

10th meeting of the ACAG/PASAI Regional Working Group on Environmental Auditing—communiqué

Capacity and capability to conduct environmental audits in Australia, New Zealand, and the Pacific continues to grow. This is helping to improve environmental outcomes, but the region needs support to keep up the momentum.

The 10th meeting of the ACAG/PASAI Regional Working Group on Environmental Auditing (RWGEA) was hosted by the Queensland Audit Office in Brisbane, Australia, from 15 to 17 May 2018.

This communiqué records the common themes emerging from the presentations and discussions, the main results of an environmental audit stocktake and survey of ACAG and PASAI members carried out before the meeting, and the RWGEA's recommendations and observations.

The programme and discussion at the meeting focused on:

- increasing audit impact and visibility;
- environmental impact, including of our own activities;
- sustainable development goals;
- water and the marine environment;
- increasing capacity and capability; and
- opportunities for co-operation and knowledge-sharing, communication, and training needs.

Part 1

Communiqué headlines

Environmental auditing is well established in the Australian and New Zealand audit offices but less so in Pacific Island audit offices.

All offices involved in environmental auditing continue to face similar issues and challenges, including:

- getting to grips with complex subjects;
- obtaining reliable environmental data;
- doing more data analysis while being strategic about this and aware of the risks involved;

- focusing on root causes, results, and outcomes, rather than compliance and processes; and
- making the best use of experts.

These issues are more pressing in many Pacific Island offices, which also face capability and capacity issues. Performance auditing remains relatively new for many Pacific Island members. That said, there is substantial appetite for environmental audit in PASAI (100% of survey respondents), and Pacific offices are keen to take up the challenge.

PASAI members have asked the RWGEA, ACAG, and PASAI to develop an environmental auditing training programme for the region to build capacity in this area.

Recommendations

- **Environmental audit training** – PASAI/ACAG/RWGEA to consider jointly developing an environmental audit capacity building or training programme. The programme would be specific to the identified needs of Pacific Island audit offices, based on a needs analysis by PASAI, and relevant to the Pacific context, drawing on RWGEA/WGEA guidance, training resources, and contacts. It could involve one-on-one support for a PASAI member to plan and conduct an audit, including through the twinning program.
- **Co-operative performance audits** – PASAI to enhance environmental audit findings by continuing a programme of co-operative performance audits (CPAs) on environmental topics of relevance to the Pacific and its sub-regions, focusing on the United Nations’ Sustainable Development Goals (SDGs). One suggested CPA topic is a “follow the money” audit of donor funds aimed at promoting a move to renewable energy.
- **Keeping up momentum** – The RWGEA continues to encourage members to initiate their own environmental audits, following the lead of the Cook Islands Audit Office, or do short follow-up audits of previous CPA environmental topics (for example, solid waste, drinking water, sustainable fisheries, and climate change adaptation).
- **Increasing audit impact and visibility** – The RWGEA encourages ACAG and PASAI members to share their environmental audits, data analysis and communication techniques through the *PASAI Bulletin* or Facebook page, ACAG “round-ups”, and the WGEA newsletter *Greenlines*.
- **Improving our own environmental practices – ‘Greening the SAI’** — the RWGEA encourages all ACAG and PASAI members to start or continue steps to “green” their offices and consider ways to reduce the environmental effect of their activities, noting that WGEA guidance is available to help with this and that further training material will be available in 2019.

Observations

- **Sustainable Development Goals** – The SDGs have goals, targets, and indicators. An important issue for auditors is the availability of data for the indicators and being mindful

that indicators might not cover all aspects of the targets. Also, although audit work can focus on one or more goal, target, and indicator, it is always necessary to consider the interlinkages between them.

- **Regional and global reporting** – Reporting on SDG-related audit work is a good opportunity for offices to have impact. The PASAI-INTOSAI Development Initiative (IDI) co-operative audit on SDG preparedness, and similar co-operative audits in other INTOSAI regions, will provide a useful platform to plan further audit work in this area to 2030 (the target date for implementation of the SDGs), including the environmentally focused SDGs. This could move beyond preparedness into implementation, achievements, and results/outcomes.
- **Data analysis** – This is a growing area of activity for offices. It has great potential for environmental audits, but there are often issues with data availability and reliability, and the long-term nature of some environmental outcomes. There is a need to be strategic to ensure that data analysis adds value to the audit and to link the data with the environmental context.

Twinning and communication

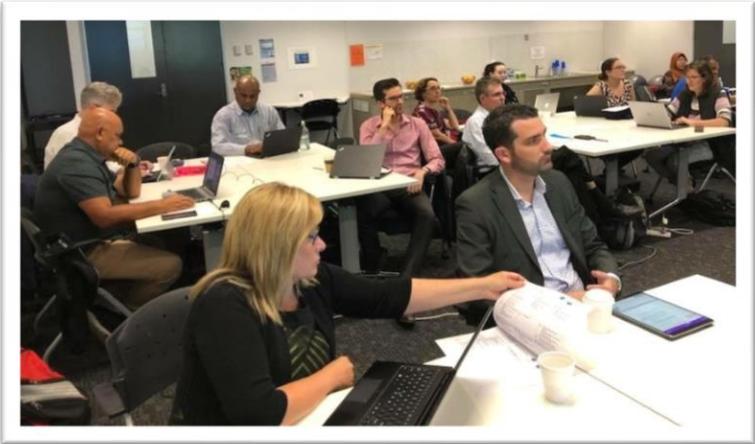
- **ACAG and PASAI twinning arrangements** – the RWGEA commends the active twinning relationships between ACAG and PASAI members and notes that these can help build environmental audit capacity in PASAI members and provide mutual benefits for twinning partners.
- **Communication** – ACAG and PASAI have some communication techniques and channels that can promote environmental auditing in the region. The RWGEA secretariat will endeavour to make use of these to keep members informed of WGEA developments, guidance and support, surveys, and training opportunities.

Attendees

Twenty-four participants from 13 audit offices attended the May 2018 meeting, as well as representatives from ACAG, PASAI, and the INTOSAI WGEA secretariat.



Participants and panel discussions during Regional Working Group on Environmental Auditing, May 2018



Part 2

Notes from the meeting

Increasing audit impact and visibility

- 1** The RWGEA noted that environmental topics are often of high public interest. SAIs should be able to make use of this interest to help get impact and engagement, and to increase our visibility and relevance on environmental issues. Impact is greater when audits focus on the achievement of environmental outcomes or on the root causes for a lack of achievement, rather than whether policies and plans have been properly implemented (invariably they haven't).
- 2** Tested and emerging techniques for increasing the visibility of audit work are equally useful for environmental audits; for example, through “audit on a page” summaries, videos, sharing key findings and audit insights, good practice, infographics, social media channels,¹ and accessing other established communication platforms through NGOs or universities. The group noted that many people access information only online and that LinkedIn is a useful platform for professional networks. There is a push for shorter and more visual audit reports, which can be more challenging to produce, but pictures can speak very strongly for environmental issues. There is also scope to engage citizens in audit work, potentially even to do surveys or gather data to support the audit team, as the Philippines' Commission on Audit has demonstrated.
- 3** Many environmental audits rely heavily on data and science, and audit credibility can be enhanced through use of data analytics, data dashboards, and subject-matter experts. Several offices have data analysts to support audit teams. Data analytics has great potential but needs to be approached in a strategic way. It is important to establish the relevant data early on and assess any issues with its integrity and quality, with expert assistance if required, rather than ask for more data than is needed and waste time. Sometimes, data analysis work developed during the audit can be useful for the audited agency if it goes further than the agency's analysis.
- 4** The WGEA research paper on increasing the visibility of environmental audits, which is currently being developed and is due for release in 2019, will be a useful resource for ACAG and PASAI members.

¹ Examples discussed included a short video from the Queensland Audit Office explaining what a performance audit is, the Australian National Audit Office's use of videos and audit insights (drawing together good practice from performance audits with wider application), and a mental health data video by New Zealand's Office of the Auditor-General.

Recommendation: The RWGEA encourages ACAG and PASAI members to share their environmental audits, data analysis, and communication techniques through the *PASAI Bulletin* or Facebook page, ACAG “round-ups”, and the WGEA newsletter *Greenlines*.

Environmental impact – Greening the SAI

5 The group discussed how we can seek to minimise the environmental effect of our own audit activities, noting the WGEA guidance material on “Greening the SAI”,² and the importance of leading by example in this area. The group shared ideas and experiences. Some are more advanced than others, particularly the Australian offices because of statutory requirements. Examples included:

- certification systems for rating office premises in areas such as energy efficiency;
- a move to paperless offices/hot desking;
- paperless meetings and conferences;
- making audit reports available online rather than printing them;
- collaborative working environments and video conferencing;
- flexible working;
- waste and organic recycling;
- donating laptops to other offices; and
- parking for scooters and bicycles.

Some offices report their efforts externally, and some audit work considers related initiatives, such as donor-funded smart meters (Vanuatu). The group welcomed an offer from ACAG’s executive director to share experiences in this area as part of ACAG’s corporate services sub-group.

Recommendation: The RWGEA encourages all ACAG and PASAI members to start or continue steps to green their offices and consider ways to reduce the environmental effect of their activities, noting that:

- the WGEA is developing training material on greening the SAI, which should be available in 2019;
- ACAG can share experiences in this area through the corporate services sub-group.

Environmental impact assessment

6 The group was encouraged to hear about a self-initiated environmental audit by the Cook Islands on the environmental impact assessment system for new developments and projects in the Cook Islands, and the findings and impact of the audit. The group noted the positive outcome of the Cook Islands involvement and learning from PASAI’s

² See <https://www.environmental-auditing.org/publication>.

CPA programme. Director of Audit Allen Parker outlined the challenges for his office in developing performance audit capacity and capability, especially with staff turnover.

Recommendation: The RWGEA continues to encourage other PASAI members to self-initiate environmental audits or do follow-up audits of the previous (CPA) environmental topics that they were involved in (for example, solid waste, drinking water, sustainable fisheries, and climate change adaptation).

Sustainable Development Goals (SDGs)

7 Nina Hall from the University of Queensland spoke about the Pacific region's main sustainability challenges (including climate, urbanisation, gender, health, and water) and linked those to one or more of the SDGs, revealing the system of links between the issues and the SDGs. Nina Hall also spoke about implementation of the SDGs, using *SDG 6: Clean water and sanitation* as an example, again noting the interlinkages between SDG 6 and other water-related goals, and between all 17 SDGs. Nina Hall's strong message was that the SDGs should not be considered in silos or using a list-based approach, because they are all linked. She also said that, although the SDGs involve goals (vision), targets (focus), and indicators (evaluation), the indicators do not necessarily cover all aspects of the targets.

Observation: A key issue for auditors is availability of data to monitor the indicators, noting that indicators might not be comprehensive. Auditors need to bear this in mind when assessing progress in implementing SDGs. Although audit work can focus on one or more goal, target, and indicator, it is always necessary to consider the interlinkages between them.

Co-operative performance audits on Strategic Development Goal preparedness

8 Thirteen PASAI members are doing a CPA on SDG preparedness, using guidance developed by the IDI and the United Nations that encourages a whole-of-government, multi-stakeholder approach. The PASAI chief executive updated the RWGEA on the audit criteria and approach, the involvement of regional partners, and preliminary findings. Four of the participating offices present at the meeting (Palau, Cook Islands, Fiji, and Tonga) shared their experiences with the group. They noted that the e-learning course and standard audit objectives were very helpful but that there were challenges with information overload, estimating the workload required for the audit, getting information from agencies, lack of baseline data, and a focus on outputs rather than outcomes.

Although it is early days, several key messages are emerging:

- Policies, plans, and reporting mechanisms for SDGs are in the early stages of development.

- Some countries have reviewed their national development plans and strategies to identify which SDGs are reflected and to identify which SDGs are likely to become a national priority.
- Some high-level co-ordinating committees have been established to oversee SDG implementation and report to government.
- Several national statistical offices are identifying gaps or inconsistencies in their current data sets.
- In many cases, neither additional funding sources to implement SDGs nor the capacities/resources to guide implementation have been identified yet.
- There is still little alignment between aspirational national development strategies and national budgets.

Other INTOSAI regions are also doing CPAs in this area. Regional findings will be presented to the United Nations and then fed into a compendium of global findings from all participating INTOSAI regions.

9 **The Audit Board of the Republic of Indonesia is also auditing SDG preparedness**, using innovative techniques such as a smartphone app to survey stakeholders and GPS analysis to help assess the “no-one left behind” aspect of SDGs, illustrated by studying maps of night-time electricity use in a region over time as a proxy for economic activity and development. The Indonesian SAI is doing this as part of a CPA on SDG preparedness that is being done in the ASOSAI region.

10 **Proposed global biodiversity audit** – The group heard about a proposal from Brazil’s Federal Court of Accounts for a global co-ordinated audit of protected natural areas/biodiversity in several INTOSAI regions. Some of the Australian offices have audits planned in this area.

Observation – A great opportunity for offices to have impact is through several INTOSAI regions conducting SDG-related audit work at the same time and consolidating regional reports into global findings. The PASAI co-operative audit on SDG preparedness, and the CPAs in other regions, will provide a useful platform for PASAI, ACAG, and the RWGEA to plan further audit work in this area to 2030 (the target date for implementation of the SDGs), including the environmentally focused SDGs. This could move beyond preparedness into implementation, achievements, and results/outcomes. Guidance being developed by the WGEA and due to be published in 2019 should assist ACAG and PASAI members with scoping work on SDGs from an environmental perspective. This could be a useful focus for the next RWGEA meeting.

Water and the marine environment

11 Elisa Nicholas (Executive Director, Office of the Great Barrier Reef) spoke about environmental challenges for the Great Barrier Reef and gave a client perspective on an audit of the management arrangements by the Queensland Audit Office. Other participants spoke about audits they had done on the marine environment, including marine parks and protecting coastal assets, and on drinking water or water infrastructure. New Zealand's Office of the Auditor-General outlined progress with its programme of work for 2017/18 focusing on water management. The discussions illustrated the breadth of the water topic, and the value that audits can add to managing this vital resource.

Observation – The group also noted that much of our region is ocean, and this might provide scope for co-operative audit work on the marine environment in the future.

Increasing capacity and capability through twinning

12 ACAG's executive director and PASAI's chief executive outlined some options for increasing capacity and capability through twinning and a proposed mentoring programme. They also shared some ideas about training needs for environmental auditing in the region. The ACAG executive director noted further opportunities for collaboration between ACAG, PASAI, and the RWGEA, including:

- making use of the material available on the ACAG intranet, including methodology, training materials, "round-ups" of each office's activities, and sample documents/templates;
- participating in training opportunities – introduction to performance auditing/emerging leaders (CCOLA – Canadian Council of Legislative Auditors); and
- using ACAG's external assessment questionnaire.

13 The RWGEA was pleased to see progress with the idea of a mentoring programme in ACAG and PASAI, which was a suggestion from the 2016 RWGEA meeting. The goals of the mentoring programme under development include networking, knowledge and skills transfer, career development, professional development, and situational guidance.

14 The RWGEA was also pleased to hear from participants about the active, mutually beneficial, twinning relationships between:

- Queensland and Vanuatu – with a memorandum of understanding signed during the RWGEA meeting;
- Tasmania and Fiji;

- New Zealand and Samoa/Cook Islands;
- New South Wales and the Solomon Islands; and
- ANAO and Papua New Guinea.

Stocktake of environmental auditing and training needs

15 Before the meeting, the RWGEA surveyed ACAG and PASAI members to take stock of environmental auditing activities and ask about barriers and training needs.

16 High-level results from the stocktake and survey include:

- A small number of offices have separate environmental audit teams or do environmental audits as part of their performance audit mandate.
- Several Australian offices and New Zealand regularly do environmental audits. Some ACAG and PASAI members do not do them.
- The PASAI members that have done environmental audits have largely done so only through PASAI's CPA programme.
- The Cook Islands is an exception, having self-initiated an audit of the environmental impact assessment process.
- Several ACAG and PASAI members are planning to do environmental audits during the next few years. Topics include climate change adaptation, waste disposal, renewable energy, follow-up audits on the PASAI CPA environmental audits, fisheries, environmental impact assessment, the environmentally focused SDGs, and water.
- There is interest in the region in doing CPAs on environmental topics in the future, including on the environmentally focused SDGs.
- Several PASAI members said that they would benefit from focused training in environmental auditing, including for beginners. That said, they would still need the capacity to do environmental audits once trained.
- Other barriers or challenges noted included report writing (the need for peer review of draft reports), availability of subject-matter experts, constrained resources, lack of current mandate, basic awareness and understanding of environmental issues, technical capacity in the office, and high staff turnover.
- Despite the challenges, there is a substantial appetite for environmental audit in PASAI (100%) – Pacific Island offices are keen to take up the challenge of environmental audit.

The way forward – recommendations from the survey to progress the idea of regional training for environmental audit

- PASAI/ACAG/RWGEA to jointly develop an environmental audit training programme specific to the identified needs of Pacific Island offices and relevant to the Pacific context, based on a needs analysis by PASAI of interested offices to ensure that the training programme is responsive to the offices' need for capacity development and drawing on WGEA guidance and training resources.³
- PASAI to develop a database of regional subject-matter experts.
- PASAI to enhance environmental audit findings by continuing with a programme of CPAs on environmental topics of relevance to the Pacific and its sub-regions (with a focus on SDGs), including a suggested “follow the money” cooperative audit to establish how efficiently and effectively donor funds are being used regionally – especially for promoting a move to renewable energy.

Evaluation and next meeting

- 17** The evaluation of the meeting showed that participants endorsed the value of RWGEA meetings for knowledge-sharing and capacity-building, and agreed that meeting about every two years is worthwhile and should continue.
- 18** The evaluation showed that the stand-out sessions were those featuring presenters from the Pacific, PASAI, and ACAG. These included Allen Parker's session on the Cook Islands environmental audit, the PASAI/ACAG session on capacity-building, and the PASAI participants' update on the co-operative audit on SDGs. The discussions about impact and audit tools and techniques also scored well.
- 19** Because of the interest from the membership in environmental auditing training, the next RWGEA could include a training aspect. This might be of benefit to more PASAI members and increase attendance.
- 20** The next meeting is due to be held in May 2020, in New South Wales. However, the Cook Islands might also be keen to host a meeting, and there would be value in

³ This includes subject-matter guidance (for example, auditing water issues, solid waste, fisheries, climate change, and biodiversity); the annual environmental auditing training course available through the International Centre for Environment and Sustainable Development (ICED) in Jaipur, India; the annual training on auditing forestry, including using GPS, provided by the SAI of Indonesia; and online environmental auditing training courses (Massive Open Online Course) – available from time to time through Estonia's National Audit Office and an Estonian university.

having the meeting in the Pacific. The RWGEA secretariat will discuss options with both offices.

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ACAG and PASAI have some communication tools that can help promote environmental auditing in the region. The RWGEA secretariat will endeavour to make use of these communication channels to keep members informed of WGEA developments, guidance and support, surveys, and training opportunities.

Regional Working Group on Environmental Auditing field trip to Queensland Parks and Wildlife Discovery Centre, Walkabout Creek, May 2018.

