



Environmental Auditing in India

..... Comptroller and Auditor General of India

Contents

1.	Auditing in India.....	1
2.	Environment protection in India.....	2
3.	Development of Environmental auditing in SAI India.....	3
4.	Major environmental audits carried out by C&AG of India.....	5
5.	International cooperation on environmental auditing.....	10



1. Auditing in India

The Supreme Audit Institution (SAI) in India is headed by the Comptroller and Auditor General (CAG) of India who is a constitutional authority. The CAG of India derives his mandate from Articles 148 to 151 of the Indian Constitution. The CAG's (Duties, Powers and Conditions of Service) Act, 1971 prescribes functions, duties and powers of the CAG. While fulfilling his

constitutional obligations, the CAG examines various aspects of government expenditure and revenues. The audit conducted by CAG is broadly classified into Financial, Compliance and Performance Audit.

Environmental audit by SAI India is conducted within the broad framework of Compliance and Performance Audit.



2. Environment protection in India

The Ministry of Environment & Forests is the nodal agency in the administrative structure of the Central Government of India, for the planning, promotion, co-ordination and overseeing the implementation of environmental and forestry programmes. The Ministry is also the Nodal agency in the country for the United Nations Environment Programme (UNEP). In the states, the Department of Environment and Forest is the main agency for implementation of environment programmes.

The principal activities undertaken by Ministry of Environment & Forests consist of

- **conservation & survey of flora, fauna, forests and wildlife;**
- **prevention & control of pollution;**
- **afforestation and regeneration of degraded areas; and**

- **protection of environment, in the frame work of legislations.**

Major policy initiatives by Ministry of Environment and Forests include:

- **National Environment Policy, 2006;**
- **National Conservation Strategy and Policy Statement on Environment and Development, 1992;**
- **Policy Statement for Abatement of Pollution;**
- **National Forest Policy etc.,.**

Ministry of Environment and Forests has enacted more than 50 rules/regulations/notifications for control of water pollution, air pollution, environment protection, animal welfare, wildlife etc.,.



3. Development of Environmental auditing in SAI India

The Supreme Audit Institution of India through its various field offices has been conducting compliance audit of government laws, rules and legislations as well as performance audit of government programmes and schemes.

Environmental audits have been conducted by SAI India for the last 25 years. This process was formalised with the introduction of specialized guidelines {MSO (Audit) 2002} for conduct of environmental audits. This laid down broad guidelines to enable SAI India's auditors to examine whether the auditee institutions gave due regard to the efforts of promulgating sustainability development and environmental concerns, where warranted.

With a view to bring in a focused attention and consolidate the approach for better outputs and infusing new techniques and tools, SAI India designated the office of the Principal Director of Audit (Scientific Departments) as the nodal office for Environmental Audit. This office undertakes exclusively, environmental audits of central government

programmes, all over the country.

A Regional Training Institute in Mumbai has been designated as the nodal training center to impart training to officers and staff of SAI India on environmental auditing.

As a result of having a specialized office and a training institute, SAI India has a vast pool of audit professionals equipped with techniques of environmental auditing.

SAI India has conducted more than 100 specialised environmental audits over the last 25 years.



The current work in the area of environmental auditing being done by SAI India includes:

- Preparing “Green Office Guidelines” which is a write-up for guiding SAI India offices all over the country to reduce the detrimental effects of office operation on the environment by more sustainable and efficient use of office resources. This write-up had also been adopted by the Ministry of Environment of Forests and is being circulated to all central government offices in India.
- Assisting the Ministry of Environment and Forests in preparing a policy for the effective management of Waste

in India. As representative of SAI India, Principal Director (Scientific Departments) is a member of a committee which will evolve policy and strategy for the better management of waste in India based on the recommendations made by SAI India in its Audit Report on “Management of Waste in India”.

- Preparing guidelines for “4th E— Integrating Environmental concerns in Auditing” which is guidance on incorporating environmental concerns in all kinds of audit.



4. Environmental audits carried out by C&AG of India

More than 100 environmental audits (compliance and performance) have been carried out by SAI India over the last 20 years.

The audits can be divided into five categories—(i) Air issues (ii) Water issues (iii) Waste (iv) Biodiversity (v) Environment Management System.

(i) Air issues

In 2002, audit of Air Pollution/Vehicular emissions/Industry emissions was conducted in 23 States of India which showed that poor implementation and monitoring of the Air Pollution Control Act led to increase in pollution levels.

Some other audits on this issue are:

- Ineffective pollution control in Thermal Power Stations of Bihar State Electricity Board, 2005.
- Pollution Control by Transport Department of Mizoram, 2006.



(ii) Water issues

Audit of water pollution and availability of water supply/quality has been conducted by SAI India. The flagship audit under water issues was the “Ganga Action Plan” which was a study of water pollution control measures in the river Ganga which showed that despite huge expenditure, Ganga remained as polluted as ever. A similar audit took

place regarding water pollution in the river Yamuna. Some other audits under this category are:

- Implementation of Environmental Acts relating to Water Pollution in India, 2001
- Measures to control pollution in the river Yamuna in Delhi, 2004

- Provision of Safe drinking water in Madhya Pradesh, 2004
- Performance Audit of Arsenic Alleviation Programme in West Bengal, 2005

- Conservation and Management of Dal Lake in Jammu and Kashmir, 2006
- Urban Water Supply in Sikkim, 2006



(iii) Waste Issues

Audit of waste issues have looked at the implementation of waste laws in India. In 2008, performance audit on “Management of Waste in India” was conducted across 24 states which found weaknesses in policies regarding waste reduction/recycling/reuse, lack of rules for disposal of all kinds of waste and poor compliance to the Municipal Solid waste, Bio-medical waste and Plastic waste rules. Poor quality of data, poor monitoring and lack of accountability led to the ineffective management of waste in India.

Some other audits in this area are:

- Removal of garbage and sanitation work in Delhi, 2001
- Improper disposal of biomedical waste by medical establishments in West Bengal, 2001
- Non compliance to municipal solid waste rules and unsafe disposal of bio-medical waste, Rajasthan, 2004
- Solid Waste Management by municipalities and corporations in Tamil Nadu, 2006

- Bio-Medical Waste Management in Jammu and Kashmir, 2004
- Bio-medical waste Management in Orissa, 2005

- Management of bio medical wastes in four major Public Hospitals in Delhi, 2006



(iv) Biodiversity Issues

Audit of biodiversity has included audit of wildlife conservation programmes in India as well as conservation and protection of forests in India. In 2006, audit of 'Conservation & protection of Tiger in Tiger Reserves in India' was conducted in 28 tiger reserves all across India.

The audit revealed that relocation of the people living within the Tiger Reserves as well as removal and prevention of encroachment was

essential to ease the biotic pressure on the tiger population.

The personnel employed to protect tigers were over-aged, under-trained and under-equipped in many cases. The intelligence and communication network at the Reserves level was also weak. Many tiger reserves had neither prepared the tourist management plans nor assessed the tourist carrying capacity of the reserves. Some other audits in this area are:

- Preservation of wild life in Meghalaya, 1996
- Management of Forests in Delhi, 2001
- Functioning of Zoos and Wildlife Sanctuaries in Rajasthan, 2002

- Unauthorized extraction /removal of forest produces in Arunachal Pradesh, 2005
- Illicit felling and removal of timber in Meghalaya, 2006



(v) Environment Management System

Environment Management Systems are controls put in place to minimise all kinds of pollution.

In 2007, performance audit of Environmental Management by Mumbai Port Trust, India showed that the Port did not have a systematic

documented environmental management plan and did not conduct environmental management audits. The Port's pollution control cell was also not adequately equipped and failed to control pollution of harbor waters.

Some other audits done in this area are:

- Environmental Safeguards in thermal power stations in Andhra Pradesh, 2005.
- Environment management system in thermal power stations Gujarat, 2005.
- Compliance with Environmental Regulations by State public sector undertakings in Tamil Nadu, 2005.
- Environmental Management System in State Public Sector undertakings in Uttar Pradesh, 2005.



5. International cooperation on environmental auditing

SAI India is an active member of INTOSAI WGEA and ASOSAI Working Group on Environment.

- SAI India has been conducting month long International training programmes on Environmental Audit. More than 100 participants from 40 countries have participated over the years.
- SAI India is a member of the 8th ASOSAI Research Project on '*Guidance on conducting Environmental Audit*' along with China Pakistan, Malaysia and Saudi Arabia. The research group is in process of framing environmental audit guidelines specifically suited for use by member ASOSAI nations.
- An Indo Polish joint seminar on Environmental Audit was held in November 2007 in Warsaw. The two countries are collaborating to share their experiences in the field of environmental audit.
- SAI India also imparted specialized training in environmental audits to officers of SAI Bhutan in July 2007.
- ASOSAI seminar in China on auditing air pollution issues was attended by representatives of SAI India.
- India is a member in the INTOSAI Working Group on Environmental Audit and has been actively participating in the committee's deliberations.



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Website: <http://www.cag.gov.in/>

For further details please contact

Raj G Viswanathan, Principal Director of Audit, e-mail: viswanathanrg@cag.gov.in

Nameeta Prasad, Director of Audit, e-mail: prasadn@cag.gov.in