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Performance auditing in Germany concerning environmental issues

Performance
auditing in
Germany

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Abstract

Purpose – This paper aims to provide knowledge concerning performance auditing by examining the implementation in Germany. The text shows how the principles of performance auditing are implemented in Germany. The German approach is special because the international standards are not implemented in Germany, and there are neither any existing scientific studies nor any other literature concerning performance audit in Germany.

Design/methodology/approach – The study comprises a general discussion of the goals and boundaries of performance auditing with an environmental perspective based on a literature study. The text also describes the theoretical, legal and methodological background of performance audits in Germany. Findings concerning the status quo of performance auditing in Germany are based on an analysis of audits conducted by public audit institutions. The findings were compared with findings from other current international studies.

Findings – The sample of scrutinized audits conducted by the public audit institutions shows clearly that the provisions of the German Federal Budget Code had been fully implemented. In nearly every study, implications of economy, efficiency and effectiveness have been considered. Hence, even without any references to the international standards, the core principles of performance audit are considered in the audits conducted by the public audit institutions in Germany. The main focus in the audits had been placed on the efficiency and effectiveness. It is also very remarkable how far-reaching the findings of the audits in Germany are. Especially, in terms of scrutinized subsidy directives, the public audit institutions are not reducing their recommendations to the implementation of the granting-process but to the directives itself.

Research limitations/implications – The paper highlights a sample of studies which is limited in terms of quantity because it focused on audits related to environmental protection.

Practical implications – The study provides knowledge on how audits are conducted by public audit institutions in Germany. In doing so, it is particularly helpful for people dealing with public audits, especially in the government and the audit institutions.

Social implications – The paper examines the role of public audit institutions that contribute to a more efficient and an effective deployment of public expenditures. The goal is to avoid wasting public means by using it without causing positive effects. This is the basis for a socially just usage of public means.

Originality/value – The paper contributes to a better understanding of performance auditing in general. As there are no documented scientific studies or other papers concerning the implementation of performance audit in Germany, the paper is of high-innovatory value. The findings are very important to the further development of performance audit. In addition, by depicting the role of public audit institutions in Germany, it allows comparisons to the situation in other countries.

Keywords Efficiency, Effectiveness, Economy, EU water framework directive, Performance auditing, Public audit

Paper type Conceptual paper

1. Introduction

Performance auditing helps to make public sector bodies accountable to citizens and other stakeholders (Federation of European Accountants, 2015). Performance auditing is established according to international standards (INTOSAI, 2013). In general, there is



little evidence-based knowledge concerning the implementation of performance auditing (Reichborn-Kjennerud, 2013). Hence, this research note's aim is to achieve a better understanding of performance auditing in general by examining the theoretical, legal and methodological background of performance auditing related to environmental issues of the public sector in Germany. The German approach is interesting, as the term performance auditing is not common and guidelines do not exist[1].

After a general discussion of the goals and boundaries of performance auditing with an environmental perspective, the following describes the theoretical, legal and methodological background of performance auditing in Germany and shows how the principles of performance auditing are considered in Germany. The findings are based on a sample of audits related to environmental issues conducted in Germany.

2. Performance auditing

Audits and evaluations have become important tools for providing information about how public money is spent (Reichborn-Kjennerud, 2013). Performance auditing provides an independent assessment of the performance of a government organization, program, activity or function and facilitates decision-making by parties with responsibility to oversee or initiate corrective action (Dittenhofer, 2001). Performance auditing is defined by the standards of the International Organization of Supreme Audit Institutions (INTOSAI) as an "independent, objective and reliable examination of whether government undertakings, systems, operations, programs, activities or organizations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement" (INTOSAI, 2013). Therefore, the so-called "three Es" form the core of performance auditing. As characterized by International Standard of Supreme Audit Institutions (ISSAI) 300, the term economy means minimizing the costs of resources. It addresses the time, the quantity and quality of the resources at the best price. Hence, this principle can be seen as the usual standard for all audits. However, there are two additional principles stating performance auditing which are focusing not only on the resources but also on the output. The principle of efficiency describes the relationship between resources used and the output. Therefore, the major focus is on managing the resources in such a way that the output is maximized for any given resource input (Nath *et al.*, 2005) in terms of quantity, quality and timing. Efficiency is closely related to the concept of "productivity". The audit will deal with issues such as considering whether outputs or results have been produced cost-effectively (European Court of Auditors, 2015).

The principle of effectiveness questions if set objectives are met and intended results are achieved. Issues of effectiveness arise when an entity or intervention does not produce the expected output, results or impacts. An audit of effectiveness is therefore concerned with measuring the extent to which the different types of objectives have been achieved (European Court of Auditors, 2015). The effectiveness of a program can be assessed by evaluating and reviewing four basic issues regarding the program. These issues include the degree to which the program continues to make sense and addresses a continuing need, the degree to which the program's objectives are being met, the assessment of the program's intended or unintended impacts and effects and the relative cost-effectiveness of the present method of delivering the program (Nath *et al.*, 2005).

Performance auditing differs in many ways from financial audit. For example, the methods of performance auditing vary from audit to audit, whereas the approach is standardized in a financial audit (European Court of Auditors, 2015). However, aspects of a financial or compliance audit can also be included in a performance audit.

To establish a framework for timely delivery of high-quality audit reports and to avoid unnecessary activities, the European Court of Auditors formulated basic principles, the so-called SMARTTEST approach for performance audits. Following this approach, the auditor should ensure that:

- sound judgment is exercised throughout the audit process;
- methodologies are appropriate and combined to capture a range of data;
- audit question(s) are set which can be concluded against;
- risks to deliver the audit report are analyzed and managed;
- tools are used to help achieve successful delivery of the audit;
- evidence is sufficient, relevant and reliable to support the audit findings;
- significant/substantive conclusions and recommendations to the final report are considered from the planning phase onwards; and
- transparency – a “no surprises approach” – is adopted with the auditee (European Court of Auditors, 2015).

To conduct the audit, the staff is of great importance in terms of qualification (i.e. knowledge and skills necessary for the performance auditing operation; complete knowledge of government operations, accounting and auditing procedures) and independence (staff members must be free from personal and organizational impairments) (Dittenhofer, 2002).

2.1 Limitations and critiques of performance auditing

According to ISSAI, the audit does not question the decisions of the legislative body but examines the shortcomings in laws and regulations or their method of implementation that have prevented the objectives from being achieved (INTOSAI, 2013). There is, indeed, a wide range in which the goals or intentions of political decisions in a narrower sense cannot be questioned by an auditor. However, a clear differentiation between decisions of the parliament itself and the implementation of such decisions is not possible. Furthermore, legislative decisions encompass not only political goals but also the way to achieve these goals. In such cases, the room to question the decisions is essential for an auditor. Hence, an audit may also include an assessment, for example, on the need or desirability of continuing a program in the public sector (Nath *et al.*, 2005).

One of the dilemmas in performance auditing is that not necessarily all the issues, ex post, considered important from the viewpoint of the “three Es” or other relevant evaluation criteria have been regarded as such, *ex ante* (Johnson *et al.*, 2001).

Kells (2011) formulated seven critiques of performance auditing (Kells, 2011):

- the antiinnovation critique (“Does the supreme audit institution (SAI) recognize and encourage innovation and entrepreneurship?”);
- the nit-picking critique (“Is the SAI authorized to make findings and recommendations on big issues such as the effectiveness of agencies and programs, and fundamental aspects of how programs are delivered?”);
- the expectations gap critique (“Are the limits on the assurance provided by the SAI performance audit program clear to the legislature and the community?”);
- the lapdog critique (“Does the SAI have sufficient authority to undertake the audit program independently, effectively and without fear or favor?”);

- the headline hunting critique (“Does the SAI aggressively seek press coverage?”);
- the unnecessary systems critique (“Does the SAI have a wide range of solutions in its recommendations toolkit, or just procedures, rules and regulations?”); and
- the hollow ritual critique (“Are audit findings and recommendations, and the SAI’s methods, regularly subject to external peer review or independent evaluation?”).

The critiques categorize risks to be managed in the design and operation of audit institutions and provide useful guidance for the difficult task of measuring the performance of performance auditors and help inform the development of monitoring and reporting frameworks.

2.2 Performance audit and environmental issues

Environmental policies and the methods of implementation vary greatly from country to country (Van Leeuwen, 2003). In many countries, clearly formulated environmental policies are lacking as governments may not always identify the instruments to be used, targets to be met in specified years or the way achievements will be monitored and reported. The risk of unclear policy is that the responsible entities may not become sufficiently engaged. Competent authorities are responsible for clear policy formulation and the availability and the quality of information. SAI can make these points the goals of their audits and, in doing so, encourage their governments to improve the clarity of their policies (Van Leeuwen, 2003).

There are unique requirements for audits with an environmental perspective that need to be considered because many environmental issues have various dimensions and are interconnected (Reed, 2014). INTOSAI established a guidance paper (INTOSAI, 2016) highlighting the specific characteristics of these audits.

The guidance is based on ISSAI 300 and comprises additional recommendations as follows:

- clearly define the objective and scope of the environmental audit;
- consider the costs that environmental impact, damage or restoration measures can imply;
- estimate the extent of environmental liabilities (where quantified); and
- define explicit audit criteria (often contained in statutory requirements).

The guidelines also highlight the important role of sufficient, relevant and reliable environmental data or, respectively, the problems deriving from the lack of current, valid and meaningful data characterizing environmental conditions. Hence, a key step in audit execution is to anticipate, continually assess and adapt data needs (Reed, 2014).

The existence of environmental data also varies from country to country. In the European Union (EU) and North America, a wide range of significant data are available, whereas in other countries, data are often incomplete or of poor quality. Provided that environmental data are available, the effectiveness of a program is sometimes easy to assess. For example, The European Court of Auditors (ECA) examined the implementation of the urban waste water treatment directive in four member states in the Danube River Basin: the Czech Republic, Hungary, Romania and Slovakia[2]. It scrutinized the funding of urban waste water treatment plants by examining a sample to see how they treated waste water and handled sewage sludge and assessed if the expenses were likely to be financially sustainable. Through this audit, the court assessed the effectiveness of European Regional Development Fund/Cohesion Fund spending on waste water treatment in helping member states to achieve EU waste water policy objectives. The audit was based on an assessment

of the connection rate to sewage networks by agglomeration; the treatment efficiency of the waste water treatment plants and the number of agglomerations not yet compliant with the urban waste water treatment directive; and the performance of 28 urban waste water treatment plants. Data according to all criteria have been available, and, hence, the findings of the audit were easy to obtain.

However, even when environmental data exist, it is often very difficult to assess the effectiveness of measures set up to improve environmental conditions. In many cases, it is hardly possible to describe the cause-and-effect chain between implemented measures and the intended result. Natural systems – e.g. the numbers of a population of rare species – are dynamic and variable. Hence, one can hardly provide evidence that variations of the numbers of the population are caused by implemented measures and not by natural variations – at least not in the short time period of an audit.

In other cases, current data are not available and cannot be obtained during an audit. To assess the effectiveness of measures or programs established to improve environmental conditions despite incomplete environmental data is, nonetheless, the fundamental challenge of a performance audit. Sometimes, when a valid conclusion is not possible, the auditor can refer to the absence of reliable environmental data.

However, such a statement may not become the central message of the audit report (INTOSAI, 2016). With adequate expertise – e.g. under consultation of external experts – the success of environmental measures usually can be assessed with sufficient reliability. If assumptions are not sufficiently based on evidence, the probability of the assumptions has to be estimated in the audit report[3].

It is possible to increase the impact of environmental performance audits through a careful audit topic selection, planning, execution, reporting and communication. The success of all performance audits rests on the same necessary foundations: a solid methodology, qualified people and a sound knowledge of the subject matter (Reed, 2014).

3. Performance auditing in Germany

3.1 Preliminary remarks

In Europe, performance auditing is being undertaken in all countries except Greece. There has been long-term experience not only in the Nordic countries (Denmark, Finland, Norway and Sweden), The Netherlands and the UK but also in Belgium, Italy, France, Portugal and Slovenia. Outside Europe, Australia, Canada, New Zealand and the USA are seen as the leading countries (Federation of European Accountants, 2015). To performance auditing in Germany, there are neither any existing scientific studies nor any other literature.

3.2 Legal background

The legal provisions in Germany are not linked to the international standards in terms of performance auditing. According to the German Federal Budget Code (1969), the principle of economy is the leading budgetary principle in Germany. § 7 Federal Budget Code stipulates that the principle of economy[4] shall be observed when preparing and executing the budget. Appropriate economy analysis shall be conducted for all measures having financial impact. The content of this analysis is described in the corresponding administrative regulation[5]. According to this regulation, the appropriate economy analysis consists of the following:

- *An examination of objectives set:* The examination of objectives shall state to which degree the objectives are achieved. This also forms the basis of a review of the objectives.

- *An examination of economy*: This examination checks whether the implementation of a measure has been efficient in terms of used resources and its objectives.

In addition, No. 2.2 VV to § 7 Federal Budget Code prescribes the duty to monitor the success of measures. In the scope of this monitoring, one has to examine:

- whether and to what extent the goals of a (financial) measure have been achieved (effectivity of the measure);
- whether the (financial) measure caused the effect (causality of the measure); and
- whether the effect has been achieved by the least possible resources[6].

Hence, the terms economy, efficiency and effectiveness are used differently in comparison to the usage in the INTOSAI guidelines to performance auditing. In Germany, the term economy also comprises the content of the principles of efficiency and effectiveness. In addition, they are a part of the assessment described in the administrative regulation to § 7 Federal Budget Code. The regulations in the German federal states are derived from the Federal Budget Code. Hence, it can be assumed that in the federal states, the same legal provisions are valid.

3.3 Performance auditing: examples related to environmental issues

To analyze the implementation of performance auditing in practice, a sample of existing audits from public audit institutions in Germany had been scrutinized. The sample consists of audits related to environmental issues described in the yearly reports of public audit institutions (from 2006 to the present). It has been evaluated whether the findings or recommendations described in the yearly reports contain considerations according to the principles of efficiency and effectiveness.

The sample (Appendix) shows clearly that the provisions of the German Federal Budget Code had been fully considered. The scope respectively the findings of public audits in Germany refer not only to accountability or compliance but also to efficiency and effectiveness.

In nearly every audit implications of economy, efficiency and effectiveness had been highlighted. Especially in terms of scrutinized subsidy directives, public audit institutions emphasized on the examination of efficiency and effectiveness. The findings of the audits comprise statements such as:

- subsidized projects were not appropriate to achieve the goals of the granting scheme;
- environmental goals set by European Directives could not be achieved; and
- means could be deployed in a more effective way to achieve environmental goals.

It is remarkable how far reaching the recommendations of the audit institutions are. The recommendations are often not only related to the implementation of the granting process itself but also encompass an assessment of the need of the granting directives. In several cases, the audit institution recommended abolishing the subsidies and questioning the political decisions to provide means in specific areas. In other cases, the recommendations refer to amendments of existing or even new legal provisions.

Hence, even without any references to the international standards, the core principles of performance auditing are considered in the audits conducted by public audit institutions in Germany. The focus of audit inquiry has been moving beyond the “how much does it cost?” to “how well have actions been implemented?”, “what have they achieved?” and “do the

outputs match the original intentions?" (Parker and Jacobs, 2015). This result is in line with other studies (Parker and Jacobs, 2015). That means performance auditing is gradually moving toward a focus on effectiveness as it engages with and takes account of parliamentarian's and the general public's interests and concerns (Parker and Jacobs, 2015).

Findings of a study from South Africa (Gildenhuis and Roos, 2015) point in the same direction. The aim of this study was to identify differences in performance auditing planning practices, followed by internal auditors in the South African public sector. According to this study, the basic building block of performance auditing (the identification of symptoms and the articulation of findings in accordance with the "three Es" of economy, efficiency and effectiveness) was present in all three of the scrutinized methodologies.

However, on the level of the municipalities, the situation seems to be different. According to a Swedish study (Andersson and Nilsson, 2011), the elected auditors in the municipalities in Sweden focus on financial rather than performance auditing in the audit reports. Similar findings provided a study from the UK (Ferry *et al.*, 2015). It highlights that because of formal performance, assessments of local governments have been abolished, and the hierarchical accountability will be much more focused on managing spending (financial conformance) rather than on what has been achieved for such spending (operational performance).

4. Conclusion

Performance auditing is a tool designed to hold ministries and the government administration accountable for government spending (Reichborn-Kjennerud, 2013). It is used to plan, monitor and evaluate how public resources are deployed to achieve public objectives (Daujotaite and Macerinskiene, 2008). Performance auditing includes parts of compliance to law and jurisdiction, as well as the effectiveness of costs and government programs. It assesses the process by which an organization uses resources to achieve objectives and extent to which the objectives of measures have been attained (output, results and impacts). Performance audits of policies examine whether political programs are appropriate from a financial perspective (Grönlund *et al.*, 2011). The nature and environment of performance auditing are constantly changing. The on-going concern is how to ensure that performance audits are effective and help produce improved public sector performance that will give parliaments, governments and the general public greater confidence in the public sector and the results achieved (Barrett, 2011).

This research note shows how performance auditing in Germany is implemented. It contributes to a better understanding of the different approaches of performance auditing in different countries. The sample of audits reviewed in this work illustrates the German approach to public audits. Although the terms are used differently in comparison to INTOSAI guidelines to performance auditing, all essential issues of efficiency and effectiveness are addressed in the observed audits. Hence, the implementation of performance auditing is not dependent on references to international guidelines but on the specific design of the audit.

The evaluation of audits related to environmental protection indicates that in Germany, the public audit institutions now have a new advisory function, in addition to the "traditional" accountability and compliance assessments. As the advisory role of the public audit institutions has been prescribed by the budget law reform in 1969, this function has gained in importance constantly (Zavelberg, 1989).

In addition, the advisory function has also been confirmed by the German Federal Administrative Court. It stated that "The tasks of the public audit institutions have been

changed from an ex-post control to an independent ex-ante evaluation” (German Federal Administrative Court, 2010).

Performance auditing in general has the potential to support this advisory function, e.g. by assessing the effectiveness of granting schemes or even legal acts. This development is consistent because in the past, the recommendations of the public audit institutions resulting from ex post control came after the expenditures were made. To contribute to a more efficient and an effective deployment of public expenditures, an *ex ante* advising is therefore necessary.

Notes

1. Guidelines to Performance Auditing exist for instance in Australia, India, the Pacific Region (PASAI), Finland, Pakistan, Brazil, Canada, USA, New Zealand and in many other countries.
2. European Court of Auditors, Special Report (No 2/2015): EU funding of Urban Waste Water Treatment plants.
3. The methodological approach is similar to Environmental Impact Assessment. For example, the Guidelines for the Assessment of Indirect and Cumulative Impacts as well as xImpact Interactions, <http://ec.europa.eu/environment/archives/eia/eia-studies-and-reports/pdf/guidel.pdf>
4. The German legal terms are “Wirtschaftlichkeit und Sparsamkeit“.
5. Administrative regulation to Section 7 Federal Budget Code.
6. Piduch E.A., Bundeshaushaltsrecht (Federal Budget Law), loose leaf collection, Stuttgart.

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Appendix

Table A1.
Sample of audits
related to
environmental
protection

Audit title	Economy	Efficiency	Effectiveness	Examples of findings and recommendations of the audits
Pilot projects for environmental friendly shipping without success, Supreme Audit Institution, Yearly Report 2013	×	×	×	Subsidized projects have been inappropriate to achieve environmental goals of the granting scheme
Compensatory measures pursuant to Nature Conservation Law in road construction, Audit Institution Baden-Württemberg, Special Report 2015			×	Identification of the measures is very time-consuming and cost intensive Responsibilities in the government were not clarified. The government does not control the measures. According to the audit Institution, it is not permitted by law to use public subsidies for preserving the measures The Ministry of Environment granted subsidies for various measures in the energy sector. The audit institution stated that - pursuant to the directive - this had not been justified. Although prescribed by the directive a success control has not taken place
Programs funded by the federal state in the energy sector, Audit Institution Baden-Württemberg, Yearly Report 2014		×	×	Overhead costs (33% of the granted subsidies) have been too high Audit institution recommends abolishing the funding scheme Audit institution expects a cost-benefit analysis under consideration of other solutions for the flood protection of the area
Flood Protection Scheme Strudelbachtal, Audit Institution Baden-Württemberg, Yearly Report 2009		×	×	Audit institution questions the flood protection scheme in general Audit institution recommends the consideration of other alternatives to avoid cost-intensive new construction of sewers
Reconstruction of wastewater sewers, Audit Institution Baden-Württemberg, Yearly Report 2006	×	×	×	Audit institution criticizes the applied building methods and claims that other solutions were less cost-intensive Audit institution expects a better preparation and planning of the wastewater management and recommends abolishing the subsidies for the reconstruction of sewers

(continued)

Audit title	Economy	Efficiency	Effectiveness	Examples of findings and recommendations of the audits
Maintenance of facilities in the water sector, Audit Institution Brandenburg, Yearly Report 2015	×	×	×	Audit institutions criticize that a register of the facilities in the water sector has not been created The competent authority has not monitored and assessed the status quo of the facilities Audit institution estimates that 100 Mio € have to be spent because of deferred maintenance of facilities The controlling of expenditures has been insufficient Audit institution recommends introducing a complete new system for the river maintenance Although the applications for subsidies to secure and improve the groundwater resources had been insufficient, the Investment Bank granted the subsidies Audit institution recommends changes in the application procedure for the subsidies
Deficiencies in river maintenance, Audit Institution Brandenburg, Yearly Report 2011	×	×	×	Audit institution criticizes that the majority of the measures set to implement the EU Water Framework Directive have not been conducted Audit institution stated that the municipalities have not fulfilled their responsibilities to implement the EU Water Framework Directive
Measures to secure and improve groundwater resources, Audit Institution Hessen, Yearly Report 2009	×	×	×	Audit institution claims that through the current approach the goals stipulated by the EU Water Framework Directive could not be achieved Audit institution recommends amendments of the State Water Act Audit Institution demands improvements of the framework for coastal protection Audit Institution recommends clarifying the responsibilities for the dikes by amendments of the State Water Act
Implementation of the European Water Framework Directive by municipalities, Audit Institution Mecklenburg – Western Pomerania, Yearly Report 2012	×	×	×	

(continued)

Table AI.

Table AI.

Audit title	Economy	Efficiency	Effectiveness	Examples of findings and recommendations of the audits
Subsidies for small scale sewage treatment plants, Audit Institution Mecklenburg – Western Pomerania, Yearly Report 2009	×	×	×	Audit Institution demands monitoring of success of former subsidy directives Audit Institution claims that subsidies for small scale sewage treatment plants are not in the interest of the federal state. Audit institution recommends increasing the subsidies to achieve the goals of the subsidies (better quality of the water bodies)
Compensation measures for impacts on nature caused by road construction, Audit Institution Rhineland-Palatinate, Yearly Report 2014	×	×	×	The competent authority for road construction did not provide sufficient maintenance for the compensation measures Audit Institution criticizes that a binding manual for the management of the compensation measures has not drawn up The possibilities of new approaches (a so-called “Eco-Account”) have not been exploited
Subsidies for Nature Conservation, Audit Institution Saxony, Yearly Report 2015		×	×	Costs for the implementation of EU Directives to Nature Conservation have not been estimated Audit institution claims that on the basis of existing information the competent ministry is not able to assess the implementation of legal obligations from the EU Directives The granting scheme for the subsidies has set neither priorities nor verifiable goals and indicators In the opinion of the audit institution, the targets set by the EU Directives have not been achieved in the state forests Audit institution recommends revision of the granting scheme for Nature Conservation

(continued)

Audit title	Economy	Efficiency	Effectiveness	Examples of findings and recommendations of the audits
Income and deployment of means deriving from the levy on the extraction of water, Audit Institution Saxony, Yearly Report 2012	×	×	×	Audit Institution criticizes the low rates and exemptions from the levy in favor for lignite mining companies Audit institution reasoned that with the ecological damages caused by the water extraction and because of the low rates the steering function of the levy was not safeguarded
Subsidies for small scale sewage treatment plants, Audit Institution Saxony, Yearly Report 2010		×	×	Audit institution recommends abolishing the granting scheme be, because the goals could be achieved through administrative orders The goals set by the European Water Framework Directive could not be achieved in Saxony by the existing granting schemes
Subsidies for Nature Conservation, Audit Institution Schleswig-Holstein, Yearly Report 2012	×	×	×	Audit institution recommends a success control for the granted subsidies According to audit institution the costs for the management of the granting scheme (conducted by a third party) were too high. Costs could be reduced if a lesser number of contracts were checked on site (third party is obligated to control 40% of the contracts although - according to EU-provision - only 5% of the contracts had to be controlled on site)
Implementation of EU Directives concerning Nature Conservation, Audit Institution Saxony-Anhalt, Yearly report 2013		×	×	Audit institution criticizes the delay in implementation of EU Directives (Habitats Directive and Birds Directive). According to audit institution the federal state of Saxony-Anhalt: has failed to designate the Natura 2000-sites according to national nature conservation law, has not elaborated necessary management plans for the Natura 2000-sites and has not deployed existing means for the implementation of the EU-directives Audit institution expects greater efforts to fulfill the obligations deriving from the EU-directives to avoid an infringement procedure

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Table AI.

Audit title	Economy	Efficiency	Effectiveness	Examples of findings and recommendations of the audits
Sewage Treatment, Regional Audit Institution Thuringia, Yearly Report 2013		×	×	Audit institution stated that the means the federal state takes in from the wastewater levy should be used to purify wastewater in rural regions with less than 2000 inhabitants to improve water quality In the opinion of the Audit Institution, the available means could be deployed in a more effective way to achieve the goals of the EU Water Framework Directive to improve the water quality of rivers Audit institution advises to introduce a water extraction levy In the scope of a consultative study the audit institution put forward numerous recommendations to improve the effectiveness of nature conservation measures in the federal state. Audit institution recommends setting up a tool to assess the efficiency and effectiveness of nature conservation measures To ensure the favorable status of waterbodies as stipulated by the EU Water Framework Directive, Audit Institution recommends improving the qualification and funding of the municipalities that are responsible for the task. Otherwise, an ecological watercourse development according to the EU Water Framework Directive could not be implemented
Effectiveness of nature conservation measures, Regional Audit Institution Thuringia, Yearly Report 2012		×	×	
Implementation of the Wastewater Levy Act, Regional Audit Institution Thuringia, Yearly Report 2012		×	×	