



International Seminar

“Public Environmental Audit: Challenges and Opportunities for Public Sector Audit Institutions”

Auditing coalmine decommissioning in the Rostov Region



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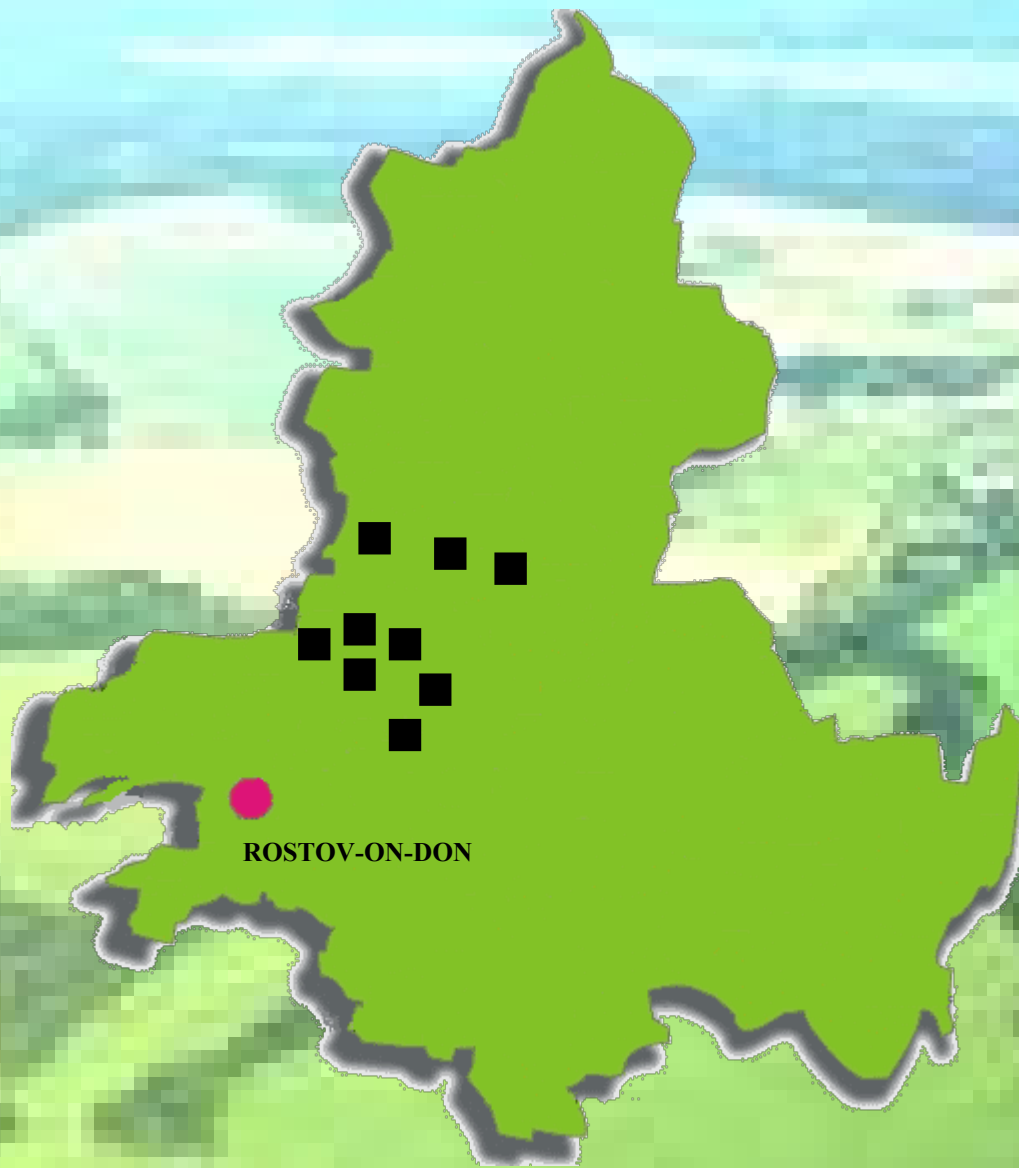
"Courtesy translation provided by the organisation"



Europe

ROSTOV REGION

500 km

















Funding of development programmes for mining areas



Federal budget



Regional budget



Local budgets



Development programmes for mining areas

1994 - 2011

Effectiveness audit program

✓ **Audit goals:**

- evaluation of effectiveness and economy in use of budget funds allocated for mines to be closed;
- production of recommendations for carrying out development programmes in mining areas.

✓ **Audit subject:**

-regulations governing the activity of the organizations under audit, accounting and statistical reports and other information.

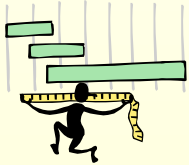
✓ **-Organizations under audit:** Administration of the Rostov region, local authorities of nine mining towns and areas of the Rostov region.

✓ **Period under audit:** from 2000 till 2005.



The Audit will cover:

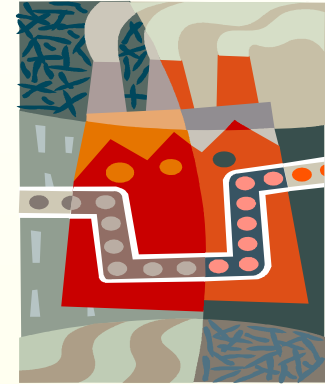
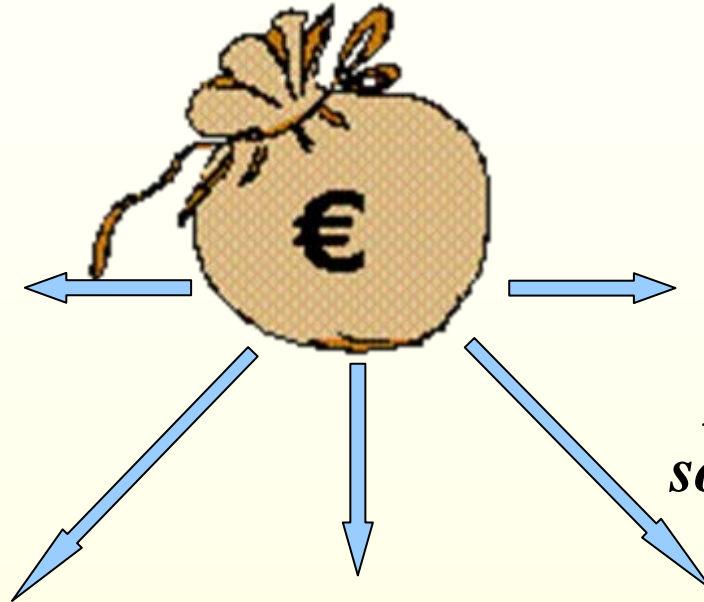
- ✓ Analysis of mining sector condition, study of the problems and consequences of reforms;
- ✓ Analysis of procedure and scope of funding for measures, analysis of participation of state executive bodies in solving the problems of mining areas;
- ✓ Evaluation of provision for technical work in the decommissioning of particularly high-loss coalmines by local authorities;
- ✓ Control over targeted and effective use of budget funds.
- ✓ Monitoring of local development programmes.



Aspects of funding



Construction and operation of environmental sites



Reconstruction of social infrastructure sites



Demolition of sub-standard housing



Resettlement of population from sub-standard housing



Population employment provisions

Index of programme effectiveness

$$E = \frac{\text{Level of actual funding}}{\text{General planned costs}} \rightarrow 100\%$$

Criteria of programme effectiveness

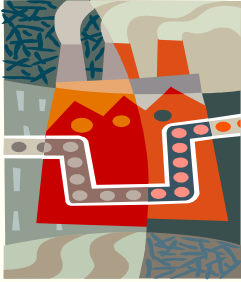


Construction and operation of environmental sites

- ✓ Correlation of executed works with project decisions.
- Achievement of positive results.
- ✓ Restoration of disturbed lands.
- ✓ Preventing mine water flowing onto the surface.
- ✓ Prevention of ground water rise and waterlogging of mining areas.



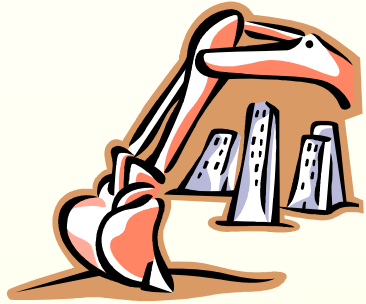
Criteria of programme effectiveness



Reconstruction of social infrastructure

- ✓ Strict following of order of execution of projects and its correlation with the established standard.
- ✓ Share of completely financed projects, %.
- ✓ Share of the projects still under construction, %.

Criteria of programme effectiveness



Demolition of sub-standard housing

- ✓ Facts of population evacuation from sub-standard housing.
Availability of certificates with regards to demolition of evacuated sub-standard housing.
- ✓ Amount of actual funding to total expenses for these purposes.

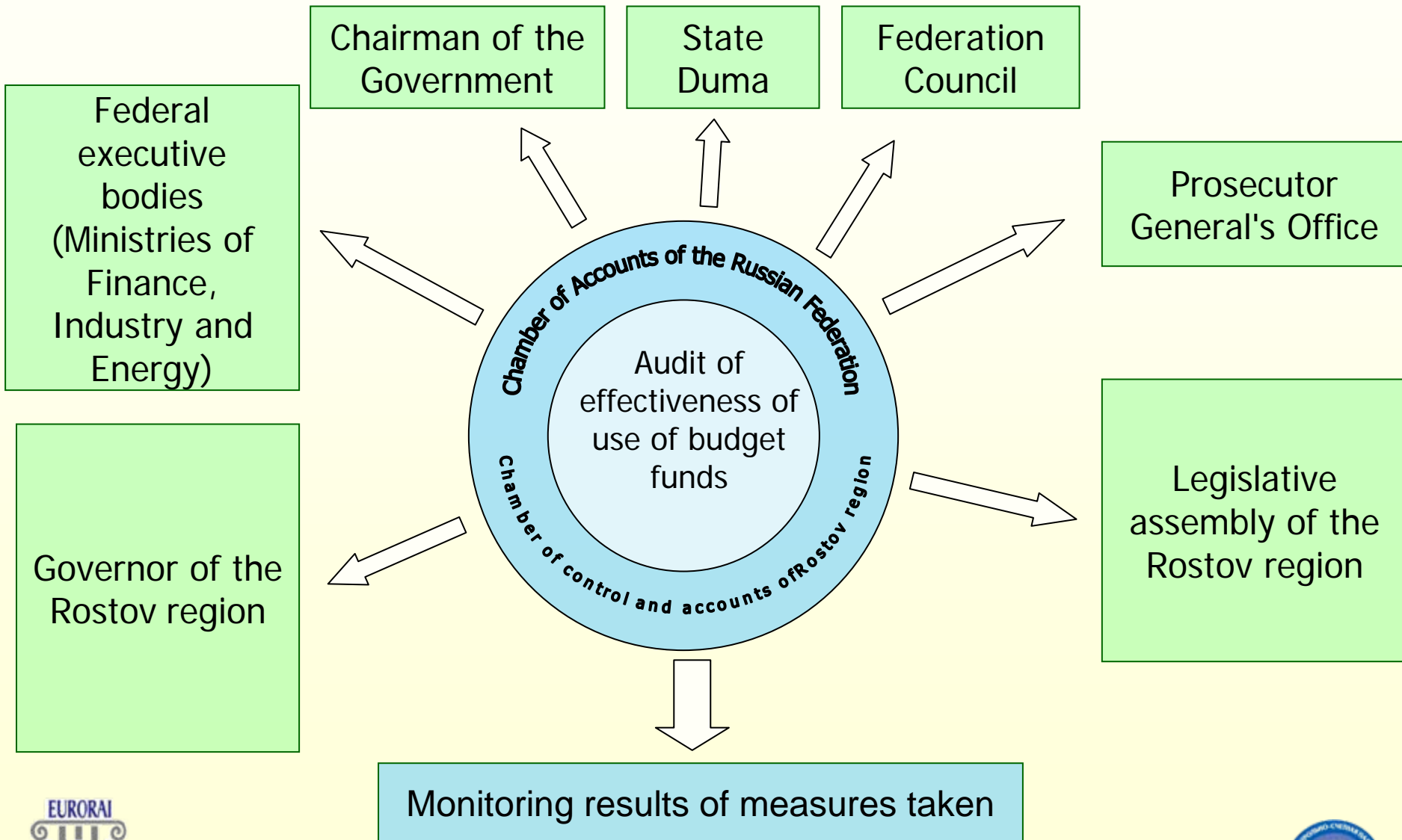
Criteria of programme effectiveness



Resettlement of population from sub-standard housing

- ✓ Number of families resettled to total number of families to be resettled by the reporting date.
- ✓ Amount of actual funding to total expenses for these purposes.

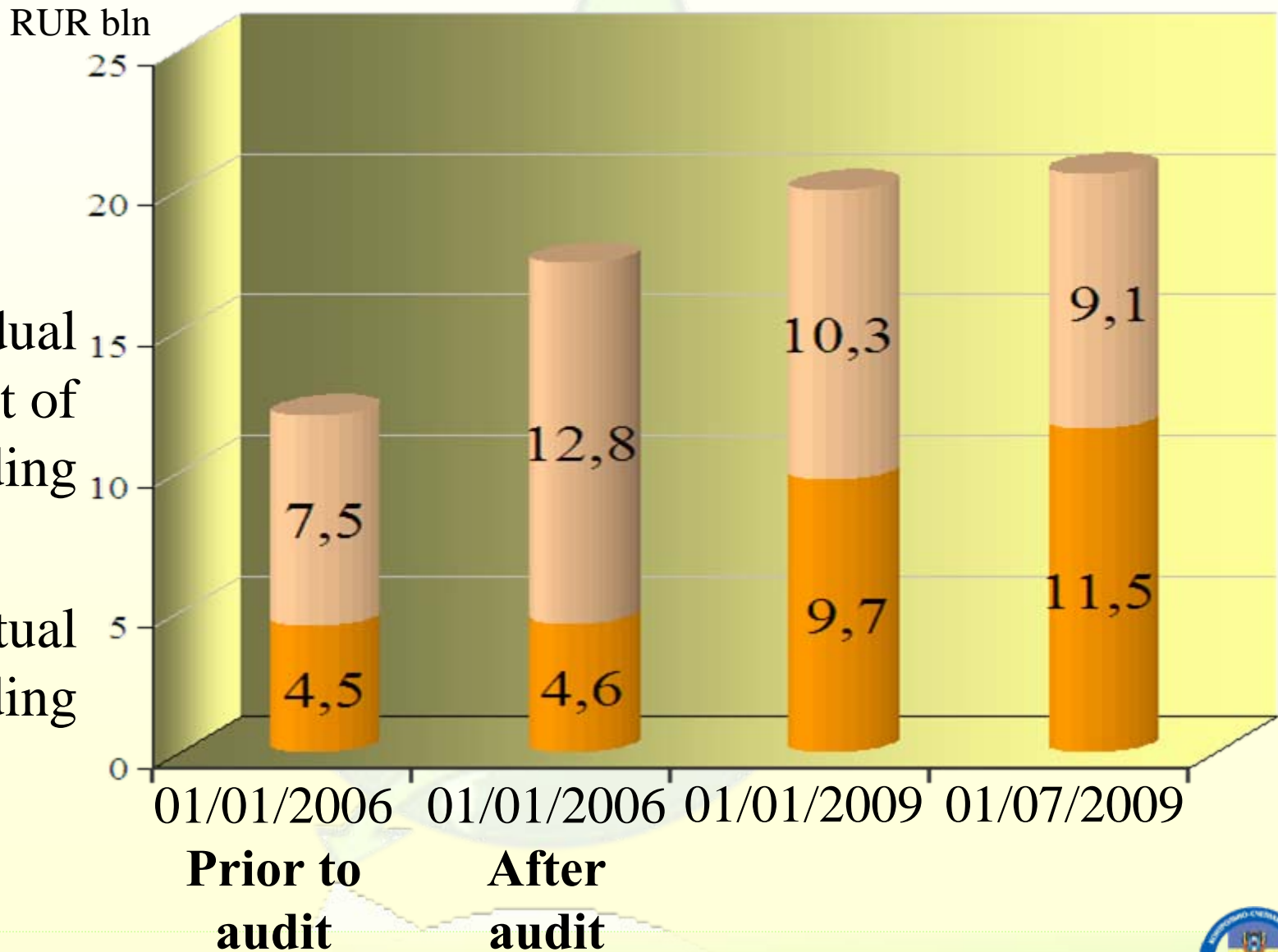
Dissemination of audit materials



General recommendations with regards to audit results

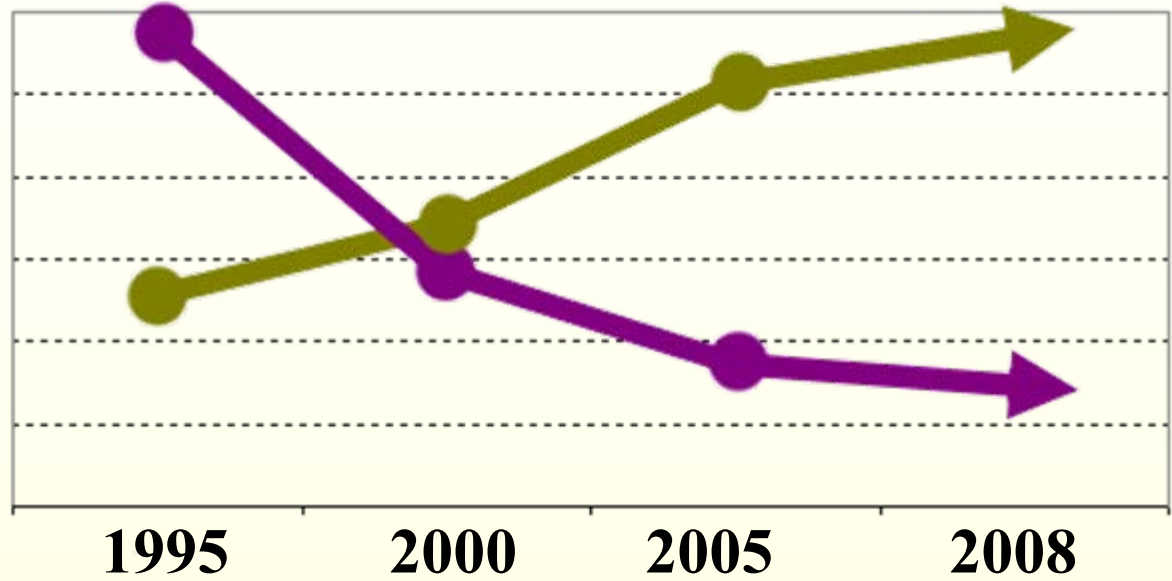
- ✓ Accelerate the development and approval of measures for completing the restructuring of the coal industry in Russia;
- ✓ Agree the measures with the Russian Federation entities;
- ✓ Define the precise terms for completing the measures and the amounts of their funding year by year;
- ✓ Specify expected results of the measures;
- ✓ Make provision for mechanisms to evaluate effectiveness and control over the execution of programme measures.

Dynamics of programme funding

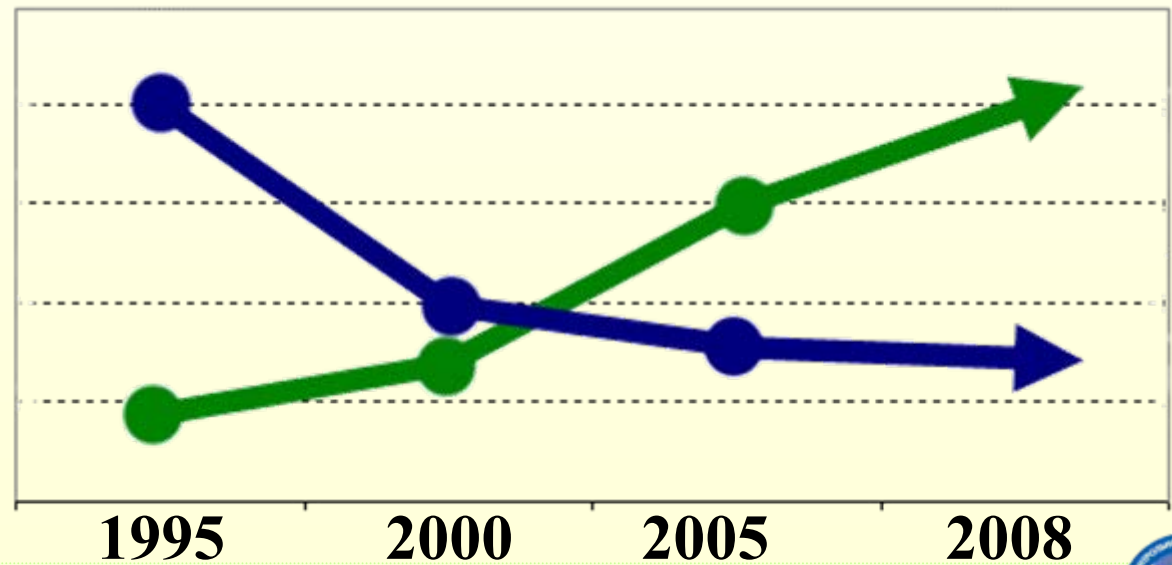


Dynamics of basic indices in coal sector

- volume of coal mining
- Average daily workload on production face



- Number of workers
- Labor productivity



Construction of environmental sites - clearing of mine water from the mining facilities



Extinction of slag heaps - one of the solutions to the most important ecological problems



One of 30
burning slag heaps

Slag heap
after elimination of
combustion sources



Making good collapses of earth surface



Collapses of the earth surface are one of the consequences of mining work

Making good collapses
planting of greenery



Source of funding

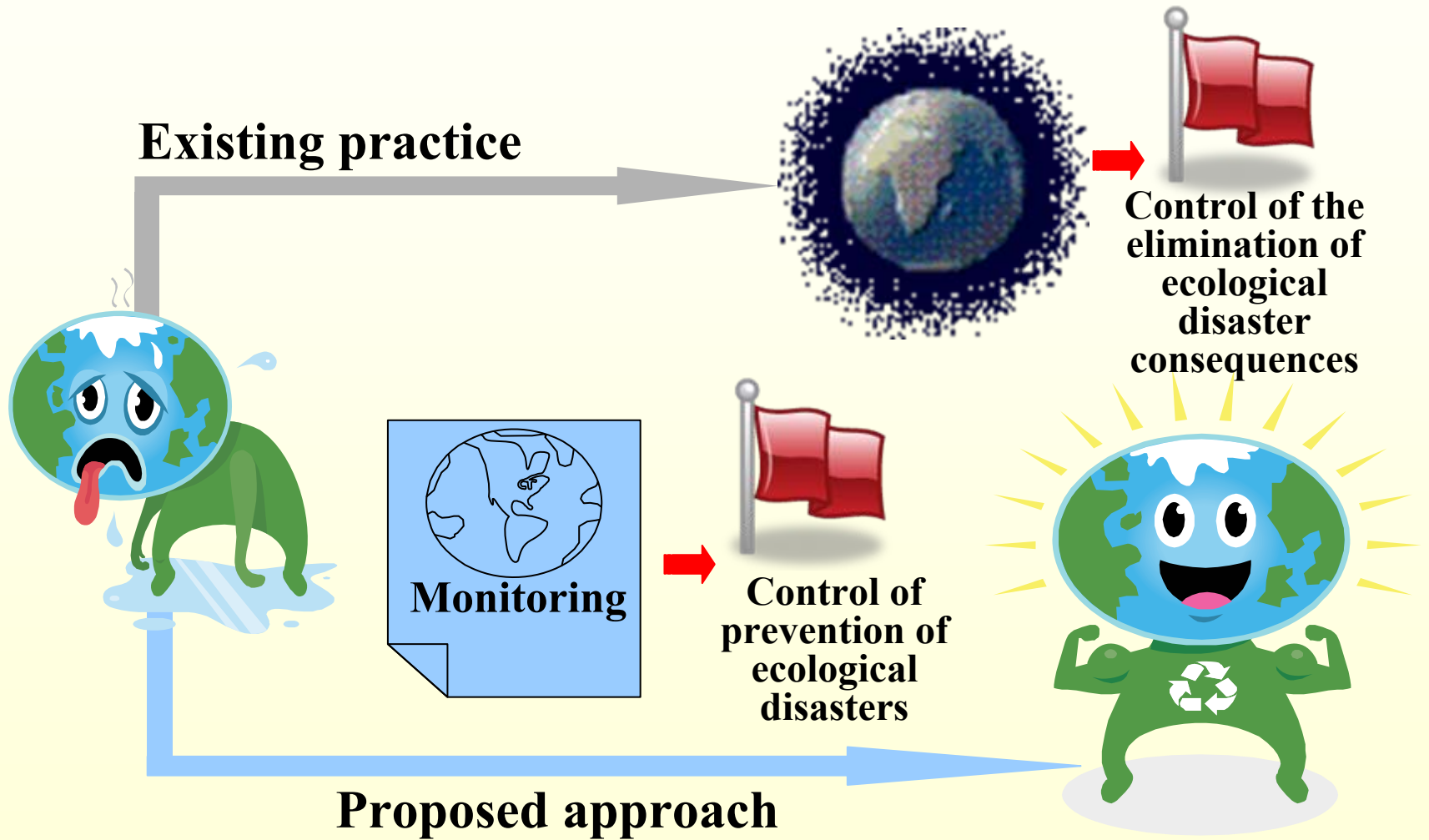


**Federal
budget**



**Local
budget**

Improvement of ecological audit



RUSSIAN FEDERATION



CHAMBER OF CONTROL AND ACCOUNTS OF ROSTOV REGION

