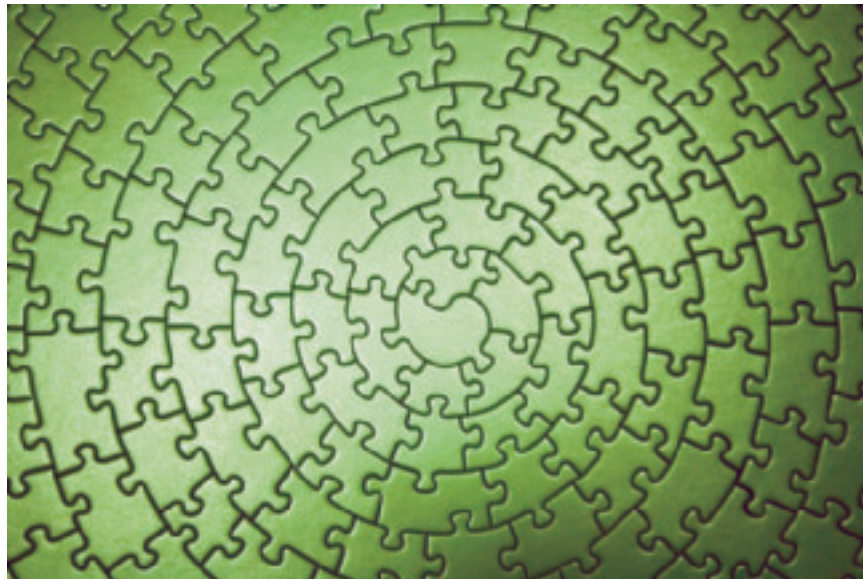


Cooperation Between Supreme Audit Institutions

Tips and Examples for
Cooperative Audits



INTOSAI
Working Group on
Environmental Auditing

Cooperation Between Supreme Audit Institutions

Tips and Examples for Cooperative Audits

November 2007

This publication was prepared by the INTOSAI Working Group on Environmental Auditing (WGEA). The WGEA aims to encourage the use of audit mandates and audit methods in the field of environmental protection and sustainable development by Supreme Audit Institutions (SAIs). The WGEA has the mandate to

- help SAIs gain a better understanding of the specific environmental auditing issues,
- facilitate exchange of information and experiences among SAIs, and
- publish guidelines and other informative material.

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Acronyms and Abbreviations

Bonn Convention	Convention on the Conservation of Migratory Species of Wild Animals
EUROSAI	European Organisation of Supreme Audit Institutions
HELCOM	Helsinki Commission (Baltic Marine Environment Protection Commission)
Helsinki Convention	Convention on the Protection of the Marine Environment of the Baltic Sea Area
INTOSAI	International Organisation of Supreme Audit Institutions
ISPA	Instrument for Structural Policies for Pre-Accession (European Union)
MARPOL Convention	International Convention for the Prevention of Pollution from Ships
MERCOSUR	Mercado Común del Sur (Southern Common Market). Members: Argentina, Brazil, Paraguay, Uruguay, and Venezuela.
OPRC	International Convention on Oil Pollution Preparedness, Response and Co-operation
OSPAR Convention	Convention for the Protection of the Marine Environment of the North-East Atlantic. It combined and updated the 1972 Oslo Convention on dumping of waste at sea and the 1974 Paris Convention on land-based sources of marine pollution.
PHARE	Poland and Hungary: Assistance for Restructuring Their Economies
SADCOSAI	Southern African Development Community Organisation of Supreme Audit Institutions
SAI	Supreme Audit Institution
WGEA	Working Group on Environmental Auditing (INTOSAI)

Foreword

Cooperation between Supreme Audit Institutions (SAIs) in conducting environmental audits has become more and more common in recent years for good reason: There are many benefits, for both the institutions and the environment. For the institutions, cooperative audits facilitate mutual sharing and learning, capacity building, networking, and identification of best practices. For the environment, many environmental problems transcend political boundaries. Thus, combining forces through cooperative environmental audits allows SAIs to take a broader view of the situation, to consider the various upstream and downstream impacts of domestic actions, and to benchmark best practices.

There are many models of and approaches to cooperative audits. They are applicable to a variety of situations, including the audit of international and regional environmental agreements, of shared physical resources (for example, watersheds), and of shared environmental problems (for example, domestic waste management). SAIs now have gained considerable experience in what works, what doesn't work, and how best to ensure success.

The paper entitled *Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits* responds to the ongoing demand for information and ideas on how to make cooperation work effectively. Reflecting the real-world experience of practitioners from some 29 SAIs, the paper provides practical advice and tips through each phase of the audit cycle. While the examples in this paper are drawn from cooperative environmental audits, the tips have been generalized to make them broadly applicable to cooperative audits of any topic and perhaps also to cooperation with local or regional audit institutions. Tip 1 Communicate! is essential advice that readers will find reiterated throughout the paper.

This paper was co-led by the Supreme Chamber of Control of the Republic of Poland and The Netherlands Court of Audit. In particular, I would like to thank Rob de Bakker and Arien Bles-Booij from the Netherlands and Ewa Borkowska-Domanska and Monika Skrzypiec from Poland for all of their hard work and efforts in preparing this document. My thanks also goes to the many other organizations and individuals who contributed to this paper (see Acknowledgments). I believe this paper will facilitate future cooperation between SAIs and enhance the effectiveness of their initiatives.

Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits is one of four guidance papers developed by the INTOSAI Working Group on Environmental Auditing (WGEA) in the Work Plan period 2005–2007. The other three papers are

- *Evolution and Trends in Environmental Auditing*,
- *Auditing Biodiversity: Guidance for Supreme Audit Institutions*, and
- *The World Summit on Sustainable Development: An Audit Guide for Supreme Audit Institutions*.

Readers are encouraged to consult these papers as well as Appendix 4 of this paper for information on other WGEA products and services.

Enjoy!



Sheila Fraser
INTOSAI WGEA Chair

Executive Summary

This paper contains tips for audits in which two or more Supreme Audit Institutions (SAIs) cooperate (cooperative audits). The tips are illustrated with examples from recent experiences in environmental audits but are abstracted from the content to make them more broadly applicable. The following is a list of tips on cooperation that are discussed in more detail in the paper. The first tip, “Communicate!,” applies to all audit phases and is regarded as the most important tip of all.

Throughout All Audit Phases

TIP 1 *Communicate!*

Preparing the Audit

Preliminary

- TIP 2 *Get general consensus on the mutual desire to cooperate and the topics to be audited.*
- TIP 3 *From the very beginning, get (and keep) commitment at the highest level within the SAI (auditor general or president and board of auditors).*
- TIP 4 *Take time to get acquainted with each other and discuss how to deal with differences—for example in mandate, legislation and rules, procedures, and work habits.*

Form of cooperation, coordinator, desired product, planning and other practical matters

- TIP 5 *Determine the form of cooperation.*
- TIP 6 *Decide about coordinator and tasks.*
- TIP 7 *Determine the audit approach.*
- TIP 8 *Determine the desired product.*
- TIP 9 *Make a detailed timetable, taking into account time-consuming procedures.*
- TIP 10 *Reserve more resources (time, money, personnel) than you would for national audits.*
- TIP 11 *Decide about remaining practical matters.*
- TIP 12 *If you believe it is not going to work—stop it!*

Formal agreement

- TIP 13 *At a minimum, get formal agreement about the form of cooperation, the timetable, the possible differences in audit approach, and the desired product.*

Conducting the Audit

Organization of the audit process

TIP 14 *Conduct the audits simultaneously to the extent possible.*

TIP 15 *Exchange audit experiences and findings during the audit.*

TIP 16 *Consider joint field trips and joint interviews; these can be worthwhile.*

Reporting the Audit

Type and content of the report

TIP 17 *Choose the type of reporting that best fits your purpose(s). Develop a joint report only if it adds value.*

TIP 18 *Once you know the audit results, again consider the type of report you decided on earlier.*

TIP 19 *When you have decided to develop an joint report, make a final decision about which elements to include.*

Publication and distribution

TIP 20 *Choose the right time for publication of the joint report.*

TIP 21 *If the final products of a cooperative audit are national reports, try to arrange for their tabling within a reasonably short period. This will increase their impact and newsworthiness.*

TIP 22 *Determine the distribution of the report in accordance with its planned purpose and the audit outcome (findings, conclusions, and recommendations).*

Introduction

Structure of document

The tips in this paper follow the sequence of the audit process. The preparation phase is regarded as the most important, especially in a cooperative audit. In this phase, expectations and possibilities are explored and matched, and major decisions are made. The background of some of these decisions is discussed in more detail in chapters “Conducting the audit” and “Reporting the audit.” The most important over-arching tip about communication is discussed separately in the preceding chapter “Throughout All Audit Phases.” The tips are illustrated with examples from recent experiences in environmental audits but are abstracted from the content to make them more broadly applicable.

Types of cooperative audits

Cooperative audits are audits in which two or more audit institutions are involved. This paper specifically examines cooperative audits conducted by Supreme Audit Institutions (SAIs). The audits can be divided into three types: joint, concurrent (or parallel), and coordinated audits.¹ (Exhibit 1)

- **Joint audit:** An audit conducted by one audit team composed of auditors from two or more SAIs, who prepare a single, joint audit report for publication in all participating countries. In practice, joint audits are rare.
- **Concurrent (or parallel) audit:** An audit conducted more or less simultaneously by two or more SAIs, but with a separate audit team from each SAI reporting only to its own legislature or government, and only on the observations and/or conclusions pertaining to its own country. This implies that the participating SAIs may each adopt a different audit approach (scope, questions, methods) suited to national needs and preferences. Information exchange is the most important aspect of this form of cooperation.
- **Coordinated audit:** Any form of cooperation between joint and concurrent audits. In a coordinated audit, participating SAIs at least coordinate or harmonize their audit approaches in some way, but differences between countries are possible. It can be a joint audit with separate reports; more commonly it is a concurrent audit with a joint audit report in addition to separate national reports.

¹ See *How SAIs may co-operate on the audit of international environmental accords*, INTOSAI, 1998.

Exhibit 1: Characteristics of the types of cooperative audits

	Type of audit		
	Joint audit	Coordinated audit	Concurrent (or parallel) audit
Team	Joint audit team	National audit team per SAI with some coordination structure	National audit team per SAI
Audit approach (scope, questions, methods)	Identical for all participating SAIs	Coordinated/ harmonized to some degree, but differences between SAIs are possible	Chosen independently by each SAI
Report	Joint audit report only	National reports and/or joint audit report	National reports only

In practice, the three types of cooperative audits are not strictly separate. The degree of cooperation may vary along a continuum from joint audits (the closest form of cooperation) to concurrent or parallel audits (the loosest form of cooperation).

Applicability of tips and examples

The tips in this paper are intended to facilitate cooperation in the broadest sense. They have therefore been abstracted from their background, although the examples are taken from environmental audits. The tips might also be useful for cooperation with or between local and/or regional audit institutions.

Most of the tips presented in the paper can be applied to all types of cooperative audits: joint, coordinated, and concurrent (or parallel) audits. Some tips are differentiated for the various types of audit; other tips concern one specific type.

Throughout the paper we have used as reference the most common type of audit, which is the coordinated audit either with or without a joint report. The tips on the conducting phase, for example, particularly concern coordinated and concurrent audits since audit execution with a joint team is assumed to be a relatively normal process.

Throughout All Audit Phases

Communication

Good communication is considered the most important factor for a successful cooperative audit. This applies to the whole audit process, from preparing through conducting to reporting. The importance of communication is emphasized by the following overall tip:

➤ TIP 1 *Communicate!*

Communicate during all phases of the audit and communicate as informally as possible. Personal and especially face-to-face contact is essential for good communication. Hold a kick-off meeting where all participants can meet in person; this will make future contacts easier. Use all possible methods of communicating, such as meetings, e-mail, telephone, and video conferencing. Try to avoid personnel changes within teams.

Meetings are typically organized at milestones (see Tip 9) in the preparation phase, during the audit itself, in the reporting phase, and sometimes after the completion of the audit. Recent cooperative audits have averaged about four meetings during the entire audit process.² In general, this number is considered adequate, but it may be higher or lower depending on the circumstances. Detailed minutes of working meetings are useful.

The following chapters discuss in more detail the topics to communicate about.

Example 1.1 Communication during each audit phase

The Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR Convention)³ was the subject of an audit prepared and conducted from March 1998 to June 2000. The Supreme Audit Institutions (SAIs) of Denmark, Iceland, and Norway organized a total of five meetings during the audit. The purpose of the first and second meetings was to *plan* the national audits; the third meeting was held to discuss each country's *main analysis* and establish an *agreement* on cooperation. The fourth meeting focussed on *methods* and *preliminary findings*, and the final meeting discussed *observations* and *conclusions* from the national audits. During the audit, the SAIs exchanged information mostly by e-mail, including questionnaires, audit plans, preliminary reports, and general information.⁴

Example 1.2 Ongoing contact

In all cooperation projects of the Austrian Rechnungshof there was ongoing contact with audit managers of the SAIs of other countries involved. In addition, auditors dealing with the same matters discussed upcoming problems directly and informally. Heads of institutions were involved at the beginning and end of the projects. During the reporting phase, one to three meetings were usually held to agree on the final joint text and format.

² For example two meetings in the preparation phase, one in the conducting phase and one in the reporting phase.

³ <http://www.ospar.org>

⁴ For a full list of examples of audits please see Appendix 1.

Example 1.3 Various forms of communication

In their audit on invasive species, the SAIs of Canada and the United States used various forms of communication. These included

- one key initial meeting in each country;
- meetings at key stages of the audit process, with officials from each SAI invited to participate instead of holding separate meetings on collaboration;
- several teleconferences; and
- less formal phone calls and e-mails.

Example 1.4 Joint work sessions to improve audit design and results

In their audit assessing the management of La Amistad International Park, the SAIs of Costa Rica and Panama organized joint work sessions for their audit teams, as well as workshops with independent experts on protected areas. This resulted in improvements in the audit design and the understanding of selected indicators. To validate the results in accordance with the selected audit method and to strengthen the findings, the SAIs held joint work sessions in both countries.

Example 1.5 Meetings to decide about the final product

In 2005 the SAIs of the Czech Republic and Austria conducted an international audit on “Implementation of Tasks Related to Environmental Projects and Measures in the Thaya River Basin.” Two meetings were organized during the reporting phase. At the first meeting, participants formulated four common recommendations and decided on the content of the report. At the second meeting, they agreed on the format and layout.

Preparing the Audit

The preparation phase of a cooperative audit is generally considered the most crucial phase. If the audit is well prepared, the rest of the audit should be “business as usual,” as a representative of one Supreme Audit Institution (SAI) remarked, underlining the importance of good preparation.

Cooperative audits generally start in one of two ways:

- With partners: Two or more SAIs decide to undertake a cooperative audit and start looking for an interesting topic together.
- With a topic: A topic interests two or more SAIs, which decide to undertake a cooperative audit.

Both approaches may lead to satisfying results.

This chapter inevitably overlaps to some extent with chapters “Conducting the Audit” and “Reporting the Audit.” This is because in the preparation phase decisions have to be made concerning the later phases of the audit. The specific background of these decisions will be discussed in the appropriate chapters.

Preliminary

➤ **TIP 2** *Get general consensus on the mutual desire to cooperate and the topics to be audited.*

Choose a topic that is of interest to all SAIs involved. An example might be the implementation of international (environmental) accords, use of foreign aid funds, or cross-border issues. Common interests can best be identified through personal contacts between staff of different SAIs; international meetings (for example, of INTOSAI) have proved to be useful for this purpose.

For SAIs of countries sharing a border, transboundary issues make very suitable audit topics. Examples are cross-border air pollution, the transboundary movement of hazardous waste, invasive species, or shared nature areas. The criteria used to assess a topic’s suitability could include

- the significance of the topic—for example, the amount of money involved, or the relative environmental or public health risk;
- inherent transnational aspects;
- the importance of the topic—the public and political interest, the usefulness of the end product, and the expected benefits;
- the existence of earlier audits on the topic;
- the exact definition of the topic;
- the potential effects on relationships between the SAIs and between the countries;
- the extent to which coordinated work on the issue would help build a relationship between the SAIs; and
- the capacity and willingness of each SAI to work on the issue—timing, knowledge base or competency, and general feasibility.

Cooperative audits starting with partners that search for a topic

Example 2.1

To initiate their cooperation together, officials from the SAIs of Canada and the United States first met and discussed a list of approximately 20 potential audit subjects. Later each audit office ranked 5 of the topics by assessing them against a series of criteria and assigning scores. The two SAIs each used their own criteria for the analysis. Based on these analyses, the two SAIs agreed to cooperate on an audit of aquatic invasive species.

Example 2.2

The SAIs of Peru and Brazil chose to conduct an audit on Peru's Alexander von Humboldt National Forest (shared forest areas in the Amazon). The mutual interest in cooperation was already clear before the topic was chosen.

Cooperative audits starting with a topic that interests potential partners

Example 2.3

The Southern African Development Community's Organisation of Supreme Audit Institutions (SADCOSAI)⁵ initiated a pilot parallel audit on infrastructure maintenance in the supply of water to urban areas. The audit topics were chosen through discussion of common problems.

Example 2.4

Poland's Supreme Chamber of Control proposed to the nine Baltic Sea countries a choice of six articles from the Convention on the Protection of the Marine Environment of the Baltic Sea Area (the Helsinki Convention)⁶ as possible subjects for a cooperative audit. After six months of exchanging letters, the countries' SAIs agreed on the scope of the audit.

➤ **TIP 3** ***From the very beginning, get (and keep) commitment at the highest level within the SAI (auditor general or president and board of auditors).***

Commitment of the auditor general or president and board of auditors is crucial for a successful cooperative audit. A cooperative audit generally has lengthy timelines, making it very important to stick to the timetable in the international agreement on audit cooperation. The cooperative audit must have the ability to survive internal competition within the SAI structure. The best guarantee of its survival is support from the auditor general, which encourages commitment at lower organizational levels as well. The support may be reinforced by including the audit in the SAI's annual work plan.

⁵ <http://www.afrosai-e.org.za>

⁶ <http://www.helcom.fi>

Example 3.1 Get and keep top management of SAIs involved

During a personal meeting the Auditor General of the National Audit Office of the People's Republic of China (CNAO) and the Chairman of the Board of Audit and Inspection of the Democratic People Republic of Korea (BAI) reached consensus about a cooperative audit on dust and sandstorms prevention projects. After this principal agreement, the top management of both CNAO and BAI remained deeply involved in all phases of the audit, largely through expressing concerns and offering guidance.

➤ **TIP 4** *Take time to get acquainted with each other and discuss how to deal with differences—for example, in mandate, legislation and rules, procedures, and work habits.*

Cooperation yields the best results when participating SAIs understand each other. To cooperate successfully, SAIs need to know about each others' capacities and limitations. Good mutual understanding makes it possible to design an optimal form of cooperation.

Consider possibilities for audit approaches adapted to country-specific circumstances. These approaches will potentially increase the value of the audit for the participating countries and do justice to the differences between countries (legislation, organizational structure) and between SAIs.

Example 4.1 Matching schedules

The SAIs of Austria, the Czech Republic, Hungary, and Slovenia conducted a number of coordinated audits. At their first meetings, each SAI explained its mandate, rules, and methods of submitting reports. The result was that project schedules took into account the differences between the organizations, enabling everyone to match deadlines at the agreed milestones.

Example 4.2 Establishing a common basis

During the parallel audit of reinvestments in the Lötschberg Base Tunnel and the Szekszárd Danube Bridge, the SAIs of Switzerland and Hungary each proposed different audit strategies and approaches. This enabled them to arrive at a basis for the joint programme.

Example 4.3 Combining different approaches

The SAIs of the Czech Republic and Austria undertook a parallel audit on biodiversity. The Czech Supreme Audit Office was mandated to focus on financial flows into the audit area; the Austrian Rechnungshof was mandated to audit the implementation of the UN Convention on Biological Diversity and agreements directly. The difference in approach necessitated the writing of separate national reports, but extracts from these were put into a joint report. This focused on such matters as environmental problems caused by one state but occurring in the other; it also provided joint recommendations.

Form of cooperation, coordinator, desired product, and practical matters

➤ TIP 5 *Determine the form of cooperation.*

The choice between a joint, coordinated, or concurrent (or parallel) audit can depend on the reasons for cooperation, the audit topic, or practical circumstances—for example, mandate, or available time and money. Determine also whether the project requires a joint audit team or separate national teams. Coordinated audits with separate national teams are most common.

➤ TIP 6 *Decide about coordinator and tasks.*

All participating SAIs should be committed to making the audit a success, but it may be advisable to let one SAI or a group of SAIs coordinate certain activities—for example, production of the audit design, formal agreement, meetings, and the writing of a possible joint report and its translation, printing, and dissemination. In short, determine which SAI will be coordinator and what are its responsibilities.

Example 6.1 Coordinator's responsibilities

In the parallel audit conducted by the SAIs of the Czech Republic and Austria on environmental projects and measures in the Thaya River basin, the coordinator compiling the joint report was responsible for

- making an outline preparing abstracts from the national reports,
- organizing the exchange of extracts of national reports, and
- organizing the final meeting in the reporting phase.

Example 6.2 Division of tasks

The National Audit Office of Denmark coordinated an audit on “Implementation of Provisions of the Helsinki Convention on the Protection of the Marine Environment of the Baltic Sea Area—Pollution from ships.” Each participating SAI was responsible for developing a different part of the final joint report. The result was that all participating SAIs felt that they had shared authorship of the report and were jointly responsible for its success. They consequently became more committed to the proper development of their national reports and to performance of the audit.

➤ TIP 7 *Determine the audit approach.*

Individual SAIs may prefer various audit approaches (scope, audit questions, criteria, or methods). Decide what will be the common framework for your cooperative audit and which elements each SAI will develop separately.

Experience shows that audits with overly complex and extensive common elements have less chance of succeeding. Limited and unambiguous joint audit questions often deliver the best comparable results.

Example 7.1 Common audit approach

The SAIs of Denmark, Iceland, and Norway agreed to audit a section of the OSPAR Convention. They started with the same audit approach. However, each SAI later made adjustments, giving rise to differences in the scope and methods adopted by each.

The OSPAR Convention does not have strict obligations but states general requirements for the systems that are to be implemented. The flexibility leaves national governments relatively free to interpret the Convention within each country. The text of the SAIs' agreement on cooperation was not generally used or adhered to when the audits were conducted.

Example 7.2 Pre-study memo

The use of a pre-study memo is a standard tool on the AFROSAI-E community. Each SAI carries out a pre-study individually, following the pre-study memo format (see the example in Appendix 3). The results are the basis for the common audit approach. This has the advantage of consolidating the audit planning aspects into one document and providing criteria for evaluating the audit execution.

If one of the aims of the audit is to compare participating countries' government mechanisms, it is important to have common assessment criteria and comparable data.

Precise definitions aid in data comparison. Data may be difficult to compare because the partners have used different statistical and analytical methods (for example, to examine air or water quality) or different measurements (for example, tonnes or cubic metres for amounts of waste collected).

➤ TIP 8 *Determine the desired product.*

During the preparation phase, participants should decide on the desired product—a joint audit report, separate national reports, or both (see Tip 17)—because the type of product largely determines the extent to which the audit process has to be coordinated. Joint reports need more coordination than separate national reports. Depending on the desired product, activities can be planned, tasks can be divided, and information requirements can be determined.

Experience has shown that unless this is done before the audit, it might be difficult to produce a joint report and impossible to make comparisons or reach common conclusions (see Tip 18).

Example 8.1 Determining the desired product

The SAIs of Denmark, Estonia, Finland, Latvia, Lithuania, Poland, the Russian Federation, and Sweden together conducted the first audit on implementation of the Helsinki Convention. At the beginning of the audit, they signed an agreement stating the following points:

- Within the term specified, each SAI would report on the most important audit findings in the form of an abstract of its national report, to be approximately 10 pages in length.
- The joint audit report developed within the agreed time would contain the abstracts of the national reports and a general description.
- The joint audit report would be distributed among cooperating SAIs and submitted to their presidents for acceptance.

National reports are prepared according to national reporting regulations and guidelines. Each SAI has its own standard report structure. Moreover, the scope of audits conducted by individual SAIs may vary. Some countries may adopt a broader scope than the joint scope of the SAIs participating in the cooperative audit.

When a joint report is desired, abstracts of national audit reports can serve as the basis for this joint report. It is advisable to determine in advance the format and scope of the abstracts of the national report. This will make it easier to compare findings and compile national reports in the reporting phase, while ensuring that individual SAIs have the flexibility needed to prepare their national reports.

Example 8.2 Standardized audit file can be useful

A pilot audit on solid waste management in local government within Ghana, Kenya, Ethiopia, South Africa, and Mauritius was undertaken with an audit file including standardized planning, audit tests, and potential findings. The onus was on the audit teams (after joint planning) to obtain the relevant evidence to support the findings. This has the advantage of assisting SAIs whose capacity may be lower to undertake audits.

➤ TIP 9 *Make a detailed timetable, taking into account time-consuming procedures.*

Potentially time-consuming national planning procedures are an important factor that must be taken into account. Sometimes a year or more will elapse from the end of the preliminary study to the start of the audit because of the planning and clearance procedures of individual SAIs. The audit itself may be less time-consuming than these procedures. The outcome of the planning process should be specified in a detailed timetable that lists all the milestones, including the audit start and finish dates (see Tip 14). Other general audit milestones might be

- agreement and signing of a common position on cooperation,
- development of national audit programmes,
- completion of national audits,

- drafting of national audit reports and their abstracts, and
- drafting and adoption of the joint audit report.

The cooperating SAIs may identify more intermediate milestones.

Clearly defined milestones—including those for exchange of information in all phases—should be included in the audit schedule, along with specified dates. Appendix 2 contains an example of a detailed timetable.

➤ **TIP 10** *Reserve more resources (time, money, personnel) than you would for national audits.*

International cooperation may demand substantially more resources than national audits. This is largely due to the work involved in finding audit partners and fine-tuning procedures, audit results, and a joint report if one is planned. Preparing a joint report requires significant financial and organizational effort, although the amount of effort varies greatly according to the type of report (see the chapter “Reporting the Audit”). Also to be taken into account are the extra material costs involved in cooperation—for example, for meetings, travel, translation, and reproduction and distribution of joint reports.

➤ **TIP 11** *Decide about remaining practical matters.*

Apart from the resources and timetable, following are the most important practical matters to be discussed and decided:

- composition of audit team(s) (the teams should be in place for the entire period of the audit cooperation);
- exchange of data during the audit process (see Tip 15);
- possibilities of sharing confidential information and document among SAIs (many SAIs by law or regulation have the right to access the documents and information, but not for sharing the information to the others including others SAI(s));
- type and form of comparative data to be collected for inclusion in the joint report (the data should be defined very precisely (see Tip 19)); and
- language(s) and layout of the report draft(s) and final document(s).

➤ **TIP 12** *If you believe it is not going to work—stop it!*

Before reaching a formal agreement to conduct a cooperative audit, the SAIs should explicitly consider the project one more time. If it is evident that the goals cannot be achieved—perhaps because of insuperable differences between the parties—it might be wise not to proceed. In some cases, SAIs have reached this conclusion earlier in the preparation process.

Example 12.1 Decision to stop during pre-study

For the AFROSAI-E⁷ parallel audit on the maintenance of water infrastructure in rural areas, each of the audit partners (the SAIs of Botswana, Lesotho, and Zimbabwe and one other SAI) carried out a pre-study of the possibilities of the cooperation. At the end of this pre-study phase, the other SAI decided that the costs of carrying out the audit would outweigh the benefits or value adding from conducting the audit. After a preliminary evaluation, the issue was being managed within the SAI, within the capacity constraints on a reasonable basis.

Formal agreement

➤ **TIP 13** *At a minimum, get formal agreement about the form of cooperation, the timetable, the possible differences in audit approach, and the desired product.*

It is recommended to close the preparation phase of the cooperative audit by signing a formal agreement on the main aspects of agreed cooperation. This agreement is often called a common position on cooperation (see Appendix 2) and is signed by representatives authorized by each SAI's auditor general or president.

Example 13.1 Formal agreement with main audit assumptions

The main arrangements of the audit of the Danube River Protection Convention were set out in a “common position on cooperation,” signed by representatives of all the SAIs involved—Bulgaria, Croatia, Romania, the Slovak Republic, and Slovenia. Attached to the agreement were assumptions of the audit programme, containing the audit objectives and scope, audit period, schedule, and main questions and tasks.

⁷ <http://www.afrosai-e.org.za>

Conducting the Audit

In practice, a cooperative audit is generally organized with each country's Supreme Audit Institution (SAI) conducting its own national part of the audit. Joint audit teams are rare and joint audits are established only when circumstances warrant—for example, when several countries invest in an international fund. A joint team may encounter difficulties, but during the audit it tends to act like a regular audit team. The tips in this chapter therefore concern cooperation between separate national teams in coordinated and parallel audits.

Organization of the audit process

➤ TIP 14 *Conduct the audits simultaneously to the extent possible.*

Conducting the audits simultaneously maximizes opportunities for exchanging experiences and audit findings during the audit, and finding common solutions to difficulties. Another advantage of simultaneous audit is that all parts of the audit refer to the same period, making the results easier to compare. Simultaneous audit is therefore especially recommended if a joint report is planned. In all cases, good preparation is essential for successful simultaneous audits.

Experience shows that SAIs may have more opportunity to participate if some flexibility is allowed—for example, spreading the audit phases over a longer period or choosing milestones in a way that helps participants to meet deadlines (see also Tip 9).

Example 14.1 Conducting the audits sequentially complicates comparability and exchange of experiences

For an audit of the International Convention for the Prevention of Pollution from Ships (the MARPOL Convention),⁸ SAIs of four interested countries met to discuss the project, but only two decided to participate: the Netherlands Court of Audit and the U.K. National Audit Office (NAO). The NAO had already covered some of the audit topics in a previous audit and both SAIs' teams were available at once. They therefore decided to start the audit but invite other European SAIs to join them. Eventually the SAIs of Cyprus, Greece, Italy, Malta, and Turkey accepted the invitation. They were able to use an extensive framework of audit standards, questions, and methodology developed by the first two participants. However, it was difficult to compare the audit results because they became available during a lengthy period (2001 to 2005). Moreover, because of the time lag between audits it was not always possible to share experiences. The audit process could be characterized as coordinated rather than parallel, with participants mostly working separately.

⁸ <http://www.imo.org>

➤ **TIP 15** *Exchange audit experiences and findings during the audit.*

It is useful to discuss findings and conclusions with the other SAIs during the audit process. Exchanges will allow cross-references between reports to be more informative and may facilitate mutually supportive observations. Exchanges should be kept to a general level, where differences between countries need not impinge. Meetings and other exchanges can also be used to solve problems, maintain a common approach, and keep the audit process on track.

➤ **TIP 16** *Consider joint field trips and joint interview; these can be worthwhile.*

Joint fieldwork can strengthen the common framework, team spirit, and participants' understanding of each other's auditing practices. This tip applies if participants are auditing the same entity, such as an international commission or an international management structure. It can also be worthwhile for participants to join in each other's national activities. Joint fieldwork is really feasible in instances of bilateral cooperation, where there are no language or organizational barriers (see also Tip 1).

Example 16.1 Joint field visits strengthen personal relations and common vision

The SAIs of Canada and the United States conducted several field visits together during their audit of invasive species. They jointly undertook interviews at the US Maritime Administration, the Smithsonian Institution (which conducted research on ballast water), the offices of several federal and non-governmental organizations in both countries, the Canada–US International Boundary Commission, and a university. Both SAIs described their cooperation as a great success, substantively and in fostering personal contacts and mutual understanding.

Example 16.2 Joint field visits give a better view of the audit subject

During the audit of environmental projects and measures in the Thaya River basin by the SAIs of Austria and the Czech Republic, representatives of the audit teams went to the audited national park in the Czech Republic. Their aim was to get an overview on-site, exchange information, and discuss problems they had encountered.

Reporting the Audit

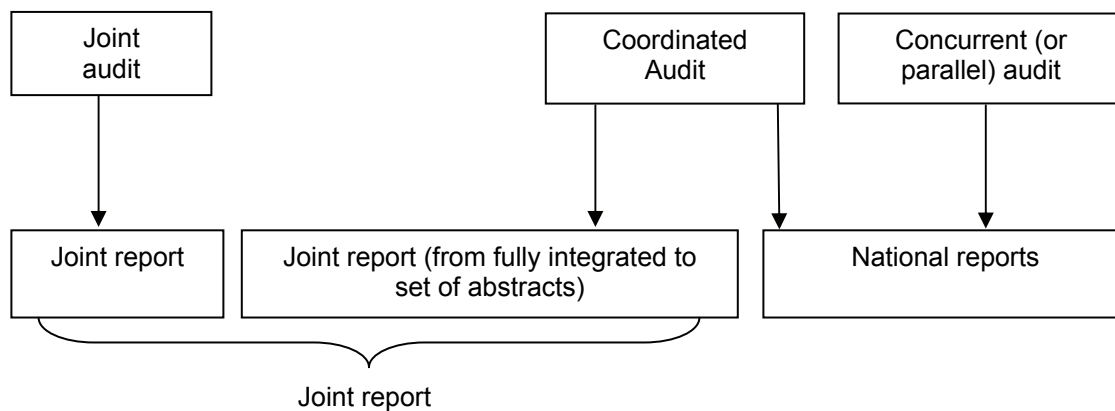
Many choices that ultimately concern the reporting phase have to be made while preparing the audit. These decisions are therefore mentioned in the chapter “Preparing the Audit”—for example, in Tip 9. The present chapter contains more background about the decisions and tips that could be useful during the reporting phase itself.

Type and content of the report

- **TIP 17** *Choose the type of reporting that best fits your purpose(s). Develop a joint report if there is added value.*

Cooperative audits generally result in two types of products: *national reports* and *joint reports*. Joint audits produce only joint reports (Exhibit 2). Coordinated audits can produce separate national reports and/or a joint report with different degrees of integration. Concurrent (or parallel) audits produce only national reports.

Exhibit 2: Possible types of report



National reports

Cooperative audits most commonly produce national reports. Many have produced no other type of report. Sometimes Supreme Audit Institutions (SAIs) incorporate the findings of other participating SAIs in their national reports; this allows them to enhance their conclusions while avoiding time-consuming clearance procedures. National reports may be published separately or serve as input for a joint report.

If national reports are the only products of a cooperative audit, the partners exchange their reports. Auditor Generals or presidents of cooperating SAIs sometimes sign a final communiqué.

Example 17.1 Incorporating other SAIs' findings in a national report

For an audit of Austria's environmental grants abroad, the national report included the findings of the Hungarian State Audit Office in an appendix. The information contained in this appendix was not previously available to stakeholders in Austria.

Example 17.2 Joint recommendations in separate national reports

For their coordinated audit on environmental projects and measures in the Thaya River basin, the SAIs of Austria and the Czech Republic published separate national reports containing joint conclusions and recommendations. One recommendation was to take into consideration the negative impact of the Vranov hydroelectric plant's water regime when issuing new permissions for the plant's water management system and its operation. Another recommendation was that the ministries concerned introduce a system for Austria to co-finance environmental projects in the Czech Republic. This would enable the Czech Ministry of Environment to set priorities for use of the funds.

Joint reports

A joint report may be the product of a joint audit or a coordinated audit. As mentioned earlier, joint audits are rare. When deciding to develop a joint report of a coordinated audit, the participants should carefully consider the purpose or added value of such a joint report. A good reason for writing a joint report may be the powerful message delivered by the presentation of common findings and conclusions. Furthermore, a joint report can

- spur national governments to take preventive and corrective action,
- offer a comprehensive view that promotes joint action by the countries involved to address the problem,
- inform international organizations and encourage them to take appropriate action,
- increase public awareness,
- foster knowledge exchange by presenting best practices and experiences, and
- promote cooperation between SAIs.

In a joint report, the degree of integration may vary. The minimum is to present a set of abstracts of the national reports; the maximum is to issue a fully integrated joint report with joint conclusions and recommendations (Exhibit 2). A more integrated report requires more coordination, time, and effort. It may also need to be formally approved by the heads of all the SAIs involved.

An advantage of a more integrated report is that it may provide a better overview of the audit results of all participating SAIs and may interest a wider audience. The decision on the type of report to be prepared should take into account the impact of each type in relation to the cost and effort of producing the report.

➤ **TIP 18** *Once you know the audit results, again consider the type of report you decided on earlier.*

The outcome of the audit process ultimately determines which type of report is appropriate. This outcome may differ from initial expectations. It is therefore advisable to allow a moment for reconsidering the original decision on the type of report. SAIs should ask themselves whether they still wish to write a joint report. If they do, they should consider whether they still want the degree of integration decided in the preparatory phase of the audit.

These points could be discussed at a meeting, along with such questions as how to compare the information and whether the audit and report designs are still valid.

Example 18.1 Reconsidering decisions on the type of joint report

In 2001 the SAIs taking part in the audit of the Helsinki Convention agreed in advance on the layout of the national report summaries. This layout reflected the planned layout of the joint final report. However, certain summaries diverged from the prescribed layout because of differing audit mandates, differing scopes of national databases, and differing importance attached to audited issues by particular countries. Eventually a two-part joint final report was prepared. Part I presented basic information, including the audit goal, scope, audited period, SAIs involved, and main findings in particular areas. Part II consisted of the national summaries.

➤ **TIP 19** *When you have decided to develop a joint report, make a final decision about which elements to include.*

Apart from a set of abstracts, a joint report may contain four elements. There are advantages and disadvantages to including each (Exhibit 3). The choice should depend on the goal of the audit, the findings, and the position of the participating SAIs.

Exhibit 3: Content of joint reports (apart from set of abstracts)

Possible elements for inclusion	Advantages/opportunities	Disadvantages/risks
Joint conclusions and recommendations	<p>Can present common problems and possible solutions</p> <p>Can spur international cooperation to solve problems of transboundary nature</p>	<p>Preparation and agreement will require considerable effort</p> <p>Not always possible to formulate</p>
Comparison/benchmarks	<p>Can trigger government action</p> <p>Can encourage international organizations to press particular countries for appropriate action</p> <p>Can draw public attention</p>	<p>Can be politically sensitive</p>
Best practices	<p>Focus on potential solutions facilitates learning from each other</p>	<p>Might not directly trigger government action</p>
Lessons learned	<p>Helps to improve audit methodology and facilitates cooperation by SAIs during future audits</p>	<p>Mainly interesting only to SAIs</p>

Joint conclusions and recommendations

Developing joint audit conclusions and recommendations has proved to be a relatively difficult exercise. They should be based on a detailed analysis of national findings, conclusions, and recommendations and answer the question of what can be done on the multilateral or international level to solve the problems revealed in the audit process. Not every integrated joint report must have joint conclusions and recommendations, but including them can add significant value to the report.

Example 19.1 Multilateral agreements recommended

The SAIs of Hungary and Ukraine issued a joint audit report on flood control preparedness in the Upper Tisza region. This presented joint conclusions and recommendations, as well as notable experiences of each SAI separately. The main recommendation was for not only bilateral but multilateral agreements to be reached by countries through which the Tisza River flows, dealing with issues of nature preservation and flood protection of the river catchment area. The recommendation was based on the necessity of regulating the water regime.

Example 19.2 Equal actions recommended

The SAIs of Austria and the Czech Republic conducted a coordinated audit of environmental projects and measures in the Thaya River basin. The audit showed that the water regime of the Vranov hydroelectric plant adversely affected the environmental health of national parks. Both SAIs recommended that the responsible authorities take into consideration the negative impact of the plant when issuing new permissions for its water management system and its operation.

Comparison/benchmarks

It can be useful to present relevant comparative data, perhaps in tables. It is a good idea to create a standard scale of well-defined criteria; this would ensure that similar problems are given similar weight. Another option is to compare audit conclusions, such as the compliance of countries with international agreements, or the effectiveness of national policies and measures.

Including international benchmarks or comparisons in an integrated joint report is not always possible. Comparison of outcomes may be politically sensitive. Not all SAIs are willing or able to publish a report comparing their findings with those of other countries.

Example 19.3 Comparison of data

The SAIs of Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and the Russian Federation conducted an audit on the Helsinki Convention (pollution from ships in the Baltic Sea). They used a table designed in the preparation phase, containing questions about implementation of selected Convention articles. Participating SAIs filled in the table with data obtained during their national audits. The data were presented and compared in the joint report, making it possible to evaluate the extent to which individual countries had implemented selected articles of the Convention.

A three-point scale was used:

- 1 provision implemented 😊
- 2 provision partially implemented 😐
- 3 provision not implemented ☹️

The audit coordinator proposed scores, which were later negotiated with the individual SAIs.

Best practices

The best practices identified in the audit can be compiled to provide a good practice guide. This may be distributed among the participating countries and included in the integrated joint report. Best practices identified in the audit might be used as assessment criteria in future audit.

Example 19.4 Best practices

In their joint audit report on the MARPOL Convention, the SAIs of Cyprus, Greece, Italy, the Netherlands, Malta, Turkey, and the United Kingdom described the hypothetical case of a country that had taken effective measures to prevent marine pollution from ships and reduce environmental damages resulting from an accident. The measures described were either good practices presented in the national audit reports or the opposite of harmful practices reported.

Lessons learned

Participating SAIs should collect and report lessons learned about the auditing and cooperation process to encourage and improve future cooperative audits. However, lessons learned do not necessarily have to be included in a joint report, and in practice they rarely are. The audit experiences and lessons learned are relevant mainly to the international SAI community.

Example 19.5 Lessons learned

In 2002 the SAIs of the Czech Republic, the Slovak Republic, and Poland carried out a parallel audit of state funds spent on improving water quality in the Oder River catchment area. The participating SAIs found that the adopted audit programme was overly ambitious and difficult to carry out in a single audit event; the result was a delay in developing a joint report. In the opinion of the SAIs, the leading positive aspect of the audit was teamwork on the joint report; this gave an opportunity to establish personal contacts between auditors, and led to fruitful exchanges of experiences. The lessons were presented in the joint report.

Publication and distribution

➤ TIP 20 Choose the right time for publication of the joint report.

Newsworthiness is a key factor in the impact of a report. For example, a report published immediately before an important international meeting might attract more attention from the public and experts.

Another important issue is timeliness. If publication of a joint report is overly delayed, the findings of each participant may be less comparable to those of another or to the actual situation.

Publication of a joint report depends on timely completion of audit proceedings by individual SAIs. In general, a joint report cannot be published earlier than the latest national report that it contains. The joint report can usually be developed even if some national reports have not yet been formally adopted; in that case the findings may be presented in the form of working papers. However, some SAIs cannot exchange findings before official adoption of their national report.

If a national report is severely delayed, a decision may be made to omit it from the joint report so that the findings of other SAIs may appear before they become outdated. Look for some way to include the findings of delayed reports in order to present a complete picture.

Example 20.1 Methods to prevent delay

In the 2005 audit on the Helsinki Convention carried out by the SAIs of Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, and the Russian Federation, one of the participants was slow in completing its audit. While the joint audit report was being developed, this SAI was still unable to deliver any audit findings. As a result, its findings were not included in an international comparison in the joint audit report. The SAI's audit findings and conclusions appeared later in the report in an appendix.

- **TIP 21** *If the final products of a cooperative audit are national reports, try to arrange for their tabling within a reasonably short period. This will increase their impact and newsworthiness.*

If the final products of a cooperative audit are national reports, tabling them within a short period of time will increase their impact and newsworthiness. A key element in coordination of reporting is to ensure that the participating SAIs release their reports at the same time, preferably on the same day. This gives them an opportunity to refer to each other's report.

- **TIP 22** *Determine the distribution of the report in accordance with its planned purpose and the audit outcome (findings, conclusions, and recommendations).*

The distribution list should at least include stakeholders with adequate power to make decisions and take action. Assess whether there are international players that might be interested and/or able to take action on the audit conclusions.

A joint report may be a public relations tool suitable for distribution at press conferences, international meetings, and seminars. One of the most effective and efficient ways of publishing a final report is by posting it on a website. Many joint reports have been distributed at international meetings and have been published on the websites of international audit organizations (such as INTOSAI) or regional SAI associations.

Example 22.1 Distribution to national and supranational organizations

In 2002 the SAIs of Hungary and the Slovak Republic conducted an audit of the Mária Valéria Bridge reconstruction project. The objective was to assess whether the entities had completed their tasks and met the requirements stated in the intergovernmental agreement on the project. The audit also sought to assess whether the entities had complied with European Union (EU) rules on use of PHARE (Poland and Hungary: Assistance for Restructuring Their Economies) support programmes. The participants forwarded their joint report to the European Court of Auditors, other responsible EU bodies, the National Council of the Slovak Republic, and the Parliament of the Republic of Hungary. Attached to the report was a joint cover letter signed by the heads of the state audit institutions of the two countries.

Example 22.2 Distribution to supranational organizations

One of the recipients of the joint report of the parallel audit on implementation of the provisions of the Helsinki Convention was the governing body of the Convention—that is, the Helsinki Commission. The goal of the Commission is to protect the marine environment of the Baltic Sea from all sources of pollution, and to restore and safeguard its ecological balance. The Commission unanimously supported the SAIs' recommendations for the protection of the marine environment. Governments of the contracting parties must act on the recommendations in their national programmes and legislation.

Appendix 1—List of Cooperative Environmental Audits

No.	Year report/ reports published	Audit subject	Participating SAIs (alphabetical order)
1	1995	Impact of economic activities on the environment of the Białowieża Forest	Belarus, Poland
2	1997	Agreement between Poland and the Czech Republic on water management of transboundary waters; Agreement on the International Commission for protection of the Oder against Pollution (Project Oder I)	Czech Republic, Poland
3	1997	Implementation of tasks resulting from international agreements on border waters signed between Lithuania and Poland	Lithuania, Poland
4	1998	International Tropical Timber Organization, management project in the Amazon forest area	Brazil, Peru
5	1999	Implementation by the Commission of EU policy and action as regards water pollution	European Court of Audit, SAIs of France, Germany, Greece, Ireland, Italy, Portugal, Spain
6	1999	ALFA-BETA International Environmental Management Project, Mantaro Basin	Colombia, Peru
7	2000	Implementation of anti-pollution tasks with a detailed account of public funds	Czech Republic, Poland
8	2000	EU Cohesion Fund	European Court of Audit, SAIs of EU members
9	2000	Management of the state budgetary funds and state property in administration of Pieniny National Park	Poland, Slovak Republic
10	2000–01	The availability of drinking water in big cities	Bolivia, Chile, SAIs of MERCOSUR countries ⁹
11	2000–04	National implementation of the OSPAR Convention	Iceland, Norway, some Danish contribution to the evaluation report
12	2001	Joint audit of the management of the international Tachira River basin	Colombia, Venezuela
13	2001	Flood protection and elimination of flood damages	Czech Republic, Poland

⁹ MERCOSUR—Mercado Común del Sur (Southern Common Market—a Regional Trade Agreement). In the auditing period Argentina, Brazil, Paraguay and Uruguay were signatories of the Agreement

No.	Year report/ reports published	Audit subject	Participating SAIs (alphabetical order)
14	2001	First audit of implementation of the provisions of the Convention on Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention) Web address of joint report http://euosai.nik.gov.pl/en/site/px_Join_report__Helsinki_Cinvention_1.pdf	Denmark, Estonia, Finland, Latvia, Lithuania, Poland (coordinator), Russian Federation, Sweden
15	2001–02	Audit on compliance with the law and implementation of the Convention on co-operation for the protection and sustainable use of the Danube River (Danube River Protection Convention)	Bulgaria, Croatia, Romania, Slovak Republic, Slovenia
16	2001–02	Joint audit: Environmental performance of Catatumbo international hydrographical basin	Colombia, Venezuela
17	2001	URBAN initiative	European Court of Audit, SAIs of some EU members
18	2001	Reducing air pollutant emissions in the Polish-German border area	Germany, Poland
19	2001–05 2006– joint report	Marine pollution from ships (MARPOL, OPRC, and Bonn conventions) Web address of joint report http://www.rekenkamer.nl	Cyprus, Greece, Italy, Malta, the Netherlands, Turkey, United Kingdom
20	2002	Financial Means Spent on the Enhancement of Purity of Water in the Oder Watershed	Czech Republic, Poland, Slovak Republic
21	2002	Agreement between Poland and the Czech Republic on water management of transboundary waters; Agreement on the International Commission for protection of the Oder against Pollution (Project Oder II)	Czech Republic, Poland
22	2002	Efficiency of the use of quotas for water biological resources in an exclusive economic zone of the Russian Federation allocated in 2000–02 to legal entities of the Democratic Peoples Republic of Korea	Democratic Peoples Republic of Korea, Russian Federation
23	2002	Maria Valéria bridge investment project*	Hungary, Slovakia
24	2003	National Programme on Hazardous Waste Management	France, Lithuania
25	2003	Environmental grants abroad	Austria, Hungary
26	2003	Audit on the protection of nature in the region of Lake Neusiedl/Fertő Web address of joint report http://euosai.nik.gov.pl/en/site/px_Neusiedl_Austria_Hungary.pdf	Austria, Hungary

No.	Year report/ reports published	Audit subject	Participating SAIs (alphabetical order)
27	2003	PHARE and ISPA funding of environmental projects in the EU candidate countries	European Court of Audit, SAIs of EU candidate countries
28	2003	Invasive Species	Canada, United States
29	2003	Environmental Audit in Cooperation with Binational Catatumbo River Basin	Colombia, Venezuela
30	2003	Intergovernmental agreement of the two countries on railway construction, Zalalövö–Bayänsenye–Hodos–Murska Sobota	Hungary, Slovenia
31	2003	Budget fund utilization on implementation of the national programme of the Azov and Black seas environmental protection and rehabilitation measures for 2001–02	Russian Federation, Ukraine
32	2004	Audit of Ministry of Agriculture and Livestock, Ministry of Public Health and Social Welfare, Ministry of the Environment and Ministry of Finance for Compliance with Sanitary, Phytosanitary and Transport Requirements of MERCOSUR Regulations for Agricultural Chemicals Entering Paraguay	Argentina, Bolivia, Brazil, Chile, Paraguay, Uruguay
33	2004	Construction of the Blagovica–Sentjakob highway section	Austria, Slovenia
34	2004	Fresh water: drinking water, rivers, lakes	Botswana, Lesotho, Namibia, Zimbabwe
35	2004	Maintenance of infrastructure for use in the Water Supply)	Botswana, Lesotho, Zimbabwe
36	2004	Assessment of the Management of La Amistad International Park	Costa Rica, Panama
37	2004	LIFE 2	European Court of Audit, SAIs of some EU members
38	2004	Effectiveness of the action taken towards nature protection and international tourism development in the Niemen River catchment area	Belarus, Lithuania, Poland, Russian Federation
39	2005	Coordinated Audits of Implementation of Tasks Related to Environmental Projects and Measures in the Thaya River Basin Web address of joint report http://eurosai.nik.gov.pl/en/site/px_Thaya_Dyje_int_A_wi_th_CZ.pdf	Austria, Czech Republic

No.	Year report/ reports published	Audit subject	Participating SAIs (alphabetical order)
40	2005	Second audit of implementation of provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention)—Pollution from ships in the Baltic Sea (Helsinki II) Web address of joint report http://eurosai.nik.gov.pl/en/site/px_Joint_Final_Report_including_Annex.pdf	Denmark (coordinator), Estonia, Finland, Germany, Latvia, Lithuania, Poland, Russian Federation
41	2005	Solid waste	Ethiopia, Fiji, Ghana, Kenya, Mauritius, South Africa (coordinator)
42	2005	The use of the funds of the federal budget of the Russian Federation, budgets of the subjects of the federation and the republican budget of the Republic of Kazakhstan allocated for the funding of measures involving reproduction, protection of forests (conservation and sustainable development of forests), and forest fire control in border districts of the Russian Federation and the Republic of Kazakhstan	Russian Federation, Kazakhstan
43	2006	Environmental audits on the three border areas of Hungary, Slovenia and Austria Web address of joint report http://eurosai.nik.gov.pl/en/site/px_trilateral_audit.pdf	Austria, Hungary, Slovenia
44	2006	National parks in Polish-Slovak border area Web address of joint report http://eurosai.nik.gov.pl/en/site/px_National_Parks_Poland_Slovakia.pdf	Poland, Slovakia
45	2006	Flood control preparedness in the Upper Tisza region	Hungary, Ukraine
46	2006	Flood prevention programmes in the Carpathian region	Poland, Ukraine
47	2006	Provision of water to Small Towns and Growth Points	Botswana, Namibia Zambia, Zimbabwe
48	2006	Impact of economic activity on the environment of the Białowieża Forest	Belarus, Poland
49	2006	Protection and conservation of biodiversity in the border areas of Croatia and Slovenia	Croatia, Slovenia
50	2007	Coordinated audit of the state funds management and performance of international obligations in hazardous waste treatment (Basel Convention) Web address of joint report http://eurosai.nik.gov.pl/en/site/px_joint_final_report.pdf	Czech Republic, Slovak Republic

No.	Year report/ reports published	Audit subject	Participating SAIs (alphabetical order)
51		Environmental Management Audit of the municipality of Nueva San Salvador	El Salvador, Honduras
52		Air pollution in the Greater Metropolitan Area of San Salvador due to gasoline emissions from vehicles	El Salvador, Honduras
53		Parallel audit of protection of the Bug River	Belarus, Poland, Ukraine
54		Performance audit about the state projects and environmental situation of the Pilcomayo River	Argentina, Bolivia, Paraguay
55		Parallel audit of fish resources in the Barents Sea	Norway, Russian Federation
56		Audit of the use of natural and biological resources of the Caspian Sea and public funds allocated for protection of the Caspian Sea environment	Azerbaijan, Kazakhstan, Russian Federation
57		Cooperative audit on dust and sandstorms prevention projects	People's Republic of China, Democratic People's Republic of Korea

Appendix 2—Example of a Formal Agreement for a Cooperative Audit

COMMON POSITION ON COOPERATION (TERMS OF REFERENCE)

FOR THE AUDIT OF IMPLEMENTATION OF PROVISIONS OF CONVENTION ON
THE PROTECTION OF THE MARINE ENVIRONMENT OF THE BALTIC SEA
AREA
(THE HELSINKI CONVENTION)

COORDINATED/ PARALLEL AUDIT

AGREED BETWEEN THE REPRESENTATIVES OF:

The National Audit Office of Denmark
The State Audit Office of Estonia
The State Audit Office of Finland
The German Federal Court of Audit
The State Audit Office of the Republic of Latvia
The State Control of the Republic of Lithuania
The Supreme Chamber of Control of the Republic of Poland
The Accounts Chamber of the Russian Federation

Warsaw

5 December

2003

1. General principles

The common position on cooperation/ terms of references concerns:

- The National Audit Office of Denmark
- The State Audit Office of Estonia
- The State Audit Office of Finland
- The German Federal Court of Audit
- The State Audit Office of the Republic of Latvia
- The State Control of the Republic of Lithuania
- The Supreme Chamber of Control of the Republic of Poland
- The Accounts Chamber of the Russian Federation

Hereafter referred to as “the co-operating parties.”

This common position on cooperation/ terms of references has been prepared on the basis of INTOSAI booklet on how SAIs may cooperate on the audit of international environmental accords, INTOSAI booklet on the audit of international environmental accords and INTOSAI guidance on conducting audits of activities with an environmental perspective.

The co-operating parties agree to conduct the II Audit of Implementation of the Provisions of the Convention on the Protection of the Marine Environment of the Baltic Sea Area, hereafter referred to as “Helsinki Convention.”

In this common position on cooperation/Terms of reference, the co-operating parties agree on the principles concerning the scope of the audit, audit criteria, audit method, products of the audit, time table and exceptions for individual co-operating parties.

2. Scope of the audit

The coordinated audit will be conducted according to the Programme Assumptions (Annex 1) and the Audit Criteria (Annex 2) for II Audit of Implementation of Provisions of the Helsinki Convention as agreed upon in the meeting in Warsaw on 4–5 December 2003. These assumptions are intended for further use by the co-operating parties, e.g. for the purpose of elaboration of national audit programmes.

The relevant paragraphs in the Helsinki Convention for the coordinated/parallel audit are Art 8—Prevention of pollution from ships, including ports equipping with sewage reception facilities, including annex IV and the Helcom Copenhagen Declaration; Art 13—Notification and consultation on pollution incidents in the country territory, which may cause pollution of the Baltic marine environment outside this territory; Art 14—Cooperation with the other Contracting Parties in combating the Baltic Sea pollution; Art 16—Reporting and exchange of information. (Articles audited only on unilateral basis are not mentioned above).

The coordinated/parallel audit will primarily be regularity and performance audit.

All co-operating parties will conduct performance audit concerning **article 8 (Prevention of pollution from ships)**. However, the State Audit Office of the Republic of Latvia will only focus on regularity audit.

Article 9 (Prevention of pollution from pleasure crafts) will be audited only on unilateral basis.

Article 11 (Prevention of dumping) will be audited only on unilateral basis.

All co-operating parties will conduct performance audit concerning **article 13 (Notification and consultation on pollution incidents)**. However, the State Audit Office of the Republic of Latvia will only focus on regularity audit.

All co-operating parties will conduct performance audit concerning **article 14 (Cooperation in combating marine pollution)**. However, the State Audit Office of the Republic of Latvia will only focus on regularity audit.

Article 15 (Nature conservation and biodiversity) will be audited only on unilateral basis.

All cooperation parties except the State Audit Office of the Republic of Latvia will conduct performance audit concerning **article 16 (Reporting and exchange of information)**.

Article 17 (Information to the public) will be audited only on unilateral basis.

Article 24 (Scientific and technological cooperation) will be audited only on unilateral basis.

Audits conducted by the co-operating parties will be coordinated audits with a single, joint report in addition to the individual separate national reports. The joint report should primarily focus on comparative data and should illuminate and assess the effects that have been obtained. However, the national reports should also include comparative data (benchmarking).

3. Audit criteria

In order for the audit to contain an element of comparison, all participating audit institutions agree that they should use as a starting point the same audit criteria. The audit criteria should make international comparisons possible. However, not all audit criteria are equally relevant and important to all countries.

4. Products of the audit (reporting)

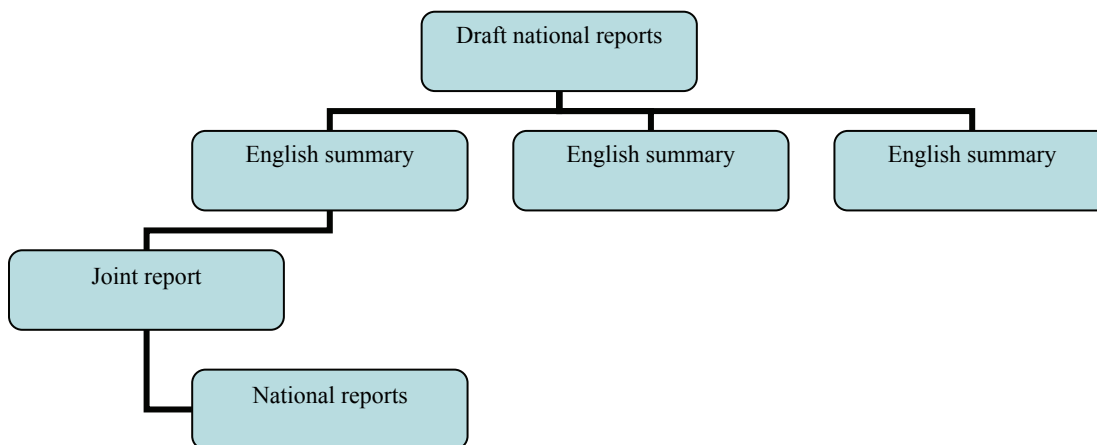
The co-coordinated/parallel audit will result in two categories of products:

- National reports, describing and assessing the situation in each of the countries involved in the audit, but also including comparative data whenever relevant and feasible. It is recommended that national reports are written in line with a common structure. This structure and the content of the summaries of the national reports and the joint report will be agreed upon between the co-operating parties at a third meeting in April 2004. National reports will be written in the respective national languages and will not be translated into English, unless co-operating parties would choose to do so independently. Each co-operating party will ensure that, when the national report is published, an extensive summary in English is available. For comparative reasons it is important that national

data, findings and comments relevant for the international comparisons are translated into English and made available for the co-operating parties.

- A joint report describing practice in all countries involved, co-authored by the co-operating parties. This report will be in English.

Illustration of the process for drafting of the reports



5. Audit methods

The audit methodology will be elaborated individually by each of the co-operating parties and will depend on the audit scope adopted and the particular needs. However for comparative reasons it can be necessary to use common audit methods and measurements for some audit criteria, e.g. common questionnaires, cost calculation methods.

6. Time table

September 2003. First meeting of the expert group in Copenhagen 25–26 September 2003:

- Discussion of a draft common position of audit and a draft programme assumptions.
- Discussion of draft common position paper/Terms of references

Expectations to the co-coordinated/parallel audit (e.g. scope).

September 2003—December 2003. Common position on audit/terms of references are presented to the respective boards and signed at the meeting of the group in December 2003.

The audit criteria is developed and agreed on, to be finalised at the meeting of the group in December 2003.

Proposals for audit methods are further developed and discussed in the meeting of the group in December 2003.

Audit teams are/will be formed in the respective countries.

Other preparations are made: auditors explore the field (which government organisations have a role to play, which are the relevant national laws and policy documents).

December 2003. The second meeting of the expert group in Warsaw on 4–5 December 2003.

January 2004—April 2004. Data collection according to the audit objectives agreed upon.

April 2004. Third meeting of the expert group, to discuss

- The scope, structure and content of the summaries of the national reports.
- The scope, structure and content of the joint report on comparative data.

May 2004—August 2004. Drafts of national reports are written by the respective audit teams.

August 2004—October 2004. National reports are completed, verified and submitted to the relevant national authorities.

Summaries in English of national reports (including comparative data) are finalised and forwarded to the Coordinator.

October 2004. Fourth meeting of the expert group, to discuss the joint report on comparative data.

October 2004—December 2004. The joint report is written and agreed upon.

December 2004. Fifth meeting of the expert group for signing the joint report in English.

The joint report is forwarded to the relevant national authorities and the Helcom Secretariat. Also it will be published on the web-site of the EUROSAI Working Group on Environmental Auditing. The joint report will be published in January 2005.

7. Exceptions for individual co-operating parties

In general, the co-operating parties will undertake actions relevant to their mandate and possibilities.

Appendix 1: The Programme Assumptions including audit criteria for the coordinated/parallel audit

Appendix 2: Audit Criteria

On behalf of:

- The National Audit Office of Denmarksignature
- The State Audit Office of Estoniasignature
- The State Audit Office of Finlandsignature
- The German Federal Court of Audit.....signature
- The State Audit Office of the Republic of Latviasignature
- The State Control of the Republic of Lithuaniasignature
- The Supreme Chamber of Control of the Republic of Polandsignature
- The Accounts Chamber of the Russian Federationsignature

Warsaw, 5 December 2003

Appendix 3—Example of a Pre-study Memo Format

Format of the Pre-study Memo “Maintenance of water infrastructure in rural areas” (Botswana, Lesotho, and Zimbabwe)

1. Introduction
Including explanation of the motivation for the audit
- 2.1 Scope and Limitation
Including organizations covered and period covered
- 2.2 Methodology
Including types of audit verification and key personnel and key documentation
3. Background and Systems Description
A system description that explains the process that will be audited. If possible, identify risk, key personnel, and data required. This section should be detailed and confirmed for validity with the relevant organization(s.)
4. Results of the Pre-Study
Findings per category of initial investigation at the pre-study stage
5. Audit Topic
Equates to the title of the document
6. Selection Criteria
 - 6.1 Mind Map / Problem Tree
A method to demonstrate all the issue /risks in one page (if possible)
 - 6.2 Materiality
Basis on which the audit is justified could be by value or some other qualitative aspect
 - 6.3 Resource Requirements
Estimate of resource requirements with statement that these resources are available
7. Audit Design
 - 7.1 Audit Scope
Further refinements to the scope and limitations to the actual audit work
 - 7.2 Audit Objectives
Key aspects to be addressed by the audit to be conducted and expected findings

7.3 Audit Tests

Audit tests to be conducted/lines of enquiry to evidence the audit objectives

7.4 Audit Evidence

Outline of audit evidence required to ensure sufficient, reliable, and relevant audit evidence is obtained

8. Activities

The scheduling and timing and expected resources to be employed

9. Costs

In terms of cost and time

Appendix 4—WGEA Resources for SAIs

All the documents referred to in this appendix are available at:
<http://www.environmental-auditing.org>

WGEA meetings and compendia themes

For the past several WGEA meetings, a call for papers has been issued to all SAIs prior to the meeting. From these papers, a compendium is compiled to facilitate information sharing. This list provides the themes of the papers for each year.

11th Meeting of the WGEA—Arusha, Tanzania (25 to 29 June 2007)

- Audits of Global and Regional Environmental Issues
- Audits of Domestic Environmental Issues
- Emerging Topics in Environmental Auditing
- Supreme Audit Institutions' Approaches to Building and Managing Environmental Auditing

10th Meeting of the WGEA—Moscow, Russian Federation (27 October to 1 November 2005)

- Auditing Biological Diversity
- Auditing Climate Change
- Increasing the Impact of Environmental Audits
- Environmental Auditing: Facing the Challenges

9th Meeting of the WGEA—Brasilia, Brazil (30 May to 2 June 2004)

- Environmental Auditing and Biological Diversity
- Concurrent, Joint or Co-ordinated Audits
- Environmental Audit and Regularity Auditing
- Environmental Auditing: Facing New Challenges
- Supreme Audit Institution Approaches to the World Summit on Sustainable Development

8th Meeting of the WGEA—Warsaw, Poland (24 to 27 June 2003)

- Environmental Audit and Regulatory Auditing
- Sustainable Development: The Role of Supreme Audit Institutions
- Water Issues, Policies, and the Role of Supreme Audit Institutions
- Towards Auditing Waste Management

WGEA studies and guidelines

- *Auditing Water Issues: Experiences of Supreme Audit Institutions* (2004)—English, French, German, Arabic
- *Auditing Biodiversity: Guidance for Supreme Audit Institutions* (2007)—English
- *Cooperation Between Supreme Audit Institutions: Tips and Examples for Cooperative Audits* (2007)—English
- *Environmental Audit & Regularity Auditing* (2004)—English, French, Spanish, German, Arabic

- *Evolution and Trends in Environmental Auditing* (2007)—English
- *Guidance on Conducting Audits of Activities with an Environmental Perspective* (2001)—English, French, Spanish, German, Arabic
- *How SAIs May Co-operate on the Audit of International Environmental Accords* (1998)—English, French, Spanish, German, Arabic
- *Sustainable Development: The Role of Supreme Audit Institutions* (2004)—English, French, Spanish, German, Arabic
- *Study on Natural Resource Accounting* (1998)—English, French, Spanish, German
- *The World Summit on Sustainable Development: An Audit Guide for Supreme Audit Institutions* (2007)—English
- *The Audit of International Environmental Accords* (2001)—English, Spanish
- *Towards Auditing Waste Management* (2004)—English, French, German, Arabic

Audits related to environment

Audits and audit summaries from SAIs are available on the WGEA website (in the section “Environmental Audits Worldwide”), listed by environmental issue and by country. Many are available only in their national language.

WGEA / IDI environmental auditing training program

In partnership with the INTOSAI Development Initiative, a two-week training course was created for SAIs. The course was designed by IDI training specialists, has a learner-centred participatory approach, and reflects regional needs. It includes a standardized design for course materials and detailed instructor manuals.

WGEA work plan summaries

2005–2007

Activities and projects focussed on providing guidance, facilitating information exchange and building relationships, and were organized under the following six goals:

1. To expand the number and breadth of environmental auditing tools available to SAIs.
2. To increase information exchange among SAIs and to expand their training in the techniques of environmental auditing.
3. To increase the number of concurrent, joint, or coordinated audits by SAIs.
4. To increase communication of WGEA activities.
5. To increase cooperation between the WGEA and other international organizations.
6. To explore the potential for external funding for the WGEA activities.

Biological diversity was the central theme.

2002–2004

Activities carried out included developing training materials and providing courses in environmental auditing, coordinating environmental audits with other Supreme Audit Institutions (SAIs) related to commitments under the World Summit on Sustainable Development, exchanging information with other SAIs, and preparing environmental auditing papers on such topics as water policy and waste management. Waste management was the central theme.

1999–2001

The “fresh water” theme, first adopted in 1995, continued to be a focus of the Working Group through this period. One of the key issues of this work plan was to emphasize cooperation with the INTOSAI regions in order to effectively cope with environmental issues that are transboundary in nature. Other activities included developing an inventory of international environmental accords and increasing the dissemination of information.

1996–1998

Two specific issues were addressed: audits or coordinated audits of international environmental accords and natural resource accounting. There was also a focus on institutional learning—facilitating the exchange of information and experience between audit institutions, and developing guidelines, methods, and techniques for environmental auditing. “Fresh water” was first chosen as a theme in an attempt to concentrate activities on an issue considered relevant for all countries in all stages of development.