



EUROPEAN
ORGANIZATION
OF REGIONAL
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Session 2:

Auditing water issues

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The implementation of the European Water Framework Directive in Baden-Württemberg taking as an example the ecological river basement management

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According to the EU Water Framework Directive and applicable German water legislation, rivers and streams must be in good condition by 2015, or, in exceptional justifiable cases by 2027. For this to be achieved, the condition of the rivers and streams must be improved and their ecological passability for aquatic fauna must be established. In the federate state of Baden-Württemberg this is primarily restricted through water management structures such as locks and weirs. As major alterations are required, it is especially expensive to remove these many obstacles to migration.

The Court of Audit of Baden-Württemberg has examined how the *Land* can finance and implement such measures:

According to projections of the Court of Audit, the necessary level of investment for the *Land* is 300 million Euro. In order to achieve the mandatory requirements by 2027, 19 million Euro will be required per year. At present, the *Land* has 3 to 5 million Euro available for river basement management. The objective embodied in the water legislation, for rivers and streams to be in good condition by 2027 at the latest, is currently beyond the *Land's* financial means. The federate state must therefore make concerted efforts without delay, to ensure that at least the extended deadline can be met.

First and foremost, potential economies must be exploited to the full. For example, nature-oriented measures are cost-effective, where only river edge strips need to be purchased to provide self-sustaining river basement management. Above all, however, it is important to secure additional funding. This includes EU moneys, but also funds received by the *Land* through taxes, fees and compensation for environmental protection and conservation. Nevertheless, an additional sum of up to 7 million Euro per year must be made available from the federate state budget.

In order to put this into effect, the Court of Audit has recommended to the administration that it quickly drafts a staged plan for the implementation of measures by 2012, 2018 and 2024 and the required cost and financing plan. Only then can the political decision on funding be made.

The audit of the programme “Actions to Improve Aquatic and Fluvial Ecosystems”

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In light of the fact that public awareness of all aspects relating to the environment is becoming increasingly more tangible and that there is abundant regulation in this field, audits must also tackle this subject. As a result, one of the objectives set out by the Audit Office of Catalonia for 2009 includes conducting an environmental audit. The audit body proposed the project as a prudent approach to audits of this nature, aware of their limitations. The subject chosen from out of all those possible (water, sustainable energy, waste, climate change) is water.

In Catalonia, the Catalan Water Agency (Agencia Catalana del Agua, ACA) is the principal agency of the regional administration responsible for the planning and management of water resources and fluvial areas. It is also responsible for the implementation of the European Water Framework Directive (WFD), the essential aim of which is to achieve the good condition of waters (surface, transition, coastal and underground) by the end of 2015.

Based on this aim, and after transposition of the Directive into the Spanish and Catalan legal systems, it has been ascertained that the actions being carried out by the ACA to achieve this aim are geared towards improving the availability of water, water quality and the quality of aquatic and fluvial ecosystems and towards the reduction of risks. Of these actions, those relating to the improvement of aquatic and fluvial ecosystems have been selected. These are based on the management, conservation and recovery of fluvial areas to improve environmental, hydraulic and morphodynamic functionality with the aim of contributing to achieving the environmental goals (good ecological condition) and of their not constituting a hydraulic hazard.

In order to achieve this aim, the ACA is employing a range of types of intervention – demolition or naturalisation of structures, improvement of fluvial morphodynamics, recovery of riverbanks and recovery of fluvial areas – and to carry them out, it is using public works measures, so ensuring the involvement of local authorities and other agents.

After prior verification of the fulfilment of the applicable regulations, the audit has consisted of an assessment of the *Actions to Improve Aquatic and Fluvial Ecosystems* programme. This has entailed evaluating the suitability of the aims set out in the actions to the overall objective of the WFD, the suitability of the instruments chosen to achieve these aims and a financial audit of them, and an assessment of the environmental impact.

The lecture, which is based on the audit report (currently being drafted), presents the conclusions that have been reached, which include the degree of fulfilment by the ACA of the drafting of the documents required by the WFD, the implementation of specific actions and programmes to achieve the aims of the WFD and the involvement of public and private agencies to achieve them. It also highlights the technical limitations of the work of the Audit Office of Catalonia and its limitations in being able to assess whether the programme achieves the environmental impact sought.

Water management and rainwater drainage tasks performed by local authorities in Hungary

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Hungary is highly threatened by the danger of water damage; and the potential of water damages on settlements situated on flat land, mountain areas and hills are equally present. Twenty-five percent of Hungarian settlements belong to the category of being in increased danger from inland waters and rainwater. Water damages may occur any time of the year. In the last years, water damages caused by extraordinary rainfalls raised the awareness to the requirements of personal security and protection of properties, including the role of local governments.

According to the legal provisions water management and rainwater drainage are compulsory tasks of local governments. The SAO audit - carried out in 1990 - already pointed out that tasks to be performed in this framework are interpreted in different ways by local governments. Furthermore, different ownership structures cause problems, because tasks are divided among the state, the water management associations and the local governments. The harmonised operation of water management facilities is of utmost importance, since it significantly influences the defence capabilities of local governments.

The audit covered all three levels of water administration. We carried out on-site audits at the competent ministries, nine Environment and Water Directorates, and 84 local governments. We also undertook a questionnaire survey at water management associations. We audited the performance of tasks at local governments that were affected by water damages and belonged to different categories of endangerment. We also audited the utilization of central subsidies granted for such purposes, and the measures taken on the basis of earlier SAO recommendations. It was an emphatic aspect to review if local governments had fulfilled their tasks concerning water management and rainwater drainage, and if efficient protection had been ensured. We audited the development of the necessary regulatory, support and financial framework too.

The audit was carried out by using performance audit methods. In the planning and reporting phase 3-3 persons were involved, while on-site audits were carried out by 21 persons due to the high number of audited organisations. In the planning phase we developed questions, criteria and performance indicators, datasheets, surveys, and finally drafted the audit programme. The work of auditors carrying out the on-site audits was supported by a 'Manual' compiled by the auditors taking part in the planning.

Auditors' reports were developed for all audited organisations. The synthesis of these reports formed the basis of preparing the SAO report, which was approved by the presidential meeting following internal consultations and external contradictory procedures, as well as the quality assurance procedure.

Among others, the audit pointed out that local governments had not recognized the risk of the default of performing tasks and had not attached enough attention to prevention. This was also manifested in the especially high number of damages in 2005-2006. Apart from the scarcity of financial resources, it was also due to the lack of regulatory environment and motivation.

In the auditors' reports we made recommendations to the local governments to develop and amend local regulations and plans, to perform tasks more efficiently, and to improve the IT system, register and data transmission. The central government was recommended to specify legal regulations, to amend priorities related to the division of budgetary resources, and to improve data transmission, planning and control systems.

Auditing the urban water cycle in the Community of Madrid

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The efficient and sustainable use of water resources as an element contributing to the achievement of sustainable development led in 2000 to the European Union issuing the Water Framework Directive, which tackled questions relating to integral water management, cost recovery, quality, participation, etc., setting out a timetable of objectives up to 2015 to bring regulations, results and performances into line with the references contained in the standards.

Based on the above and taking into consideration the Community of Madrid's historical concern with water resource management, the high volume of resources required by water management-related plans, programmes and projects, the considerations associated with the new systems for the provision, production and financing of public infrastructures and services, and the search for new horizons in the work of the Audit Office of the Community of Madrid, it was decided that the 2005 Audit Plan would include an audit of the Urban Water Cycle in the Community of Madrid.

The audit was limited on the one hand to the urban environment, as in a community such as Madrid which has a highly pronounced metropolitan component, the water resources associated with the agricultural environment are of much lesser importance than those used by industry, services and human consumption. Besides this, the audit undertook an analysis of the situation and the recommendations in relation to a series of issues that were considered to be a priority in light of the Water Framework Directive: a guaranteed water supply in Madrid (supply, demand and regulation), ways of managing the service, the environmental quality of the resource throughout the cycle, the participation of the public sector in the entire process and the internalisation of costs in the charges associated with water usage.

The audit followed a course in which the studies, and the preliminary meetings with the various agents who, in one way or another, participate in the urban water cycle, played a decisive role in determining the issues that were subsequently treated or studied.

For each of the areas analysed, the final report offers a vision of the present situation and concludes with a series of recommendations. Taken as a whole, the main recommendations are related to:

- "Intermediate" efficiency audit: situation and outlook regarding the fulfilment of the aims set out in the Framework Directive.
- Identification of a number of aspects relating to efficiency:
 - The reliability of certain information systems.
 - The reference to certain areas in which management is considered to be improvable.
 - The possibility of putting in place "best practices" in some areas, taking those of other institutions as an example.
- Operational aspects, such as the need for more in-depth analysis through the proposal of special audits for certain institutions or specific areas within them.