terms describe the various roles played by SAIs to achieve the proposed goals and actions found in the sections that follow:

- The “lead” is the primary author of the guidance materials or other products.
- “Co-leads” are two (or more) SAIs that share the lead role.
- “Subcommittees” support the project leads or co-leads.
- “Audit Coordinator” facilitates the coordinated audits referred to under Goal 2.

Activities expected from respective parties are described in the *Roles and Responsibilities of the INTOSAI WGEA Working Bodies* document in more detail.

2011-2013 Goals and Actions

Goal 1

Up-date existing and develop new guidance materials available to SAIs, conduct research studies on emerging topics in environmental auditing

Rationale

SAIs identify guidance materials as one of the main products that the WGEA should provide to its members. To date, the guidance produced by the WGEA has covered a broad range of topics. Generally, the WGEA provides guidance on how to audit a particular environmental or sustainable development topic. Such materials provide a useful starting point for SAIs undertaking an audit on the same topic.

For many areas thorough research should be done before best practice and future trends can be recognised, as well as recommendations can be given to develop an audit guideline in this area. Under “research project” we mean a relatively short study with a suggested length of 20-30 pages including:

- introducing the relevance of the topic and giving general aspects of the topic;
- giving hints to best practice governance, resources etc;
- sharing the audit related work done in the respective field.

The “research project” does not give guidance nor introduce necessarily how to audit the topic. This is generally elaborated in guidance documents.

The form of delivery of the “guidance material” is flexible and can be tailored to the needs of SAIs and to the nature of the topic. Options for delivery include (among others) papers, training, web-pages, and e-bulletins. As for general content, the guidance may, as it has in the past, include

- technical background information on the subject;
- suggested auditing approaches that could be used (including possible audit scopes, objectives, and criteria);
- sources of additional information;
- best practices inside and outside of SAIs; and
- case studies of actual audits undertaken by SAIs.

For this work period it is proposed to develop maximum five research projects and two new guidance materials or previously developed guidance materials’ update. The proposed topics are derived from the Sixth Survey on Environmental Auditing and were most mentioned as areas of interest. Additionally, possible topics for the work plan were discussed with the WGEA’s Steering Committee.

For each topic set out below, the detailed content, scope and form will be developed by the project leader and subcommittee. During the work period of 2008-2010 a “*Guide for Project Leaders: How to Develop a Guidance Material in Environmental Auditing*” was developed and this document would be a reference material also to new guidance materials.

Proposed Actions

Research Projects	Timing	Responsibility
<p>2.1 (a) Prepare research project on Land use/Land management practices in Environmental perspective. Including:</p> <ul style="list-style-type: none"> • Threats and examples resulted from wrong planning – e.g. deforestation, soil erosion and degradation, salinisation, desertification, air quality, loss of spices etc. • Examples of land management practices leading to environmental damage – governance, financial mechanisms etc. • “Green” land use planning, urban planning practices, international accords etc. • Audit experience, case examples from INTOSAI WGEA community. 	2013	<p>Lead: Morocco</p> <p>Subcommittee: Afghanistan Argentina Botswana Cameroon China Czech Republic Ethiopia Ghana Indonesia Lesotho Swaziland Turkey Tanzania Vietnam</p>
<p>2.1 (b) Prepare research project on environmental data.</p> <ul style="list-style-type: none"> • In many audits auditors face a challenge to find relevant and sufficient data and trends on the state of environment, statistics on polluters, resources etc. The study would explore general tips and examples where and how to find data (nationally, regionally, globally) and what have been the most innovative methodologies to collect data by SAIs themselves. 		<p>Lead: Canada / USA</p> <p>Subcommittee: Botswana Estonia Namibia New Zealand Poland Tanzania</p>
<p>2.1 (c) Prepare research project on environment and sustainability reporting.</p> <ul style="list-style-type: none"> • Current and future trends on developing environment and sustainability reporting as a part of normal financial reporting. • Auditing practices of these reports. 	2013	<p>Lead: Finland</p> <p>Subcommittee: Estonia Mauritius New Zealand United Kingdom</p>

Research Projects	Timing	Responsibility
<p>2.1 (d) Prepare research project on environmental issues associated with infrastructure.</p> <ul style="list-style-type: none"> • Environmental and sustainability issues associated with infrastructure investments – during construction, use and disposal. • Poor as well as good governance examples, including public-private partnership, life-cycle analysis, footprint techniques, environmental impact assessment, social and economic impact assessment etc. • Audit experience, case examples from INTOSAI WGEA community. 	2013	<p>Lead: United Kingdom</p> <p>Subcommittee: Afghanistan Argentina Brazil Cameroon Estonia Ethiopia Ghana Morocco New Zealand Oman Tanzania Turkey Russia USA</p>
<p>2.1 (e) Prepare research project on the impact of tourism on wildlife conservation.</p>	2013	<p>Lead: Lesotho</p> <p>Subcommittee: Botswana Chad Egypt Ethiopia Ghana India Swaziland Tanzania</p>

Guidances	Timing	Responsibility
<p>2.1 (f) Update the 2004 guidance material on Auditing Water Issues: Experiences of Supreme Audit Institutions</p> <ul style="list-style-type: none"> The Sixth Survey on Environmental Auditing indicated that water issues are of a main concern in most of the countries. Hence, it is suggested to update the previous publication with more recent information and developments in that area and also include more recent examples of audit case studies around the world. 	2013	<p>Lead: USA</p> <p>Subcommittee: Cameroon Canada Chile China Ecuador Egypt Malaysia New Zealand Russia Slovakia</p>
<p>2.1 (g) Develop a guidance material on how to integrate fraud and corruption issues into the auditing of environmental and natural resource management</p> <ul style="list-style-type: none"> Link between fraud and corruption auditing and environmental auditing with references to existing INTOSAI guidelines/working group documents. Fraud and corruption identification and risk assessment in audit planning. Audit procedures. Examples from various themes in the WGEA portfolio. 	2013	<p>Lead: Norway</p> <p>Subcommittee: Brazil Cameroon Czech Republic Egypt India Indonesia Iraq Namibia Russia Tanzania USA</p>

Goal 2

Facilitate concurrent, joint, and coordinated audits

Rationale

The WGEA encourages SAIs to undertake concurrent, joint, or co-ordinated audits. Three WGEA guidance papers have been prepared on this topic in the past: *How SAIs May Co-operate on the Audit of International Environmental Accords*, 1998, *The Audit of International Environmental Accords*, 2001 and *Cooperation Between SAIs: Tips and Examples for Cooperative Audits*, 2007. Many SAIs, especially those from Europe, have gained considerable experience through concurrent, joint, and coordinated audits, but it is good to acknowledge that cooperative audit work is a growing trend and is occurring also in Latin America, Asia, and Africa. An action first set in the previous work plan to encourage regions to design and carry out regional cooperative audit has worked well.

Most of the cooperative work has taken place at a regional level, but from the previous work period WGEA has also a global experience – a coordinated audit of climate change was conducted among 14 SAIs around the world. Based on a growing interest also this type of cooperation is likely to be continued in future and two new projects are proposed. Under multi-regional audit it is expected that at least three INTOSAI regions and 10 SAIs are represented in the subcommittee of the project.

Proposed Actions

Actions	Timing	Responsibility
2.2 (a) Encourage regions to design and carry out a regional cooperative audit in each INTOSAI region. Regional coordinators and member SAIs to identify and pursue topics of common interest, select the audit coordinator, and define the precise scope and form of cooperation.	Within the 2011-2013 work plan period	Lead: Regional coordinators. Audit Coordinator: tbd Participating SAIs in each Region: tbd

Goal 3

Enhance information dissemination, exchange, and training

Rationale

Building the capacity of SAIs to conduct environmental audits, through the exchange of information and training, is a core activity of the WGEA. The Survey indicated that one of the main expectations from the INTOSAI WGEA is to get training on environmental auditing. Hence, during the work period of 2011-13 one of the proposed actions (action 2.3 (f)) is to find a partner to develop a global training facility on environmental auditing. The training facility should be open for every SAI and would ideally provide annual courses developed based on existing guidance and study documents. The courses would provide the basics how to start an environmental audit, as well as provide discussions and case studies on critical issues in the world and/or different regions.

To date, the WGEA has held thirteen working group meetings and nine steering committee meetings. Numerous workshops on important and emerging topics in environmental auditing as well as a training course on biodiversity have been taken place during the meetings. There has been a strong support for the regional coordinators to encourage them to have regional meetings and conduct coordinated audits. WGEA meetings are a key opportunity for SAIs to exchange information, build capacity, and network with other SAIs and with external organizations. At least two full WGEA meeting will be organized during the work plan period: WG14 in 2011 and WG15 in 2013.

RWGEA meetings are also important; the emphasis at these meetings is often on sharing information and experiences at the regional level. Based on existing practice and in keeping with the intent to strengthen the role and activities of RWGEAs, each regional coordinator is encouraged to convene at least one meeting of its regional members during 2011-2013.

Six surveys on environmental auditing among all INTOSAI members have been conducted to analyse the trends and developments over the years. Big efforts have been made to hold a WGEA's website, manage the Environmental Audits Worldwide database, and develop web pages on important issues as water, waste and biodiversity.

Proposed Actions

Actions	Timing	Responsibility
2.3 (a) Organize WG14 and WG15	WG14—2011 WG15—2013	Lead: Estonia
2.3 (b) Regional coordinators are encouraged to convene at least one meeting of the regional working group on environmental auditing during 2011-2013 and to deliver and disseminate at least one training course (i.e. biodiversity, climate change, forestry) at planned meetings.	2011-2013	Lead: Regional Coordinators Subcommittee: Steering Committee
2.3 (c) Distribute a training “module” on the topic of climate change.	2011	Lead: Estonia Subcommittee: Regional Coordinators, Norway, Canada and other selected SAIs
2.3 (d) Implement a new e-learning tool (web-based, accessible through WGEA’s website) on the topic of climate change.	2011	Lead: Estonia Subcommittee: Norway, Steering Committee
2.3 (e) Develop a training “module” on the topic of forestry.	2013	Lead: Indonesia Subcommittee: Steering Committee
2.3 (f) Develop a training “module” on the topic of mining.	2013	Lead: Tanzania Subcommittee: Steering Committee
2.3 (g) Find a partner to provide a global training facility on environmental auditing.	2013	Lead: Estonia and India Subcommittee: Finland, Norway, USA, Steering Committee
2.3 (h) Continue publishing the <i>Greenlines</i> newsletter twice yearly.	Twice per year	Lead: USA Subcommittee: Estonia
2.3 (i) Maintain and enhance the WGEA website according to the needs of the working group.	2011-2013	Lead: Estonia Subcommittee: Steering Committee, Working Group
2.3 (j) Undertake the seventh survey on environmental auditing.	2012	Lead: Estonia Subcommittee: Steering Committee
2.3 (k) Provide for the annual collection of environmental audits worldwide (to populate the website).	2011, 2012, and 2013	Lead: Estonia

Goal 4

Increase cooperation between the WGEA, international organizations and other INTOSAI bodies

Rationale

In previous years, the Chair of the WGEA has been the liaison between the WGEA and international organizations, such as the World Bank, other Multilateral Development Banks, the United Nations Environment Programme (UNEP), and other UN agencies. As such, the Chair has had an opportunity to discuss the work of the WGEA and its membership, to exchange information and tools, and to share information on SAIs' work on environment auditing. It is expected to continue with the good initiatives and search for new ones, i.e. invite external experts to working group meetings.

Deriving from a good cooperation with the UNEP a document *Primer for Auditors in Auditing the Implementation of Multilateral Environmental Agreements (MEAs)*, 2010, has been developed under the leadership of the UNEP. This paper is a valuable source of information for the auditors as well as the outside auditors' community to know more about environmental agreements and environmental auditing as such. Therefore, an action is proposed to introduce and distribute the material to the entire INTOSAI community as well as to the public.

In cooperation with the INTOSAI Development Initiative (IDI) a cooperative environmental audit capacity building programme will be conducted. More specifically, a transregional performance audit of forestry is planned to be carried out based on the WGEA existing guidance material *Auditing Forests: Guidance for Supreme Audit Institutions*, 2010. The IDI is the lead for this project and it is aimed to encourage SAIs with less experience to carry out an environmental audit.

Proposed Actions

Actions	Timing	Responsibility
2.4 (a) Provide on-going communication and outreach with INTOSAI community as well as external organizations (e.g. introduce and distribute the INTOSAI WGEA publications developed in 2008-2010, continuous cooperation with the UNEP, UNFCCC and attend its COP meetings, and the RIO+20 Earth Summit).	2011-2013	Lead: Estonia Support: Project leaders, Working Group
2.4 (b) Develop a compendium of SAIs country papers focusing on the topics in RIO +20 agenda . Country papers would summarise developments and implementation challenges within the country in the SAIs perspective. WGEA aims to share the experience with RIO+20 participants.	2012	Lead: Brazil / Canada Subcommittee: Argentina China India Panama United Kingdom
2.4 (c) Introduce and distribute the <i>Primer for Auditors in Auditing the Implementation of Multilateral Environmental Agreements</i> to the INTOSAI as well as to outside community.	2011-2013	Co-Leads: UNEP and Estonia Support: Working Group
2.4 (d) IDI-WGEA transregional cooperative environmental audit capacity building programme – performance audit of forestry.	2010-2013	Lead: IDI Support: Estonia, Indonesia, Working Group Participating SAIs: decided by the IDI

Appendix 1 - WGEA membership (as of October 2011)

Chair (Estonia)

Mihkel Oviir

Secretariat (Estonia)

Tõnis Saar

Margit Lassi (on maternity leave)

Tuuli Rasso

Kaire Kesküla

Steering Committee:

Argentina	Indonesia
Brazil	Lesotho
Canada	Morocco
China	New Zealand
Egypt	Norway
Estonia	Tanzania
Finland	United Kingdom
India	United States

Assembly:

Algeria	Guyana	Peru
Argentina	Iceland	Poland
Armenia	India	Qatar
Azerbaijan	Indonesia	Romania
Australia	Iran	Russian Federation
Bangladesh	Jordan	Saudi Arabia
Bhutan	Kazakhstan	Slovakia
Brazil	Kenya	Slovenia
Bulgaria	Korea (Republic of)	South Africa
Cameroon	Kuwait	Sri Lanka
Canada	Latvia	Tanzania
Chile	Lesotho	Thailand
China	Libya	Tonga
Colombia	Lithuania	Turkey
Costa Rica	Macedonia (The former Yugoslav Republic of)	Turks and Caicos Islands
Cyprus	Malta	Uganda
Czech Republic	Mexico	Ukraine
Egypt	Mongolia	United Kingdom
El Salvador	Morocco	United States
Estonia	Netherlands	Zambia
Ethiopia	New Zealand	Zimbabwe
Fiji	Norway	European Court of Auditors
Finland	Oman	
Georgia	Pakistan	
Greece	Paraguay	