



EUROPEAN
ORGANIZATION
OF REGIONAL
AUDIT INSTITUTIONS



Session 1:



*Auditing environmental
programmes*

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Presentation of the ECA report on the Programme LIFE 2000-2006

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In this special report the European Court of Auditors assesses the effectiveness of the European Commission's management of the grants paid to LIFE-Nature projects in terms of the sustainability of their results. LIFE-Nature, a component of LIFE, co-finances projects in the Member States, mainly in relation to Natura 2000 sites, in favour of the conservation of species and habitats.

Overall, the projects audited have contributed to the conservation of the targeted species and habitats, namely in the Natura 2000 sites, thus contributing to the Member States' efforts and supporting the volunteer work and commitment of EU citizens and their associations in favour of biodiversity conservation. However, the audit concluded that measures financed by LIFE-Nature are not, as yet, sufficiently safeguarded after completion of the projects.

Since the first LIFE instrument (LIFE is an acronym which stands for L'Instrument Financier pour l'Environnement, i.e. Financial Instrument for the Environment) was introduced in 1992, the Commission has progressively developed and improved its management and control systems, inter alia by taking into account the results of the Court's previous audits. Further changes were introduced with the start of the LIFE+ instrument for the period 2007-2013. Although significant progress has been made, there is still room for improvement to obtain an assurance that the conservation measures financed by the EU fulfil their objectives more effectively and are sustained after EU financing ceases. The report provides details on the shortcomings detected in relation to the different phases of the management of the projects: selection procedure, implementation and monitoring of projects, dissemination of results and long-term management of the project results. The shortcomings highlighted should be addressed to safeguard the sustainability of project results.

It is recommended that the Commission should give further consideration to the various factors relating to the sustainability of the project results, improve dissemination of the knowledge acquired and set up a systematic follow-up of the projects after the final payment has been made.

The observations formulated will remain important for the Commission's management, since the issues addressed also concern the new LIFE+ projects. In financial terms, LIFE is the most important European funding instrument that is specially dedicated to the environment and managed directly by the Commission, and is therefore an essential tool with regard to the objectives of the European Union's environmental policy.

Presentation of the energy efficiency study in the Scottish public sector completed by Audit Scotland

Barbara Hurst

Director of Public Reporting (Health and Community Care and Central Government)

Audit Scotland

Improving energy efficiency is one of the most cost-effective ways of reducing greenhouse gas emissions and tackling climate change. The public sector has an important leadership role to play in promoting energy efficiency. There are also major financial considerations. The Scottish public sector spent £206 million (€235 million) on energy in 2006/07. In December 2008, Audit Scotland published a report on the performance of the Scottish public sector in improving energy efficiency.

The aim of the study was to assess how well the Scottish public sector is improving energy efficiency in its buildings and transport use. We studied local councils, health bodies and central government bodies. We conducted a survey of around 100 organisations seeking information on energy consumption and spending on energy. We examined 15 bodies in detail, interviewing key staff involved in energy management and assessed 85 different energy management strategies against good practice criteria.

The results of the study showed that between 2004/05 and 2006/07, there was a 4 per cent reduction in the amount of energy consumed across the public sector. The greatest reduction achieved was among health bodies while in central government bodies, consumption had increased. Over the same period, spending on energy had increased by 46 per cent. This increase was mainly due to the increase in energy prices which had doubled between 2004 and 2008.

In order to improve energy efficiency further, there needs to be much stronger leadership in promoting energy efficiency both from the national Scottish Government and within individual public bodies. In many cases, energy management is not a central part of an organisation's operations. There is limited integration of energy management strategies with wider corporate strategies and plans and many plans are not of good quality. The monitoring and reporting of energy management performance is not good enough to assess accurately performance in improving energy efficiency.

Audit Scotland will follow up this study in 2011 to assess what progress has been made.

Audit waste management in Tyrol

Klaus Mayramhof
President
Court of Audit of Tyrol

There are reports on the topic from the Austrian Federal Court of Audit (Bundesrechnungshof, RH); 2006 and 2007 and the Tyrol Federate State Court of Audit (Landesrechnungshof Tirol, LRH) 2003 und 2008

General

Situation in Austria:

Waste management is of high-quality
the central principles are:

- Waste prevention
- Waste recycling
- Waste removal

I confine myself to waste removal

Legal requirements

1. EU Law
2. Austrian Federal Waste Management Act
3. Waste management law and concepts of individual federate states
4. Landfill regulations from 1997 with a ban on waste landfill effective from 2004
5. The Head of the Tyrol Government has exercised his powers to extend this deadline up to the end of 2008

Situation in Tyrol

The required political consensus in the federate state of Tyrol for a state-of-the-art waste management system was lacking.

After waste landfill was banned, a scientific and political conflict surrounding the methods of waste removal arose.

Although the majority of expert opinions considered waste combustion to be the best solution, the state of Tyrol could not finalise a decision to construct a central waste combustion facility.

Causes include:

- A lack of political will to reach a decision
- Public opposition as a result of insufficient and poor communication by politicians and officials

The particular case of Riederberg landfill site

In line with the legal situation in Tyrol, the federate state must arrange the construction and operation of public waste treatment plants, landfills and intermediate storage facilities for separated waste, as required by the waste management concept.

Insofar the State of Tyrol does not manage these waste removal facilities itself, the construction and operation of these has to be guaranteed by legal contracts under civil law with local authorities, local authority associations or suitable companies.

The State of Tyrol signed a contract with a company in 1992, in which the company undertook to operate a public landfill and accept all waste collected for landfill by the local authority waste collection services within the waste collection area.

The federate state is responsible for ensuring that all waste collected for landfill within the specified waste collection area is transported to the landfill site.

In connection with obtaining approval for construction and operation there was the obligation to provide a security deposit for the landfill site's post-closure care. The security deposit was to be provided in the form of a bank guarantee.

For a long time, the federate state authorities did not demand payment of this security deposit.

In 2007, the landfill firm went bankrupt. On account of the missing security deposits, the State of Tyrol now has to take on the costs of post-closure care. € 20 million, according to present estimates.

Reasons:

- Non-transparency in the firm's corporate structure
- Lack of consistent follow-through on the part of public authorities
- Reduction in the agreed waste volumes as a result of granting approval for a waste treatment plant in the waste collection area has led to
 - Tariffs that fail to cover costs
 - Illegal deposit of foreign waste from other Federal states
 - Liquidation

Lesson learnt:

- Public-sector functions must not be transferred to the private sector

Summary:

As waste may no longer be put into landfill and the opportunity to construct a waste combustion facility has been missed, at present waste must be transported for combustion abroad. And this is in Tyrol, a federate state characterised by transit problems.

There is no solution in sight.

The Court of Audit has repeatedly pointed this out, but unfortunately to no avail.

Auditing coalmine decommissioning in the Rostov Oblast

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Chamber of Control and Accounts of Rostov Oblast

One of the staple industries of the Rostov region is coal mining. The transition to market conditions caused a large-scale shutdown of inefficient manufacturing facilities. After the old mines in the region were closed, it became obvious that this would drastically change the technogenic and anthropogenic impact on the environment.

One of the negative environmental consequences of the full flooding of the liquidated mines due to their shutdown was that highly mineralized industrial waters rose to the surface of the ground and polluted the nearby land plots and flooded the housing estates. This also caused “dead air” with low oxygen content to be pushed to the surface and penetrate into the basements of buildings. As a result, accommodations became unfit for dwelling and had to be demolished. When mine waters enter rivers, they also pollute the fresh water reservoirs. In addition, the issues of reclaiming the lands damaged by the coal mining industry and eliminating the mining waste heaps, as well as the repair of ruptures and gaps appearing on the ground surface become of great importance.

Solving the above-mentioned problems became one of the most important components of the programmes for developing former mining areas. Besides the socially-oriented government support allocated for the creation of new production facilities and ensuring the employment of the workforce laid off as a result of the restructuring, funds were allotted for financing nature conservation projects, reconstruction of social infrastructure, demolition of damaged housing and assistance to citizens in acquiring replacement housing.

The financing of these measures was achieved on various levels (federal, regional, and local). In conjunction with that and based on its supervisory powers, the Chamber of Control and Accounts of Rostov Region joined the Accounts Chamber of the Russian Federation in 2006-2007 in auditing the efficiency of spending the budgeted funds earmarked for these purposes.

The auditing was to evaluate the efficiency of spending the budgeted funds allocated for mining industry restructuring, as well as to work out recommendations on ensuring the implementation of state programmes and local development programmes related to employment issues in mining towns and the elimination of adverse environmental consequences.

The report covers the methods of carrying out the inspections, the results of the auditing, as well as the measures taken by the administrative bodies to provide material and implement the proposals of audit institutions. The report examines the potential regional audit bodies could have in solving the environmental problems in these areas. The report also analyses the current status of problems that were detected earlier.