



Outcomes of the 8<sup>th</sup> meeting of the ACAG/PASAI Regional Working Group on Environmental Auditing  
Held in Canberra, Australia, May 2014  
30 May 2014  
Regional Coordinator, Office of the Auditor-General of New Zealand

## Environmental auditing in the Pacific is building capacity and leading to improved environmental outcomes

- 1. Audience:** this communique is for members of the Pacific Association of Supreme Audit Institutions (PASAI) and the Australasian Council of Auditors-General (ACAG); PASAI stakeholders and supporters including the Asian Development Bank, the International Organisation of Supreme Audit Institutions (INTOSAI) Development Initiative, and INTOSAI's Working Group on Environmental Auditing (WGEA); New Zealand and Australian government agencies; and interested regional organisations in the Pacific.
- 2. This communique sets out:**
  - the main points from the 8<sup>th</sup> ACAG/PASAI Regional Working Group on Environmental Auditing (RWGEA) meeting;
  - a summary of key outcomes and recommendations to PASAI and ACAG members and the PASAI secretariat from the meeting; and
  - background information.
- 3. Main points from the 8th RWGEA meeting**

Environmental auditing has gone from strength to strength in the Pacific region under PASAI's cooperative performance audit (CPA) programme, with notable gains in performance audit capacity and improved environmental outcomes.

This finding came through strongly at the 8th ACAG/PASAI RWGEA meeting, held in Canberra, Australia in May 2014. Representatives from the Pacific audit offices of the Cook Islands, Fiji, Samoa and the Federated States of Micronesia shared their experiences as CPA participants with colleagues from Australia, New Zealand and Indonesia who in turn confirmed the importance of environmental auditing in their mandates and jurisdictions.

Participants were keen to see that gains from the CPA programme continue, and consider that environmental topics remain highly relevant for the Pacific region and worthy of continued focus and attention.

The meeting themes were auditing water, waste and climate change adaptation. Country and state updates confirmed that Pacific audit offices face the same issues and challenges as their Australian and New Zealand counterparts when conducting environmental audits, including: getting to grips with complex subjects; understanding and obtaining relevant environmental data; multi-agency involvement in environmental matters; and making the best use of experts.

The meeting had a strong capacity building aspect, with contributions from all participants and with representatives from the audit offices of Fiji, Samoa and the Federated States of Micronesia acting as rapporteurs for the theme-based sessions.

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.

A possible focus for the next RWGEA meeting is to consider the role of regulatory agencies in the environment sector, including compliance and enforcement. The meeting could also address how auditors can consider environmental matters in all their work, not just in environmental performance audits, as encouraged by the Australian Capital Territory Auditor-General.

## **4. Summary of outcomes and recommendations of the meeting**

### **4.1 Reflecting on what has been achieved and next steps, the RWGEA notes that:**

- the CPA programme has led to notable gains in performance audit capacity in participating audit offices, and follow up audits have demonstrated tangible environmental improvements in several cases;
- PASAI's immediate focus is on financial audit capability, but encourages PASAI Auditors-General to build on the gains of the CPA programme by continuing to support cooperative performance audits of environmental topics;
- the topics of solid waste management, water management, sustainable fisheries and climate change adaptation remain important environmental issues in the Pacific and deserve on-going and regular audit attention; and
- not all participants in the CPA program yet have the confidence to self-initiate environmental audits, but carrying out follow-up audits in the CPA topic areas is important for both continued capacity building and seeking improved environmental outcomes by checking on progress of responding to recommendations.

### **4.2 To build on the gains of the CPA programme, the RWGEA encourages PASAI members, with the support of the PASAI secretariat, to:**

- consider carrying out further environmental audit work in the CPA topic areas of solid waste management, water management, sustainable fisheries management and climate change adaptation;
- carry out follow up audits of CPA programme topic areas to assess progress against recommendations;
- focus on environmental impacts and outcomes rather than compliance, for greater effect;
- consider carrying out a further CPA on an environmental topic in the next two to three years; and
- consider carrying out co-ordinated audits on environmental and other topics (where one PASAI member leads an audit and shares methodology with others interested in the topic).

### **4.3 Noting the challenges involved in communicating regional messages, the RWGEA encourages PASAI members and the PASAI secretariat to:**

- consider how to further promote findings of regional overview reports of the CPA audits to appropriate regional and global audiences, including preparing and implementing a communications plan for each regional overview report and taking opportunities to promote the reports at relevant regional and WGEA events.

### **4.4 As a possible topic for a future CPA, the RWGEA recommends:**

- considering the capability of Pacific countries and territories to access international funding available for environmental issues such as climate change mitigation and adaptation, noting that this topic could involve both performance and financial audit.<sup>1</sup>

### **4.5 To further assist capacity building, the RWGEA encourages:**

- ACAG members to continue to support their Pacific colleagues through twinning arrangements, and the PASAI secretariat to work with ACAG to promote and support these arrangements;
- PASAI members to further support developing environmental auditing capacity in their staff by participating in RWGEA meetings and other training opportunities; and
- PASAI members to consider nominating staff to attend the training programme on "introduction to environmental audit", offered by the SAI of India and the WGEA in November 2014 at the international Centre for Environmental Audit and Sustainable Development (iCED) near Jaipur, India,<sup>2</sup> noting that it would be highly beneficial for a small group of PASAI representatives to attend the training session and that the PASAI secretariat could coordinate this.

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<sup>1</sup> The RWGEA could consider this topic further at its next meeting (planned for early May 2016) or sooner if the topic is supported.

<sup>2</sup> Invitation letters to the 2014 course were sent to all INTOSAI members in April 2014. Registration is on a 'first-come, first-served' basis, and the closing date is 31 August 2014. For more information please contact Ms Nameeta Prasad at [prasadN@cag.gov.in](mailto:prasadN@cag.gov.in) or [iced@cag.gov.in](mailto:iced@cag.gov.in)

## 5. Background information

### 5.1 ACAG/PASAI RWGEA

The ACAG/PASAI RWGEA was formed in 2001 and is one of six regional working groups of the INTOSAI WGEA. New Zealand is the regional coordinator of the RWGEA. The RWGEA has members from the Australian National Audit Office, Australian State Audit offices, Pacific Island Audit Offices, and the Office of the Auditor-General of New Zealand.

In line with the aims of the WGEA, the RWGEA seeks to develop the capability of participating offices to carry out audits on environmental topics in the Pacific region. Most recently, the RWGEA's focus has been on assisting with capacity building for environmental audits in Pacific Island audit offices by supporting PASAI's CPA programme.

### 5.2 The INTOSAI Working Group on Environmental Auditing<sup>3</sup>

The WGEA aims to improve the use of audit mandates and audit tools in the fields of environmental management and protection by all audit institutions. In particular, the WGEA encourages cooperative audits of cross border environmental issues and policies and the auditing of international environmental accords. The WGEA assists audit offices to better understand specific issues involved in environmental auditing by publishing research papers and guidance on environmental topics, and facilitates the exchange of information and experience among audit offices.

### 5.3 The PASAI cooperative performance audit programme

Since 2009, Pacific audit offices have carried out five cooperative audits under PASAI's CPA programme. The CPA programme began as part of the Pacific Regional Audit Initiative, and has had on-going support from the Asian Development Bank, the INTOSAI Development Initiative, the Australian and New Zealand governments, the RWGEA, and for the most recent CPA the Victorian Auditor-General's Office.

PASAI auditors-general decided to initially focus on environmental topics under the CPA programme, and the first four CPAs were in the environmental area. The fifth CPA was on a financial topic – public debt management.

Seventy six staff from 16 audit offices have taken part in CPAs on the topics of solid waste management, access to safe drinking water, sustainable tuna fisheries management and climate change adaptation and disaster risk recovery. Regional overview reports have been prepared on the outcomes of the first three CPA topics.<sup>4</sup> A regional overview report on the most recent topic – climate change adaptation and disaster risk recovery – will be presented to the PASAI congress in August 2014.

### Further information

For further information please contact the ACAG/PASAI RWGEA coordinator Jonathan Keate, Office of the Auditor-General of New Zealand at [jonathan.keate@oag.govt.nz](mailto:jonathan.keate@oag.govt.nz)



<sup>3</sup> See <http://www.environmental-auditing.org/>

<sup>4</sup> Regional overview reports are available at the PASAI website [www.pasai.org](http://www.pasai.org)