

Public Environmental Auditing: Audit Methodology to Implement Environmental Audits

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Introduction

On the EUROSAI¹ Congress in Cracow in June 2008, Norway was elected chair of the Working Group on Environmental Auditing. The working group aims to promote the involvement of supreme audit institutions in environmental audits in Europe and to exchange experiences in this field. At present, the group has 45 member countries.

A large number of environmental audits have been performed and cover a broad aspect of environmental issues and audit methodology.

The environmental challenges are trans-national; pollution does not stop at the borders; neither does the deer or the bear. As an example on how these challenges can be met, I would like to present the Russian – Norwegian parallel audit of the management and control of the fish resources in the Barents Sea and the Norwegian Sea.

Unregistered fishing and the illegal harvesting of fish in these areas and the challenges these have set for the fishing authorities' control work, have been central topics in the discussions of the Joint Norwegian-Russian Fisheries Commission in recent years. Although the parties have not yet reached agreement on the extent of the unregistered and illegal fishing, the Russian and Norwegian fisheries authorities agree that the problem is serious.

¹ The European Organisation of Supreme Audit Institutions, an independent, non-political organisation established to promote co-operation and foster exchange of ideas, experiences and techniques among the members.

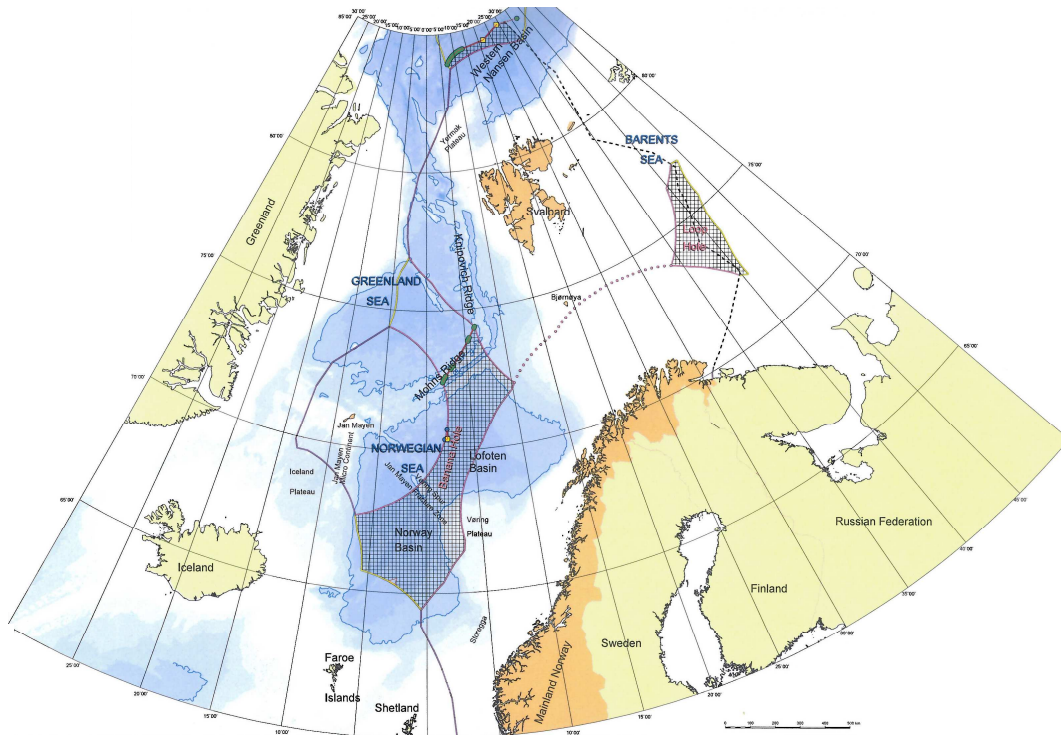


Illegal fishing threatens the sustainability of cod and haddock stocks.

On this background, the Office of the Auditor General and the Accounts Chamber of the Russian Federation have conducted a parallel audit of the management of fish resources in the Barents Sea and the Norwegian Sea.

Background

Russia and Norway jointly manage the fish stocks of north-east Arctic cod, north-east Arctic haddock and capelin through the Joint Norwegian-Russian Fisheries Commission. The cooperation on fisheries, which has been in place since the 1970s, has been formalised through the two bilateral agreements of 1975 and 1976. Management cooperation takes place within three fields: research, regulation and resource control. Russia and Norway have undertaken to establish rules and conditions for the conduct of their mutual fisheries relations and to ensure that their citizens and fishing vessels abide by the provisions of the fisheries agreement of 1976 and other regulations concerning fishing.



Map showing the different fisheries' regulations in Northern Europe. Source: The Norwegian Ministry of Foreign Affairs

Framework and Methodology

The work was based on the provisions and fundamental principles for auditing used by the International Organisation of Supreme Audit Institutions (INTOSAI) and the European Organisation of Supreme Audit Institutions (EUROSAI).

Goal: A parallel audit, conducted within the frameworks of the national legislation of Russia and Norway respectively, will contribute to more efficient and effective performance of tasks related to compliance with the relevant acts and interstate agreements on fisheries.

Basis: Information on a number of actual cases of illegal fishing (poaching of fish) that have resulted in a considerable reduction in fish stocks.

Topic: Parallel audit of the utilisation of the quotas for the fishing of living marine resources that were allocated to Russia and Norway in 2004 and 2005 in accordance with the decisions of the Fisheries Commission.

Objective: To assess the effectiveness of implementing bilateral agreements targeted at the conservation and rational utilisation of living marine resources.

Audit subjects: National executive authorities at various levels of government administration; operational enforcement bodies for fisheries and the conservation of living marine resources; bodies involved with the protection of living marine resources; users of living marine resources; other government agencies and organisations that may be relevant to the objectives of this audit.

Topics:

- 1: Assessment of illegal cod fishing
- 2: Compliance with decisions taken by the Fisheries Commission.
- 3: The effectiveness of state supervisory activities
- 4: Sanctions for violations of laws and regulations
- 5: Distribution and filling of quotas
- 6: Analysis of the execution of the joint Norwegian-Russian programmes for research

The work was based on a set of common audit criteria and a common outline for their respective reports. The Russian report and the Norwegian report have been written separately and on the basis of independent information. The Office of the Auditor General of Norway is therefore only responsible for the content of the Norwegian report while the Accounts Chamber of the Russian Federation is only responsible for the content of the Russian report. On the basis of the two parallel investigations, a joint memorandum was signed by the Auditors General of the two countries on 18 June 2007. The memorandum presents the common assessments and sums up the national results.

The audit was performed in parallel in the sense that common general audit questions and audit criteria were defined and the same outline used for the reports. The two audit reports were written separately and on the basis of independent

information. A major element in the parallel audit has been reciprocal learning, and emphasis has therefore been placed on detailed descriptions of the organisation and working methods of the two countries fisheries management.

Results

In short, the results can be summed up²:

- There is a substantial overfishing of cod.
- Significant decisions taken by the Joint Fisheries Commission were not implemented.
- There are material differences between resource control systems in Norway and Russia.
- There are substantial differences between Norwegian and Russian fisheries legislation.
- Scientists have problems carrying out joint marine research programs.

Follow-up

The two supreme audit institutions have agreed to follow up the parallel audit in 2008, 2009 and 2010 to assess whether the results of the audit have contributed to a more efficient and effective management of shared living marine resources in the audit areas and whether the audit has helped to solve the problems of illegal fishing and trans-shipment.

We are focusing on the following areas:

- The cooperation between the Norwegian and Russian fisheries authorities aimed at analysing information on background of cod and haddock quotas in the Barents Sea;

² For complete results, see http://www.riksrevisjonen.no/NR/rdonlyres/BAA1BCE2-F8BC-4A69-B66A-330FB509AC50/0/Doc_3_2_2007_2008_eng.pdf

- The implementation of the Fisheries Commission's decisions taken at the 33rd and 34th sessions on the exchange of information related to satellite tracking, trans-shipment and landings in third-country ports;
- The conducting of physical inspections of catches, trans-shipment operations and landings in third countries;
- Legal challenges and challenges relating to criminal procedure legislation concerning the application of sanctions for infringements of the fisheries regulations;
- The correlation between the national systems for quota allocation and the control of the removal of fish;
- Framework conditions for conducting Russian and Norwegian research expeditions.



The Follow-up audit includes joint audit actions, including joint interviews of the two countries authorities and demonstration of control mechanisms.

To get a complete picture of the control of fish landed in third-countries, the Supreme Audit Institutions in Spain, The Netherlands, United Kingdom, Denmark, Iceland and the Faroe Islands will contribute with their data and experience.

In 2011 a final report from each of the two nations and a joint memorandum will be submitted to the respective parliaments.