

STATE FUNDS SPENT  
ON THE ENHANCEMENT  
OF PURITY OF WATER  
IN THE ODER WATERSHED

December 2002

## **A WORD OF INTRODUCTION**

This information material is aimed at describing the applied model of long-term co-operation among the audit institutions in the Central European area and reporting on results of the audit focusing on measures to increase water quality in the rivers discharging to the Baltic Sea.

The topic of the parallel audit was selected in agreement by the SAO CR President Lubomír Voleník and the President of the Supreme Chamber of Control of the Republic of Poland Janusz Wojciechowski in March 2001 at a joint session in Ljubljana.

The audit took into consideration the requirements and recommendations from the Secretariat of the EUROSAL Working Group on Environmental Auditing, and directly followed up, topic-wise and time-wise, a previous parallel audit conducted by the signatories of the Helsinki Convention on the Protection of the Baltic Sea. Its primary objective was to supplement the compilation of information with audit findings from the SAs of those landlocked countries where the rivers emptying into the Baltic Sea either originate or flow through.

The most valuable contribution of the completed audit has been seen not only in the exchange of experiences, auditing methods and tools, but primarily in the noticeable efforts to unify the role of the SAs in resolving joint environmental problems. Joint audit conclusions can lead to bringing together audit priorities in the protection of the environment and to searching for efficient promotion of the audit results on a broader scale.

I trust that these endeavours will bring about a gradual re-assessment of national environmental protection objectives and that the ideas about the meaning and focus of environmental auditing will bring about joint promotion of principles of sustainable development in Europe.



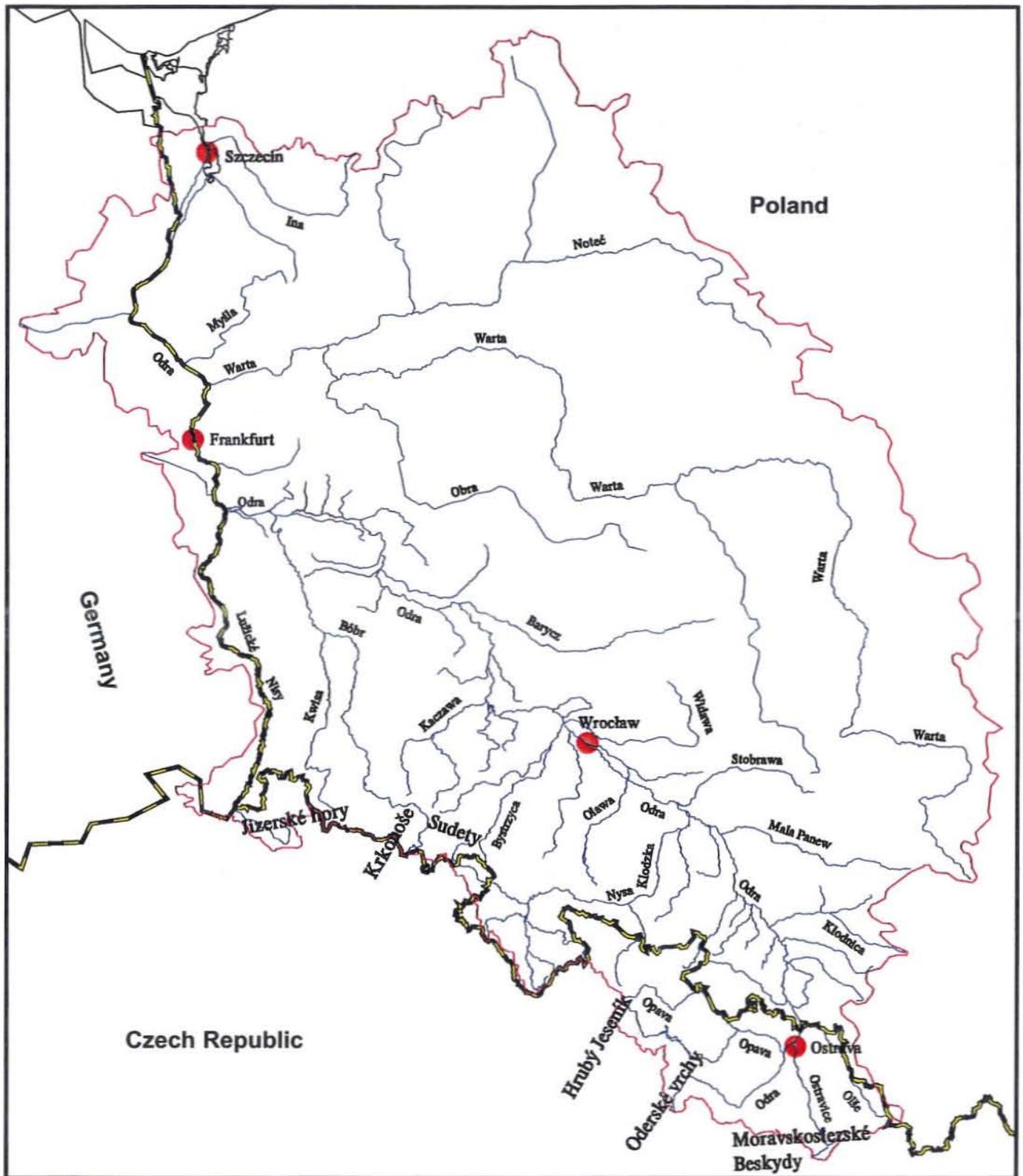
**Miroslav Kruchina**

Head of the Department of Environment and Agriculture  
The Supreme Audit Office of the Czech Republic

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# Map of the Oder Watershed



- Oder Watershed Boundary
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## I. Audit Prerequisites

The Department of Environment and Agriculture at the SAO CR produced a draft model audit project, which identified the principal problem issues and varied activities that impact surface water quality (Appendix 1). These included, on one hand, the issues of international co-operation associated with the implementation of tasks into the national concept of the protection of water and tasks associated with the transposition of Community laws into the national legislation. On the other hand, there were issues concerning the working of a hydrological information system, the purposefulness and cost-effectiveness of investment projects undertaken (wastewater treatment plants, sewer systems, dam reservoirs, drinking water treatment plants, etc.), flood-prevention measures, measures to improve the water management function of landscape, including forestation of arable land; watercourse maintenance and management and reduction of mining water's adverse impact on surface water quality.

This framework project was discussed at a specialist seminar held in the Czech Republic in June 2001 (Appendix 2). The seminar was attended by members of the EUROSAL Working Group on Environmental Auditing who resolved to participate in the auditing efforts (Polish and Slovak SAs, and the Norwegian SA with an individual model of co-operation) and by those members for whom the meeting was of an inspirational nature (Hungarian, Austrian and Bulgarian SAs). These members intended to use the acquired information in carrying out a parallel performance audit of the Convention on Cooperation for the Protection and Sustainable Use of the Danube River.

### Institutional Prerequisites

In order to carry out a parallel audit, the Presidents of The Supreme Audit Office of the Czech Republic, of The Supreme Chamber of Control of the Republic of Poland, and of The Supreme Audit Office of the Slovak Republic adopted in October 2001 a joint standpoint on co-operation, which laid down the general principles of coordinated approach and the organizational prerequisites (Appendix 3). Among other things, the joint standpoint made it binding for the parties to adopt the material framework of audit within a scope modified to their respective powers under the law and to the procedures laid down by an INTOSAI Working Group on Environmental Auditing manual entitled „Methods of cooperation amongst the Supreme Audit Institutions in the area of audit of compliance with international agreements related to protection of the environment“. The SAO CR was entrusted with the organization of drafting a joint résumé from the national audit reports with a deadline by the end of the 2<sup>nd</sup> Quarter of the year 2002. A meeting of auditors from the participating SAs to discuss definitive comments on the draft joint audit report was held in the end of June 2002 in Bojnice on invitation from the Slovak SA. The participants compiled the final English wording of the ensuing report to be subsequently approved by Presidents of the participating SAs and declared their readiness to collaborate in future joint environmental auditing issues (Appendix 4).



## II. Communiqué of the Presidents

### COMMUNIQUÉ

of the President of the Supreme Chamber of Control of the Republic of Poland, the President of the Supreme Audit Office of the Slovak Republic and the President of the Supreme Audit Office of the Czech Republic regarding the execution of the parallel audits of the implementation and fulfilment of tasks concerning the protection of water against pollution in the Baltic Sea catchment area (Helsinki Convention) by the countries which are not signatories to this Convention with the participation of the Supreme Chamber of Control of the Republic of Poland

In recent years, the co-operation between the Supreme Chamber of Control of the Republic of Poland (hereinafter „SCC RP”) and the Supreme Audit Office of the Czech Republic (hereinafter „SAO CR”) in the field of parallel audits focused on environmental protection issues has intensified very significantly. Following mutual exchanges of experience acquired in the course of some audits, e.g. that of measures aimed at the elimination of consequences of the disastrous floods in 1997 and 1998, or an audit of the implementation and fulfilment of tasks in the field of the protection against atmospheric pollution, the two parties agreed to carry out yet another parallel audits of the implementation and fulfilment of tasks concerning the protection of water against pollution in the Baltic Sea catchment area.

Acting upon the requirement raised at the meeting of EUROSAI Working Group on Environmental Auditing, which was held in October 2000, namely to initiate the involvement of landlocked countries which are not signatories of the Helsinki Convention, but in or through the territories of which rivers discharging into the Baltic Sea start or flow, in audits concerning the implementation and enforcement of the Convention referred to above, representatives of the RP, the Supreme Audit Office of the Slovak Republic (hereinafter „SAO SR”) and the SAO CR signed the joint

position document regarding the execution of parallel audits of the implementation and fulfilment of tasks concerning the protection of water against pollution in the area of the Baltic Sea (Helsinki Convention) in Seoul on October 23, 2001.

The signature of the joint position document mentioned above was preceded by a June 2001 meeting in the Czech Republic, where SAO CR presented a proposal of a pilot audit programme consisting in a comprehensive assessment of the efficiency of measures implemented to improve the quality of water in the Oder River Watershed. The programme was based on an assumption that measures adopted by different countries to protect surface streams and water bodies against pollution were reflected in a number of inter-linked consequences, in particular economic ones. In addition to the representatives of the parties concerned, representatives of the Supreme Audit Institutions of other landlocked countries, whose streams may also pollute the sea, were invited to the meeting.

The parties concerned performed audits focusing on activities of the respective countries insofar as the protection of water quality in upper parts of the basins of rivers discharging into the Baltic Sea was concerned. While the audits carried out by the Czech and Slovak Supreme Audit Offices covered the whole watershed areas of the relevant rivers running through their respective territories, their Polish counterpart focused mainly on sections of border streams shared with the Czech Republic.

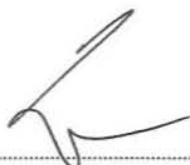
Results of the audits were approved in separate national reports; subsequently, the SAO CR, in its capacity of the audit co-ordinator, amalgamated them into a single document, the Joint Final Report on the Parallel Audits of the Implementation and Fulfilment of Tasks Concerning the Protection of Water against Pollution in the Baltic Sea Catchment Area (hereinafter „the Joint Final Report“), which is enclosed herewith. In accordance with agreements stipulated in the joint position paper of the Presidents, the present Communiqué, including the Joint Final Report, will be handed over to the Supreme Audit Institutions of Baltic countries.

Furthermore, it has been agreed that the co-operation of SCC RP, SAO SR and SAO CR in the field of environmental audits will continue to develop and be based on 2002 - 2004 Work Plans approved by the Working Groups on Environmental Auditing of EUROSAL and INTOSAL. Top-priority issues in these Work Plans are those dealing with quality of surface streams and water bodies and with the disposal of hazardous or dangerous wastes. Consequently, the topics suitable for future parallel or co-ordinated audits seem to be as follows:

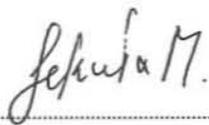
- Implementation of the Council Directive 91/271/EEC, on the treatment of urban sewage, due to the fact that the parties concerned have been dealing with this fundamental problem in connection with their preparations for the accession to the European Union;
- Disposal of hazardous or dangerous wastes, including radioactive ones.

The present Communiqué is issued for own use by SCC RP, SAO SR and SAO CR, as well as for EUROSAL Working Group on Environmental Auditing, as there is a need to amalgamate the results of the parallel audit described herein and those of audits performed by signatories of the Convention of the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention). Furthermore, its purpose is to express a common will and commitment to carry out additional environmental audits, based on the Work Plan of EUROSAL Working Group on Environmental Auditing.

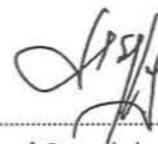
The present Communiqué will serve as a basis for an international discussion, including co-operation in the framework of INTOSAL and EUROSAL. The present Communiqué and the Joint Final Report will be published on web sites, and they can also be provided to state authorities of relevant countries, which are responsible for water resource management and protection of water against pollution, as well as to media.



Lubomír Voleník  
President of  
the Supreme Audit Office  
of the Czech Republic



Mirosław Sekuła  
President of  
the Supreme Chamber of Control  
of the Republic of Poland



Jozef Štáhl  
President of  
the Supreme Audit Office  
of the Slovak Republic

Signed in Bojnice, this June day 27, 2002

### **III. Joint Final Report**

*(The Attachment to the Communiqué)*

Joint Final Report of the Parallel Audits of the Implementation and Fulfilment of Tasks Concerning the Protection of Water Against Pollution in the Baltic Sea Catchment Area (Helsinki Convention) by the Countries which are not Signatories to this Convention with the Participation of the Supreme Chamber of Control of the Republic of Poland

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#### **A. Introduction**

On October 23, 2001 in Seoul, representatives of the Supreme Chamber of Control of the Republic of Poland, the Supreme Audit Office of the Slovak Republic and the Supreme Audit Office of the Czech Republic (the participating parties) signed a joint standpoint on cooperation in the sphere of carrying out parallel audits of implementation of tasks related to protection of waters against pollution in the Baltic Sea catchment area (Helsinki Convention) assessing the realisation of the tasks resulting from the art. 6 p. 4 of the Helsinki Convention: „If the input from watercourse, flowing through the territories of two or more Contracting Parties or forming a boundary between them, is liable to cause pollution of the marine environment of the Baltic Sea Area, the Contracting Parties concerned shall jointly and, if possible, in co-operation with a third state interested or concerned, take appropriate measures in order to prevent and eliminate such pollution“. As it is well known, The Supreme Chamber of Control of the Republic of Poland together with the Supreme Audit Institutions of the Country-Parties to the Helsinki Convention has conducted the parallel audits

of implementation of the provisions of this Convention, related to the protection of the Baltic Sea against pollution brought by rivers.

In the framework of the present audit, the SCC RP researched tasks connecting to improvement of quality of the border waters, upper sections of the rivers in the Baltic Sea catchment area, being joint for the Czech Republic and the Republic of Poland.

The joint statement was prepared in accord with the INTOSAI and EUROSAI guidelines on initiating and conducting international and regional audits of the implementation of task arising from provisions of international agreements related to environmental protection. The joint statement contained specification of the targets of the control, where the parties would employ criteria corresponding to the principles valid for all Supreme Audit Institutions. An annex to the joint statement consists in Principles of the programme of audits of implementation of tasks related to protection of waters against pollution of the Baltic Sea catchment area. A joint final report is to be prepared in the IInd quarter of 2002 as a result of the audits and, following approval by the representatives of the participating parties, will be submitted to the Supreme Audit Institutions of the Baltic countries.

This joint report was prepared on the basis of:

- Information on the results of audits of compliance with international agreements related to transboundary waters with special emphasis on protection of water against pollution in the upper Oder, March 2002 (the Supreme Chamber of Control of RP)
- Report on the results of audits of implementation of tasks in connection with protection of water against pollution of the Baltic Sea catchment area, March 2002 (the Supreme Audit Office of SR)
- Audit Conclusion of the audit „State financial means expended to improve the water quality in the Oder watershed“, December 2001 (the Supreme Audit Office of CR).

## B. International Agreements Regulating Cooperation

The **Convention on the Protection of the Marine Environment of the Baltic Sea Area** came into effect on May 3, 1980; this Convention was signed in Helsinki on March 22, 1974. The Convention was ratified on November 8, 1979 and promulgated on August 21, 1980. The signatories to the Convention included all the countries located in the Baltic Sea catchment area. The signatories recognized that protection of the environment of the Baltic Sea and improvement of its quality constitute tasks that can be carried out only with close regional cooperation at an international level.

On April 9, 1992, in Helsinki, 9 Baltic states signed a „new“ Convention on protection of the environment of the Baltic Sea, called the Helsinki Convention 1992. On September 24, 1992, this Convention was also signed by the European Economic Communities. The Helsinki Convention of 1992 was ratified by the RP on October 8, 1999.

On March 21, 1958, the **Agreement between the Government of the Peoples' Republic of Poland and the Government of the Czechoslovak Republic on water management on transboundary waters** was signed in Prague. This Agreement dealt with tasks related to water management on transboundary waters. Amongst other things, the parties approved the principles of activities on transboundary waters and also agreed to determine the quantity of water withdrawn from transboundary waters for the population, industry, power production and agriculture purposes, as well as discharge of used water. The parties agreed that they will gradually decrease the pollution of transboundary waters and will maintain the purity of the water in accordance with their economic and technical capabilities and also the requirements of the parties to the Agreement at a level that will be specified for the individual cases.

Every party was obliged to nominate its authorized representative and his (her) deputy for fulfilling the tasks following from the Agreement of 1958. Meetings of authorized representatives were to be held, in principle, once annually. The tasks of the government representatives included matters related, amongst other things, to protection of transboundary waters, maintenance of water installations, flood prevention, transboundary pollution, implementation of water-quality monitoring, carrying out of hydrological, meteorological and hydrogeological measurements, regulation of rivers and improvement of territories in transboundary areas and supply of water to the inhabitants and industry, including the use of water stocks for purposes related to power production, inland shipping, and also agriculture and forestry in transboundary areas.

The authorized representative of the Government of Poland for cooperation on transboundary waters with Czechoslovakia carried out this work through four basic working groups, i.e. the Working Group for planning water management on transboundary waters, the Working Group for hydrology and flood prevention, the Working Group for regulation of transboundary water courses, water supply and melioration of transboundary territories (group R), and the Working Group for protection of transboundary waters against pollution (group OPZ). The above Working Groups developed their activities on the basis of close cooperation with analogous working groups named by the representative of the Government of Czechoslovakia for cooperation on border waters.

On April 27, 1990, the representatives of the Government of RP and of the Government of the Czech and Slovak Federative Republic concluded a **Detailed Agreement** related to the quality of the waters of the more important

transboundary water courses for the purpose of implementing the provisions of Article 3 par. 4 of the Agreement of 1958. In the Detailed Agreement, it was agreed, amongst other things, that the goal of cooperation on transboundary waters lies in dealing with the aspect of protection of water quality so as to create conditions for planned, rational and fair use of transboundary waters in the interests of both countries.

In order to achieve this target, the authorized representatives are, in particular, to investigate and evaluate the current state of water quality and transboundary water courses, to determine the state of water quality at agreed times and to mutually provide information on plans and implemented projects intended to improve and maintain water quality.

On April 11, 1996, the **Agreement on the International Commission for Protection of Oder against Pollution** was signed between the Government of RP, the Government of CR, the Government of Germany and the European Union. Cooperation between the parties to the Agreement is intended, amongst other things, to limit and permanently decrease pollution of Oder and the Baltic Sea, achieving of almost natural aquatic ecosystems and related shoreline ecosystems with the appropriate variety of species and also enabling the use of Oder for obtaining drinking water and for agricultural use of the water and sediments.

In order to achieve these targets, the parties to the Agreement in the framework of the commission decided to prepare joint working programme together with timetables for their implementation. In addition, the parties pledged to support exchange of modern technology limiting and decreasing water pollution. The Agreement is binding for the territories of RP and CR and also for territories bound by the Agreement on founding of the European Union.

On January 15, 1998, the Government of RP and the Government of CR signed the **Agreement on Cooperation in the Area of Protection of the Environment**. The parties to the Agreement agreed, amongst other things, to closely cooperate in the area of environmental protection and rational use of natural resources, create conditions for a constant improvement in the quality of the environment, including particularly the air, water, soil and forests, flora and fauna, and pay special attention to maintaining and improving the quality of the environment in border areas.

A Polish-Czech mixed commission was named to implement the Agreement; its joint chairs are the Minister of Environment of RP and the Minister of Environment of CR. The tasks of the commission include particularly delimitation of directions and targets of cooperation, naming of working groups for implementation, evaluation of the results of cooperation and putting forward proposals.

The **Agreement between the Government of the Slovak Republic and the Government of the Republic of Poland on water management on transboundary waters** was signed on May 14, 1997 and came into effect on December 6, 1999. Up to that time, cooperation was carried out on the basis of the Agreement of 1958. A Slovak-Polish commission for transboundary waters was established to provide implementation of the Agreement of 1997.

## C. Audit Carried Out by the Supreme Chamber of Control of RP

### 1. Audit Objective

The audit was focused, in particular, on evaluation of the implementation of the Agreement between the Government of RP and the Government of CR on cooperation in the area of environmental protection of 1998 and the Agreement on cooperation on transboundary waters of 1958 in an extent related to protection of the waters of the upper Oder against pollution; on utilizing the results of joint monitoring of the quality of transboundary waters by the competent authorities, including the monitoring point in Chalupki on the upper Oder, for determining investments related to water protection and support therefore using environmental funds. In addition, audit was focused on implementation of recommendations resulting from the parallel audits with SAO CR carried out in 1997.

### 2. Basic Information on Audit

The audit was carried out in the period from November 6 to December 28, 2001. The period from 1997 to the 1st half of 2001 was audited.

The Voivode Inspectorate for Environmental Protection in Katowice, the Voivode Fund of Environmental Protection and Water Management in Katowice, the Centre for Environmental Research and Control in Katowice and the Regional Board for Water Management in Gliwice were audited. In addition, information was obtained at the Ministry of the Environment, at the Silesian Voivode Office and at the Marshal Office.

### 3. Synthesis of Audit Findings and Evaluation of Audited Activities

The audit demonstrated that Polish-Czech cooperation at the governmental level in relation to compliance with the Agreement of 1958 has been discontinued in June 1998. This was caused by the absence of an authorized representative of the Polish Government for implementing tasks following from the above Agreement. Although, under these conditions, the former Minister of Environmental Protection, Natural Resources and Forestry entrusted management of matters following from the agreement to his representative, the Czech party did not accept this

approach and refused to participate in bilateral negotiations until a Government representative is appointed by the Polish party.

Although a Polish Government representative was not nominated, cooperation of the working groups, established by the former Polish Government representative, continued, including the OPZ group that, at five meetings, amongst other things, evaluated joint research and water quality in the individual years. The work of group R also continued, consisting of normal supervising of the technical state of facilities on transboundary rivers, specifying and implementing work related to stabilization of river banks and transboundary water courses, and also carrying out non-cash accounting of jointly planned work in transboundary waters and the river basins of transboundary rivers.

The discontinuation of Polish-Czech cooperation on implementation of the Agreement of 1958, that occurred in June 1998, had negative impact in the form of failure to approve formerly proposed new methods of evaluation of pollution of transboundary waters and failure to introduce changes in monitored indicators, as proposed by the OPZ group, enabling monitoring carried out on transboundary waters to be harmonized with the monitoring required by the Directives of the European Union, (in particular Directive 2000/60/WE of the European Parliament and Council of October 23, 2000 in relation to determination of the framework for the activities of the Communities in the area of water management).

In the audited period, the Polish party carried out planned work on transboundary rivers, ie. Oder, Olše and Opava, with expenditures for this purpose in 1997 - 2000 of an overall amount of 7 578.5 thous. PLZ. The work carried out in 1997 - 2000 substantially exceeded the planned extent (six-fold in 1997) because of the necessity of remedying the results of the flood in 1997. In 1999 and 2000, work was carried out on a smaller scale (85.9 % and 54.5 %) because of the lack of financial means.

In the audited period, the Polish and Czech parties carried out simultaneous sampling and analysis of water in the agreed monitoring points and with jointly determined frequency in Olše and Oder in the framework of cooperation of the OPZ group. The results of the research were published in the form of evaluations, communications and information provided by the Voivode Inspectorate for Environmental Protection in Katowice, as the coordinator of regional environmental monitoring with the cooperation of the Silesian Voivode Office in Katowice.

The Minister of the Environment did not bring to signing a new agreement between the Government of RP and the Government of CR on cooperation in the area of transboundary water management. A draft agreement was agreed with all the sectors, including the Ministry of Foreign Affairs and was submitted to the Czech party in April 2000. As a representative of the Polish Government was not appointed for cooperation on transboundary waters, the Czech party suggested to postpone negotiations until a representative is appointed.

In the **Silesian Voivode Office**, Department of Environmental Protection and Agriculture carried out tasks related to rational utilization and protection of the waters of Oder and Olše in 1999, 2000 and the first half of 2001; this Department cooperated with the Ministry of the Environment, to which it annually submitted information on realisation of investments that can affect the purity of transboundary waters. In addition, this Department participated in evaluation of applications from investors for financing of projects related to water and waste water management from the means of the Voivode Fund for Environmental Protection and Water Management in Katowice with emphasis on the justification of carrying out the investments from the standpoint of gaining the expected environmental effect.

In the Voivode Office, lists of top-priority plans financed from the ISPA Pre-accession funds were also prepared in the audit period. Seven investment projects were recommended for financing from these means, such as construction, completion of construction of sewage systems in the Oder and Olše basins. These tasks were prepared for implementation and this implementation was commenced.

At the **Marshal Office** in Katowice, it was found that the Sejm of Voivodship had participated in financing flood prevention investments in the watershed of Oder. These investments were implemented using the financial means of the Voivode, the Voivode Fund for Environmental Protection and Water Management, the Fund of Protection of Agricultural Lands and means of the municipalities. A total of 1 447.9 thous. PLZ were ear-marked for this purpose in 1999 - 1st half of 2001.

The **Marshal Office** participated in evaluation of applications prepared by the gminas aiming at the allocation of means from the PHARE programme for implementation of tasks in the area of waste management. A part of these applications was also related to municipalities in the watersheds of Oder and Olše.

The Environmental Protection Department in the Marshal Office participated in the annual drawing up of a list of top-priority plans and principal tasks related to water protection and maintenance of river channels, and also tasks financed from the means of the Voivode Fund for Environmental Protection and Water Management. A Programme of Protection of the Environment of the Silesian Voivodship for 2001 - 2015 was prepared on the basis of instructions from the Silesian Voivode.

The **Voivode Fund for Environmental Protection and Water Management** in Katowice financed tasks related to protection of transboundary waters through loans and subsidies. In 1997 - 1st half of 2000, a total of 568.3 thous. PLZ were set aside for subsidies and 9 122.1 thous. PLZ were set aside for loans. These means were allocated properly and were provided rationally, amongst other things, for the construction and modernization of sewer systems in eight

municipalities, construction of two waste water treatment plants and reconstruction and securing of the right-hand bank of the Olše in Cieszyn and Kaczyce.

In formulating of the finance plans for the Fund, prepared for 1997-2001, criteria were employed guaranteeing implementation of the state and voivodes environmental policy. Although the plans did not include differentiation of tasks related to water management and protection of transboundary waters, these tasks were considered top-priority, especially when they were concerned with implementation of investment projects limiting and remedying extreme danger to the environment and floods, tasks concerned supporting audit-measurement systems of the condition of the environment, as well as scientific research, programmes and work related to environmental protection and water management.

In 1997 - 2000, monitoring of transboundary waters was carried out by the Voivode Inspectorate for Environmental Protection in Katowice, in accord with the rules laid down by the Chief Inspectorate for Environmental Protection and taking into account the Polish-Czech agreement, adopted by the former representatives of the Polish and Czech Governments.

#### 4. Recommendations for Remedying Irregularities

**Minister of the Environment** - commence effective activity to ensure that the President of the Council of Ministers nominates a new representative of the Government of the Republic of Poland in the matter of transboundary water management. Further, commence negotiations and preparation of a new agreement between the Government of RP and the Government of CR on cooperation in the area of transboundary water management that will contain the provisions of Article 6 of the Helsinki Convention.

**Appointed representative of the Polish Government** - in particular, undertake measures related to the frequency of joint sampling and the extent of research on water quality in the Chalupki - Bohumín monitoring point. Further, he (she) should approve, together with the representative of the Czech Government, the proposals of the OPZ group related to new methods of evaluation of pollution of transboundary water courses and the kinds of monitored pollution indicators.

**Silesian Voivode Inspector for Environmental Protection** - provide for monitoring of transboundary waters in accord with the Programme of monitoring rivers belonging in the domestic monitoring network in 1999 - 2002.

**Silesian Voivode** - increase supervising of the Voivode Inspectorate for Environmental Protection in Katowice in relation to implementation of monitoring of waters on the upper Oder.

**President of the Voivode Fund for Environmental Protection and Water Management** - continue to support investments aiming at protection of waters in upper Oder and also the Baltic Sea against excessive pollution.

#### 5. Implementation of Proposals from Parallel Audits with SAO CR Carried Out in 1997

Proposals of a systematic nature, sent to the former Minister of Protection of the Environment, Natural Resources and Forestry, as a consequence of audits carried out in 1997, were implemented to a limited extent. In particular, the Minister did not bring the negotiations to the final phase and a new agreement on cooperation in the area of water management on Polish-Czech transboundary waters was thus not concluded.

As there has been no representative of the Polish Government since June 1998 and, in relation to discontinuation of fulfilling the Convention of 1958 at a Governmental level, proposals addressed to the representative were not implemented. On the other hand, most minor proposals addressed to the controlled units, related to their work in the area of water management on transboundary waters, were implemented.

Only one proposal of four was implemented at the Centre for Research and Audit of the Environment in Katowice: the proposal related to submission of summary processing of the state of purity of transboundary waters in 1992 - 2000 by the Voivode services for environmental protection was implemented. Failure to implement the proposals was connected with the failure to hold negotiations between the representatives of the Polish and Czech Governments since 1997.

The regional water management authority in Gliwice implemented all the proposals. These consisted, in particular, of participation in the work of group R (cooperation of group R with the state administration and self-governing units in the extent of investments, repairs and maintenance of rivers and transboundary water courses, amongst other things, consulting and approving plans related to water management on transboundary rivers), records of water courses and completion of necessary study and project planning work for the inter-state negotiations in the matter of construction of the Raciborz reservoir. The plan of internal work on transboundary water courses in the watersheds of Oder, Opava and Olše was fulfilled from both the material and financial standpoints in 1997 - 1998; in 1999 - 2000, it was not fully implemented because of a lack of financial means.

All the proposals of the Supreme Audit Chamber were implemented in the Voivode Inspectorate of Environmental Protection in 1997. They were related particularly to an increase in the number and extent of audits in factories that could be potential sources of pollution of transboundary waters. Analytical research work was commenced for the purpose of evaluation of the impact of pollution in the watershed of the Olše on the quality of transboundary waters

and cooperation continued with the Voivode, the border guards and the state fire brigade in the area of limitation of extreme danger to the environment and on remedying of any consequences thereof.

#### **6. Activities Carried Out after Completing the Audit**

The heads of the controlled bodies were informed of the results of the audits. Meetings were held at the Silesian Voivode Inspectorate of Environmental Protection in Katowice and in the Regional Water Management Authority after completion of the audits, during which the findings of the audits were discussed. All the protocols of the audits were signed by the heads of the audited bodies. The heads of these bodies did not have any objections to the findings contained in the protocols. After the end of the audits, a report was sent to the heads of the four audited bodies. They did not have any objections to the comments, evaluations and proposals contained in these reports. All the sections informed the Delegation of the Supreme Chamber of Control on commencement of implementation of the proposals.

### **D. Audit Carried Out by the Supreme Audit Office of the Slovak Republic**

#### **1. Audit objective**

The objective of the audit was to evaluate implementation of tasks related to protection of waters against pollution in the Baltic Sea catchment area from the standpoint of the usefulness and economic effectiveness of the expended financial means of the state. The audit was concerned with compliance with the provisions of the Agreement between SR and RP on water management on transboundary waters of 1997 and measures concerned with protection of waters against pollution in the territory of SR in the watersheds of the Poprad and Dunajec Rivers, and also compliance with the generally binding legal regulations in use of state means from the standpoint of usefulness and economic effectiveness.

#### **2. Basic Information on the Audit**

The audit was carried out between January 14, 2002 at irregular intervals to March 8, 2002 and was related to the period between 1998 and 2001.

The audited entities were the Ministry of the Environment of SR (MoE SR) and, in this sector, also the Slovak Hydrometeorological Institute, and the Ministry of Agriculture of SR and, in this sector, also the Slovak Water Management Enterprise, state enterprise, Banská Štiavnica and its *Odštepny závod* (Separate Branch) Povodie (watershed of the) Bodrog and Hornád, in Košice. The audits also included the municipalities of Ľubica and Hniezdné, which were recipients of subsidies from the State Environmental Fund of SR (SEF SR) and the municipalities of Toporec and Tvarožná, which were recipients of subsidies from the State Water Management Fund of SR (SWMF SR).

The audit also encompassed use of information, obtained on the basis of a written request, from the Slovak Environmental Inspection, SWMF SR and SEF SR.

#### **3. Investment Projects in Water Management**

In the framework of the audit, it was found from the presented documents that particularly the following investments and measures implemented in the audited period had a favourable effect on improving the quality of transboundary waters in the territory of SR in the Baltic Sea catchment area:

In 1998, biological waste water treatment plants were brought into operation in the watershed of the Poprad River for the municipality of Gerlachov, with a capacity of 150 m<sup>3</sup>/day for 1000 equivalent inhabitants (EI), for the municipality of Batizovce with a capacity of 375 m<sup>3</sup>/day for 2500 EI, and for the municipality of Mlynčeky, with a capacity of 120 m<sup>3</sup>/day for 500 EI.

In 1999, in the watershed of the Poprad River, a biological waste water treatment plant was brought into operation for the municipality of Ihlany, with a capacity of 180 m<sup>3</sup>/day for 1200 EI, a sewer system was built for the municipality of Mlynica, with a length of 3 km, that enabled connection of the waste waters from the municipality with the waste water treatment plant in Nová Lesná, a sewer system mains with a length of 1.1 km was constructed in the municipality of Ždiar, enabling transport of the waste water from a further part of the municipality to the existing waste water treatment plant.

In 2000, in the watershed of the Poprad River, a sewer system mains was brought into operation for a part of the city of Kežmarok, enabling transport of waste water from about 1000 inhabitants to the municipal waste water treatment plant, a sewer system with a length of 520 m was constructed in the city of Stará Ľubovňa, enabling transport of waste water from about 800 inhabitants to the waste water treatment plant, a sewer system with a length of 240 m was brought into operation in the municipality of Nová Ľubovňa, enabling transport of waste water from about 500 EI to the waste water treatment plant in Stará Ľubovňa, and the sewer system was extended in the municipality of Plavnica, with a length of 330 m, transporting waste water to the waste water treatment plant in Plavnica.

#### **4. Use of State Funds**

Audit was carried out of the expenditure of means from the state budget of SR and from the state funds for implementation of tasks connected with protection of water against pollution in the watershed of the Poprad and Dunajec Rivers, from the standpoint of their usefulness and economic effectiveness.

Audit was carried out of the use of public funds in monitoring and evaluating water quality in selected monitoring points of water courses and water supply reservoirs in monitoring points on transboundary waters, in monitoring the quality of the treated water discharged by polluters, as well as the use of means from the state funds for the purposes of construction of waste water treatment plants, sewer systems and water mains.

A total of 1 476 thous. SKK were expended by MoE SR from the state budget in 1998 - 2001 for work connected with monitoring of the quality of transboundary waters in transboundary water courses between Slovakia and Poland in the specific monitoring points on the water courses of Dunajec and Poprad.

The following financial means were expended from SWMF SR in the individual years of the audited period: in 1998, 2 282 thous. SKK for repairs to Dunajec in Majery, in 1999, 684 thous. SKK for regulation of Poprad in Podolinec, 669 thous. SKK for regulation of the Poprad River in Svit and 49 thous. SKK for maintenance of the Poprad River in Svit and, in 2000, 3 685 thous. SKK for maintenance of the Poprad River; in addition, 1 734 thous. SKK from the state budget were expended for reconstruction of the Mlynčeky reservoir.

In connection with water protection against pollution in the Baltic Sea catchment area, the Eastern Slovakian Water Supplies and Sewers, state enterprise in Košice provided for implementation of construction of the Poprad - Matejovce waste water treatment plant, with overall budgetary expenses of 823 349 thous. SKK. The majority of the funds, particularly from the state budget and SEF SR, were provided for this construction prior to 1996. As of December 31, 2001, a total of 473 526 thous. SKK had been invested in the construction work, of which 50 979 thous. SKK was obtained from the state budget and 105 000 thous. SKK from SEF SR. The remaining financial means were obtained from internal sources, from co-investment contributions and from loans.

In 1998 - 2001, financial means were provided from SEF SR through subsidies for construction of waste water treatment plants, sewer systems and local water mains for municipalities and cities in the districts of Poprad, Kežmarok and Stará Ľubovňa in the watersheds of the Poprad and Dunajec Rivers. Overall, subsidies were provided to 26 municipalities and 2 cities, in a total amount of 72 700 thous. SKK, corresponding to 31 300 thous. SKK in 1998; no funds provided in 1999, 20 800 thous. SKK in 2000 and 20 600 thous. SKK in 2001.

#### **5. Implementation of the Agreement of SR with RP on Water Management on Transboundary Waters of 1997 and Evaluation of Use of State Funds**

The results of audit of the sectors of the environment and agriculture indicated good implementation of the Agreement of SR with RP on Water Management on transboundary Waters of 1997 and other tasks and measures concerned with water protection against pollution in the watersheds of the Poprad and Dunajec Rivers that flow into the Baltic Sea through the Visla River. The good cooperation of the authorized representatives of all the concerned sectors of the environment and agriculture with their Polish counterparts was favourably reflected in water protection and the environment.

Audit of the use of the means of the state budget for implementation of tasks connected with water protection against pollution of the Baltic Sea from the standpoint of usefulness and economic effectiveness demonstrated that these funds had been employed usefully and effectively, both in monitoring the quality of transboundary water courses with Poland, water quality in water-supply reservoirs, water quality for irrigation purposes and the quality of discharged waste water, and also for the purposes of constructing waste water treatment plants, sewer systems and water mains.

### **E. Audit Carried Out by the Supreme Audit Office of the Czech Republic**

#### **1. Audit objective**

The audit was carried out for the purpose of checking the management of financial means expended for measures to improve the purity of surface waters in the watershed of Oder, and to assess the effect of implementation of measures and evaluate state-supported activities from 1996 to 2000, from the standpoint of their final effect on the purity of transboundary river draining surface water into Poland. Emphasis was also placed on determining the effect of implementation of the programme on the quality of the environment, for which a direct connection between the volume of financial means and the individual degrees of achieved improvement in the water quality cannot be documented directly because of the unique local conditions.

#### **2. Basic Information on the Audit**

In the period from June 2001 to October 2001, groups from the auditing SAO CR in the Department of the environment and agriculture, territorial division Northern Moravia and territorial division Central Moravia carried out

the audit. The audited bodies were the Ministry of the Environment (MoE), the Ministry of Agriculture (MoA), the State Environmental Fund CR (SEF CR), the Czech Environmental Inspection, Povodí (River Basin of the) Oder, state enterprise, Agency for Protection of Nature and the Landscape CR and 7 selected recipients of state funds.

### 3. Important Investment Projects

The changes were brought about mainly by municipal and industrial waste water treatment plants, which eliminate the greatest amounts of pollution. The quality of waste water discharged by the most important polluters of surface water courses has improved significantly over the last five years in both qualitative and quantitative indicators. The pollution of Oder decreased primarily because of the effect of the central waste water treatment plant in Ostrava, where the most significant improvements were a decrease of 63% in BOD<sub>5</sub>, 78% in US and 96% in N-NH<sub>4</sub>. Similarly, Borsodchem-MCHZ Ostrava discharges, into Oder, an overall smaller volume of substances polluting surface water course.

It is also significant for the Oder River that polluters that discharge waste waters into tributaries of Ostravice and Olše exhibit improved quality. This situation encompasses the Třinec waste water treatment plant (discharge into Olše), which achieved improved values in 2000 in all the monitored indicators: in particular the indicator N-NH<sub>4</sub> decreased to 0.9 mg/l, i.e. by 85 %. The quantity indicators also decreased, although there was a slight decrease in the flow rate. A decrease of 58 % was found for US. Measures were gradually introduced in the industrial complex Energetika Třinec, Inc and Třinecké železářny, Inc (discharge into Olše), leading to an improvement at the most important outlets of the total of 14, e.g. at the coking plant the most significant improvement was a decrease in US by 74 %; the NES indicator was decreased at power plant II by 77 % and US was decreased at the agglomeration and casting plant by 77 %. The attained values complied with the requirements of the decision of the water management authority. During 2000, the individual discharge outlets were combined and fed into two final waste water treatment plants to achieve a further purification effect.

The waste water treatment plant of Biocel Paskov (discharge into Ostravice) exhibits, on an average, a two-fold improvement in quantitative and qualitative indicators of the quality of discharged waste waters while complying with the decision of the water management authority. The waste water treatment plant in Frýdek-Místek (discharge into Ostravice) exhibited an improvement in quantitative and qualitative indicators in the period of interest, e.g. BOD<sub>5</sub> for discharged water decreased by 84 % and US decreased by 81 %.

### 4. Use of State Funds

The sector of MoA expended a total of 1 578 mil. CZK from the state budget in 1996 - 2000 for support related to water management. This amount corresponded primarily to subsidies and returnable financial assistance in the framework of the programme Construction and technical renewal of sewer systems and waste water treatment plants. The programme has not yet been evaluated as a whole and MoA does not calculate the environmental benefit corresponding to expended funds.

The investment programmes of MoE (a total of 82 mil. CZK in the watershed of Oder) were directed towards support for a greater number of projects with lower financial requirements. These consisted in the Programme of minor water management environmental projects and the Programme of renewal of river systems. Particularly municipalities, where the municipality was obliged to participate financially in implementation of the project, utilized both programmes.

Funds from SEF CR in an amount of 752 mil. CZK were employed in the watershed of Oder to support a total of 45 projects. Subsidies and loans were again provided to municipalities, which invested their own funds in construction of waste water treatment plants and sewer systems. Considerable environmental benefit was found for 29 completed projects - elimination of pollution in connection with expended state funds and the overall costs of the project.

A total of 369 mil. CZK was invested from the state budget for investment projects connected with decreasing the detrimental effect of mine waters.

State funds in a total amount of approx. 2.8 bil. CZK were allocated in 1996 - 2000 in the watershed of Oder.



In the same period, investments into water management of a total of approx. 7.3 bil. CZK (including other sources) were reported in the statistical unit of the North Moravian region. These funds have demonstrably contributed to improving the purity of water courses in decisive monitoring points.

These activities represent support for implementation of projects improving water quality directly - point pollution sources (waste water treatment plants, sewer systems, maintenance and renewal of water courses) or indirectly (e.g. renewal measures, measures to protect the soil and the retention ability of forests, research, monitoring, etc.).

Some inadequacies were found in connection with management of financial means; in particular, binding deadlines for implementation and the agreed fraction of own means in co financing of projects were not met, and lack of conformance of the work carried out with the project plans approved by SEF CR was found; the technical parameters stipulated in the project planning documents were not maintained for some construction projects.

## F. Results of Joint Monitoring of Water Quality in Transboundary Water Courses

### 1. Results Described in the Document of the Supreme Audit Chamber of RP

The last meeting of the representatives of RP and CR was held in September of 1997. At this meeting, the representatives exchanged information related to the July floods in 1997. The representative of the Czech Government provided information on a temporary deterioration in the quality of transboundary waters caused by destruction of waste water treatment plants in the Territory of the Czech Republic. A joint approach was agreed for preparing an inventory of the consequences of the floods within the territory of each country and for evaluating the impact of the floods on the quality of surface transboundary waters.

In relation to the extent of cooperation in relation to protection of transboundary waters against pollution, the representatives acknowledged information on fulfilling of the tasks of the OPZ group and stated that the extent of monitoring of the quality of transboundary waters in 1996 was in accord with the Detailed Agreement of April 27, 1990. They also acknowledged the annual report on the state of the quality of transboundary waters in 1996.

In 1996, joint monitoring of transboundary waters was carried out for 9 permanently measured transboundary monitoring points, including those on the Olše River in the monitoring points at Ropice, Otrebów (Darkov), above Piotrówka and at the mouth, and on Oder in the Chalupki-Bohumín monitoring point. Trends in the latter two monitoring points are described in the part SAI CR, which is also based on material jointly evaluated by the Czech and Polish parties.

The results of evaluation of the water of the Olše River were as follows: **Olše - Ropice**: the state of the indicators of physical and inorganic pollution remained constant at the level of water purity classes I and II. Simultaneously, the BOD5 value decreased, so that the water quality in relation to organic pollution can be assigned to class II (an improvement by one class). **Olše - Otrebów**: the level of pollution, determined on the basis of a group of physical and inorganic indicators permitted - pollution by volatile phenols decreased compared to the previous year and stayed at a level corresponding to water purity class II. **Olše above Piotrówka**: the results of evaluation did not improve compared to the previous year. The concentrations of Cl and DS remained at a level corresponding to purity class VI. There was an increase in the BOD5 and COD values to a level corresponding to purity class II to III. The concentration of volatile phenols corresponded to class II, an improvement by one class compared to the previous year.

It was stated in the recapitulation that the water quality in the Olše River could be considered as stable. A satisfactory state is maintained in the Otrebów monitoring point, affected by construction of the waste water treatment plants in Těšín and Třinec. The water quality is unsatisfactory south of the city of Karviná to the mouth. The representatives agreed on a target quality of transboundary waters for the year 2010.

At a meeting of the OPZ group in October 1998, amongst other things, the quality of transboundary waters was evaluated. The quality of these waters in 1997 compared to the previous year was evaluated as follows: **Olše above Těšín**: the values of the indicators of pollution in all groups remained at a level corresponding to purity class II. The value of the COD indicator improved compared to 1996 (from a level corresponding to purity class II to a level corresponding to purity class I). The other indicators did not exhibit any changes. **Olše - Otrebów**: The indicators of physical and inorganic pollution did not change compared to 1996 (purity class III). The indicators of total organic and industrial pollution exhibited an increase, decreasing the water quality from class II to class III. **Olše above Piotrówka**: The results of evaluation of the water quality did not change compared to 1996. The values of the indicators of physical and inorganic pollution corresponded to class IV (in relation to the Cl and DS contents in the water). The total organic pollution corresponded to class III, while the organic and industrial pollution corresponded to class II.

At the next meeting of the OPZ group in October, 1999, the quality of transboundary waters in 1998 was evaluated and was compared to the previous year: **Olše above Těšín**: The water quality deteriorated compared to 1997, caused by an increased in US from the level of purity class II to a level corresponding to class IV. There was also deterioration in the COD indicator (Mn) to a value corresponding to purity class III (previously class II). There was an

improvement in water quality compared to 1997 by one class for pollution by Cl (from class II to class I). **Olše - Otrebów:** The water quality deteriorated by one class (from II to III), caused by an increase in the value of the COD and volatile phenol indicators, as well as a decreasing by two classes (from II to IV) caused by US. **Olše above Piotrówka:** The water quality in this monitoring point was assigned to purity class VI in 1997 in relation to the indicators of physical and inorganic pollution. A worsening of the water quality from class III to IV was also found, caused by an increase in the values of BOD<sub>5</sub>, COD (Mn), volatile phenols and US. The indicator of dissolved oxygen also deteriorated from a value corresponding to class I to a value corresponding to class II. The quality of the water in the Olše River deteriorated compared to 1997, while that of the Oder River improved.

At the next meeting of the OPZ group in September 2000, the quality of waters in 1999 was evaluated, amongst other things: **Olše above Těšín:** It was found that the pollution level improved compared to 1998 and stabilized at the level of standards of purity class II as a consequence of a decrease in total iron concentration and in the BOD<sub>5</sub> value. There was also a decrease in US from a value corresponding to class IV to a value corresponding to class II. **Olše - Otrebów:** An improvement in water quality was found compared to 1998 by one class - improvement in BOD<sub>5</sub> (from class III to II) and even by two classes - improvement in US (from class IV to II) and in COD (from class III to I). **Olše above Piotrówka:** An improvement was found in water quality compared to 1998 by one class for US (from class IV to III) and also an improvement in COD (from class III to II).

The meetings of the OPZ group also discussed the manner of determination and evaluation of water quality, kinds of indicators, frequency of sampling, etc.

## 2. Results Described in the Document of the Supreme Audit Office of SR

The state of water quality was evaluated on the basis of measurements on water samples to determine the quality of water taken in specified monitoring points on the Poprad and Dunajec Rivers jointly by employees of laboratories of both parties to the agreement. The water quality was evaluated in terms of the basic physical chemical indicators, the indicator of the oxygen regime, the indicators of organic and inorganic pollution and microbiological and biological indicators. The subject of the agreement also encompassed unification of the results of analyses of water quality with the Polish party and preparation of a report on water quality in the individual years. The evaluation reports on the quality of transboundary waters contained particularly evaluation of the state of water quality prepared on the basis of the joint results of laboratory measurements, description of changes in water quality compared to the state in the previous period, the causes of changes in water quality and information on implemented measures that had a favourable impact on the quality of transboundary waters.

It follows from the results of measurements and evaluation of water quality given in the protocols from the meeting of the Slovak - Polish Commission for transboundary waters in 1997 - 2000 that a favourable impact of investments in improving water purity was reflected in some important pollution indicators. The organic pollution of the Poprad River in the Čirč monitoring point decreased by 2.1 mg/l BOD<sub>5</sub> between 1998 and 2000 and the physical and inorganic pollution, expressed as the DS indicator, decreased by 50 mg/l and, expressed as the US indicator, by 58 mg/l between 1997 and 2000.

It follows from the report on the results of monitoring of water quality in transboundary monitoring points of the Poprad and Dunajec Rivers and from the evaluation of the Slovak - Polish Commission for transboundary waters that these water courses are natural courses that are of high value for creation of the landscape, are burdened marginally by human activity and have water quality corresponding to relatively pure waters. This is also a consequence of effective cooperation between SR and RP, which emphasized primarily prevention of pollution. The Protocol of the II<sup>nd</sup> meeting of the Slovak - Polish Commission for transboundary waters on May 7-11, 2001 in Donovaly states in this connection: „Analysis of the results of monitoring water quality in transboundary water courses in 2000 indicates that trends in water quality in 2000 compared to 1999 were favourable. The trend in deterioration in water quality, recorded in 1999 was not repeated in 2000. The improvement in water quality indicators in 2000 was connected to the construction of waste water treatment plants in recent years, and also to a gradual extension of the sewer network. These measures enabled removal of waste water and its purification“.

## 3. Results Described in the Document of the Supreme Audit Office of CR

### a. The Quality of Suspended Materials and River Sediments in the Oder watershed

Sediments and suspended materials are a sensitive indicator of contamination of surface waters and a great many pollutants are bound to these substances. These pollutants can be detected even when their concentrations in the water phase are below the detection limit. While sediments provide information on pollutant accumulation in the water course over a longer period of time, contents in suspended materials indicate the momentary state of pollution. Longer time series are not available because the monitoring of these two indicators was commenced only in 1999 and 2000, resp.

In the river basin of Oder, the following monitoring points were monitored: Oder - Bohumín, Olše - Vítkovice, Opava - Děhylov, Ostravice - Ostrava and Oder - Jakubčovice (monitored since 2000) in terms of the following

indicators: for sediments (sampled 2x annually) in the <0,02 mm fraction, a total of 17 metals and specific organic substances in the overall sample; for suspended materials (samples 1x monthly), a total of 17 metals in the overall sample.

#### b. Dammed reservoirs - water works

Povodí (Watershed of) Oder, state enterprise, administers and operates a total of eight dammed reservoirs, three of which are used as water supplies. The individual water management works form an interconnected set of water management works. There has been an improvement in water quality in the water-supply reservoirs over the previous five years for all selected indicators, particularly in the nitrogen content. For example, there has been a marked improvement in the N-NH<sub>4</sub> and N-NO<sub>3</sub> indicators in the Šance and Kružberk reservoirs, permitting reclassification of the water reservoir to class I and, in indicators BOD<sub>5</sub>, COD and P<sub>total</sub>, to class II. The water quality was favourably affected by construction of the upper Slezská Harta reservoir, especially in decreasing the nitrogen and phosphorus contents.

#### c. Mine waters

Mine waters permanently pollute surface waters, especially in the indicators of DS, Cl and SO<sub>4</sub> on the right-hand bank area of Oder as a distance of approximately 22.8 km from the Polish border. According to the Agreement of 1958, these waters are discharged in a manner regulated according to the technical capabilities, taking into account the requirements of the water management authorities. Mine waters correspond to 5-6 % of the total amount of waste waters discharged in the Oder watershed in Northern Moravia; however, they introduce almost half (46 %) of all discharged DS into surface waters from registered point pollution sources. The salt content of these waters varies in the range 4-15 g/l and the total volume of discharged mine waters lies in the range 13 to 20 mil. m<sup>3</sup> annually, corresponding to 55 - 180 thous. tons of dissolved inorganic salts. It has been found that there is a substantial deterioration in water quality after the inlet of Polish Szotkówka into Olše (an increase of 1 216 mg/l DS and of 694 mg/l Cl). The Czech party did not have the necessary information on the increase in pollution of Olše caused by Szotkówka. A change occurred through a decision of the working group for the Czech-Polish Agreement in September 2001. The Polish party from the beginning of 2002 will carry out monitoring and results will be available to both parties.

In connection with the requirement on decreasing the detrimental effect of mine waters, the investment project „Jeremenko water pit” was implemented, with expenditure of 368 517 thous. CZK by the middle of 2001. These financial means were provided from investment subsidies from the state budget for financing the cut-back in the coal and ore mining industries.

Over the last 6 years, the Agreement of 1958 has not been infringed in the Oder - Bohumín border monitoring point and the monitored indicators of Cl and SO<sub>4</sub> exhibit a constantly decreasing trend and are well below the set limits.

#### d. The state of surface waters in the main water courses of the Oder watershed

The quality of surface waters in the Oder River basin was evaluated according to the Czech State Norm in the „closing monitoring points” of Moravice, Opava, Ostravice, Olše and Oder. The pollution values were compared uniformly in indicators of OR, BCI, SCI and BI over the 1995 - 2000 time period.

**Moravice - Branka:** the water course was assigned to quality class III in terms of the OR set of indicators, with a considerable improvement in the BCI set of indicators with classification in class II in 2000 compared to class IV in 1995; the river is permanently in class I in SCI and in class II in BI, raised from class IV. The overall evaluation for 2000 was favourable and the Moravice River was reclassified to quality class III, i.e. a class better than formerly.

**Opava - Třebovice,** mouth: The water course is classified in quality class III on the basis of the OR set of indicators, with an improvement in terms of BCI indicators from class V in 1995 to class IV in 2000; the river remains in class I in terms of SCI and is assigned to class III in terms of BI, although it was formerly classified in class V. There has been an improvement in water quality and, simultaneously, the overall evaluation of the water course was a class better, i.e. quality class IV.

**Ostravice - Muglinov:** The water course was assigned to one class higher, to class IV, on the basis of OR indicators and is permanently assigned to quality class IV in terms of BCI; there was an improvement in terms of the set of SCI, from class III to II and also in the BI set of indicators, from water quality class V to III. Here, again, an improvement has occurred between 1995 and 2000 and the water course was reclassified from the former class V to the present class IV.

**Olše - Věřňovice:** There has been a slight improvement in the OR set of indicators over the last two years and the water course was thus reassigned to class IV. The water course is permanently classified in class V on the basis of the BCI set of indicators and this is also true of the set of SCI indicators; a slight improvement has occurred in terms of the BI set, with reclassification to class IV. Overall, the water course was assigned to water quality class V and was the most polluted tributary of the Oder River. As a border river with Poland, Olše is currently burdened by right-hand tributaries from the Polish side, the most important of which is Szotkówka flowing through an industrial complex into which are discharged, amongst other things, salty mine waters.

**Closing the Oder - Bohumín border monitoring point,** most important from the standpoint of evaluation of the entire Czech part of the watershed: There was an improvement in the OR set of indicators from class V in 1995 to class IV in

2000. Formerly, in 1998 and 1999, the water course was classified in class III; this changed in 2000 as a result of a slight increase in BOD<sub>5</sub>. There was also an improvement in the BCI set of indicators, with reclassification from class V to class IV where, of the eight indicators in this category, only three (US, Fe, P<sub>total</sub>) were assigned to class IV and the others fulfil the criteria for assigning to water quality class II or III. There was an improvement by one class in the SCI set of indicators, i.e. from class III to II, but only for SO<sub>4</sub>; the other three indicators are in class I. There was also a marked increase in the BI set of indicators, with a change in classification of the water course from class V to class III.

The overall evaluation was favourable; the border monitoring point underwent an improvement in the quality indicators, especially over the last 2-3 monitored years, reflected in reclassification from quality class V to water quality class IV. The contents of the individual pollutants in the Oder - Bohumín monitoring point exhibited a decreasing trend in the 1980 - 2000 period, especially in recent years. For example, the BOD<sub>5</sub> value in 1980 equalled 12 mg/l, but had decreased to only 4 mg/l in 2000, where the limit according to the Czech State Norm is 8 mg/l (this value equalled 6 mg/l in 1995). The zinc concentration equalled 1.3 mg/l in 1980 but only 0.08 mg/l in 2000, where the valid Czech State Norm limit is 0.2 mg/l (concentration in 1995 equalled 0.2 mg/l). The trends in the COD, DS and phenol indicators were similar.

## G. Summary

The parties carried out a jointly prepared audit related to the activities organized by the state authorities of each of the parties and affecting the quality of water flowing into the Baltic Sea. A summary was drawn up of financial means of the individual countries, employed to improve water management in the relevant areas. The results of monitoring of water quality were evaluated.

The Supreme Chamber of Control of the Republic of Poland, in accord with its competence, required that the state authorities implement recommendations connected to audit findings. It also evaluated the fulfilling of tasks following from the previous audit. The audit emphasized activities carried out on transboundary waters in the Oder watershed since 1997.

The Supreme Audit Office of the Slovak Republic audited implementation of measures connected to protection of water against pollution in the Dunajec and Poprad Rivers, which waters drain into the Baltic Sea through the other water courses. Audits were carried out of purposeful and economically effective use of the means of the state budget and state funds for investments, monitoring and other activities in the period since 1998. No serious inadequacies were found in these areas.

The Supreme Audit Office of the Czech Republic carried out audits of measures implemented since 1996 in the entire watershed of Oder in the territory of the Czech Republic and evaluated the results of monitoring in selected monitoring points in this territory. It summarized the means employed and audited selected recipients of state funds to ascertain whether they complied with the conditions under which this assistance was allocated. Trends in important water pollutants were evaluated and the ecological benefits of subsidies from the State Environmental Fund CR in the Oder watershed were evaluated.

All the audit authorities were concerned with compliance with international agreements in the given area and stated that these agreements had been fulfilled. The Supreme Chamber of Control of the Republic of Poland pointed out difficulties occurring since 1998 in connection with absence of the representative of the Government of the Republic of Poland in the framework of the Agreement between the Government of the People's Republic of Poland and the Government of the Czechoslovak Republic on water management on transboundary waters of March 21, 1958.

In relation to water quality, it was stated that this has improved over the last approx. 5 years. This improvement is the result, amongst other things, of substantial investments and other measures implemented in the individual countries.

### Annex

List of symbols and abbreviations used in connection with water quality:

1. BOD<sub>5</sub> - five-day biological oxygen demand with suppression of nitrification
2. COD - chemical oxygen demand
3. US - undissolved substances
4. DS - dissolved substances
5. NES - polar nonextractable substances
6. N-NH<sub>4</sub> - ammoniacal nitrogen
7. N-NO<sub>3</sub> - nitrate nitrogen
8. P<sub>total</sub> - total phosphorus
9. SO<sub>4</sub> - sulfates
10. Cl - chlorine
11. OR - set of indicators of the oxygen regime
12. BCI - basic chemical indicators
13. SCI - supplementary chemical indicators
14. BI - biological indicators



The Attachment to the Communiqué was signed in Bojnice  
on 21<sup>st</sup> of June 2002

on behalf of:

SAO of the Czech Republic

Miroslav Kruchina  
Director of Department  
of Environment and Agriculture

A handwritten signature in black ink, appearing to read 'M. Kruchina', written over the printed name.

SAO of the Slovak Republic

Igor Cihó  
Director of Section

A handwritten signature in black ink, appearing to read 'I. Cihó', written over the printed name.

SCC of the Republic of Poland

Mieczysław Kosmański  
Director of the Regional Office,  
Katowice

A handwritten signature in black ink, appearing to read 'M. Kosmański', written over the printed name.

## IV. Evaluation of Experiences

### Positive and Negative Aspects in Individual Audit Stages

#### Planning Stage

##### 1. Positive Aspects

###### 1.1 Topic Selection

The fundamental and wide-ranging positive aspect in the planning stage is seen already in the very selection of the topic of the audit. The observation of commitments arising from the concluded Convention between the Government of the Czechoslovak Republic and the Government of the Republic of Poland concerning water management on the border-forming waters as projected in bilateral agreements between the Republic of Poland and the Czech Republic, and Slovak Republic, respectively, has enabled the audit institutions to assess dispassionately an identical set of issues and to compare in principle only partial differences coming into existence through the transposition into national legislation of commitments by individual signatories. This fact considerably lowered the effects of the influence of different mandates available to the audit institutions taking part in the parallel audit and ensured factual accord in the formulation of joint reports ensuing from the audits.

###### 1.2 Framework Programme of Audit

The possibility of adopting a framework programme for the audit turned out to be a great advantage in the preparatory stage of the jointly coordinated audit. Those SAIs, which were potential participants in an upcoming parallel audit, accepted the invitation from the Czech SAO to attend a meeting where the coordinator presented a proposed programme consisting of factual delineation of the principal issues and diverse activities bearing on the quality of surface waters. This was followed by an informal discussion, where opinions, ideas, clarifying comments and suggestions were brought up for potential application in respect of other international treaties. Since the Austrian, Hungarian and Romanian SAIs attended the meeting, such application might concern, for example, the Convention on Cooperation for the Protection and Sustainable Use of the Danube River.

###### 1.3 Institutional Framework

The will to cooperate as expressed in the final protocol from the meeting was the stepping-stone for formulating a binding agreement. The Presidents of the Supreme Audit Office of the Czech Republic, the Supreme Chamber of Control of the Republic of Poland, and the Supreme Audit Office of the Slovak Republic adopted a joint standpoint on cooperation in October 2001, which laid down the general principles of coordinated course of action and organizational prerequisites. Among other things, this made it incumbent upon the participants to embrace a factual audit framework of a scope tailored to their respective competencies under law and to espouse a timetable specifying separate stages of work. Furthermore, a unified form was set and so was a recommended extent for specification of systemic findings selected from the national reports. English was chosen as the working language.

###### 1.4 Methodological Instructions

A tangible aid for suitable methodology for the preparation and execution of parallel audit exercise was the application of procedures proposed in a methodological manual published by the INTOSAI Working Group on Environmental Auditing entitled *„Methods of cooperation amongst the Supreme Audit Institutions in the area of audit of compliance with international agreements related to protection of the environment“*. Instructions from *„How may SAI coordinate parallel audit“* were also used in selecting suitable procedures. Preparations also profited from the experience based on the cooperation model between Poland's SCC and the Czech Republic's SAO during an earlier audit, *„The Protection of Air from Pollution“*.

#### 2. Negative Aspects

##### 2.1 Scope of Programme

The adopted audit programme turned out to be too extensive and hard-to-execute in a single audit event. Too many diverse activities were subject to audit

- surface water pollution brought about by industrial activity, mining, agricultural production, by traffic on waterways, by wastewater from urban agglomerations
- the impact on water regime by planting trees and seeding grass on agricultural land, by constructing water reservoirs and wastewater treatment plants, sewer systems and flood-prevention measures.

Also audited was the execution of public supervision over the purity of water, the working of information monitoring systems and laboratory testing of samples. Last but not least, there were controls done on the activity of a governmental plenipotentiary for the performance of cooperation arising from the bilateral agreements entered into. The period under review started with 1996, thus comprising a temporal segment of 5 years. It is obvious from the preceding lines that this was a set of operating and investment activities, often quite uncoordinated, whose single denominator was the effect on water quality in the territory defined by the Oder watershed.

## Audit Execution Stage

### 1. Positive Aspects

#### 1.1 Comprehensiveness of Audit

The capacity-intensive implementation of the audit included an audit of all financial means from state resources, earmarked as grants, guarantees and loans to a number of diverse programmes and independent projects within a precisely defined area, whose efficiency was evaluated from the angle of midterm effects. Financial means from the non-state sector spent on those measures in line with water management legislation and water purity protection were also quantified. As regards the type of execution, the exercise was a mixture of performance audit and compliance audit, and in a break with tradition, results from the monitoring system and long-term statistical measurements taken by state and commercial laboratories were used in assessing the real developments in surface water quality. The team of auditors examined activities in the areas managed by the ministries of industry, agriculture, regional development and environment, and evaluated the level of links among their respective programs in relation to the fulfilment of the state's policy of environmental protection objectives.

### 2. Negative Aspects

#### 2.1 Audit Sample

In order to fulfil the programme's objectives it was necessary to select a relatively extensive sample of audited persons singled out for on-site checks (some 50 organizations). The necessary statistical data was obtained from a number of additional entities or such entities. Findings from long-term monitoring or their control system outputs were utilized.

In addition, the cash flows which were audited, constituted too large volumes for a single audit event (about 90 million Euro during a five year period). All of this made high demands on the precision of audit sample selection and on the composition and management of the audit team.

#### 2.2 Audit Methods Deployed

In carrying out the audit exercise, „traditional audit methods“ were exploited much too extensively for a performance audit. Primary documents were examined, i.e. documentation of programmes and projects, the assigning of tenders, commercial contracts signed, billing of costs, compliance with certain terms (e.g. in building proceedings), and likewise in respect of the appraisals of cost-effectiveness with regard to parameters actually achieved. This type of audit required in fact a less orthodox attitude on the part of the auditors; instead, methods of questionnaire, survey, or analysis compiled by a ministry concerned would have been more fitting.

#### 2.3 Audit Capacity

The execution of the audit, whose scope was not standard, necessitated a relatively long preparation period and, in particular, an on-site implementation period. Yet, the audit was planned as regular, and



the timetable put together was subsequently approved by the other participating SAIs. It transpired that the timetable was unsatisfactory and the audit results presented in national reports were forwarded to the coordinator with a slight delay.

## **Stage of the Audit Results' Broader Relevance**

### **1. Positive Aspects**

#### **1.1 Concurrence of Systemic Findings**

When drawing up a draft of the joint final audit report, it emerged that a number of partial or even fundamental systemic findings appearing in the national reports were identical or at least quite similar. For that reason, one can assume that the parallel audit may prompt adoption of executive measures, which are identical for a territory larger than the one delineated by the borders of just a single country.

For your information: The national report by the Czech SAO was taken up at a session of the Czech Government, which resulted in setting up a committee of experts to harmonize the factual and temporal aspects of line-ministry programs. Mutual harmonization of priorities will enable an increased effectiveness of invested funds.

#### **1.2 Joint Report**

A major plus of this stage of the audit event turned out to be the teamwork on the joint report's English version. At the closing session of the parallel audit participants held on the invitation of the Slovak Republic's SAO, it was necessary to make significant changes in the language of the draft. Here the knack for adroit application and willingness to produce the best results was palpable among the participants.

### **2. Negative Aspects**

#### **2.1 Failure to Stick to the Institutional Framework**

Failure to adhere to certain principles laid down by the presidents of the participating SAIs turned out to be a partial problem of the parallel audit's last stage. Thus, for example, the timetable for sending in audit findings from the national reports was not conformed to. The national reports were forwarded in their entirety, instead of a pertinent outline of systemic deficiencies. This produced certain complications, given the slightly different attitudes in approaching the final reports. The national reports were written in respective national languages. The 50-page report by Poland's Katowice SSC Office necessitated providing for an express professional translation. The outcome of these partial obstacles was the fact that the coordinator had to produce a draft joint report in a mere four days, including the obligatory translation into English.

#### **Conclusion**

The audit event has corroborated the successful feasibility and incontrovertible usefulness of conducting such parallel audits. Yet, all of this could have easily remained just at the level of formal collaboration among the audit institutions, were it not for the meaningful personal contacts among the auditors driven by their combined effort to achieve the best product. This is what I consider the most positive aspect of them all.

## V. Appendices

### Appendix 1 – Model Programme

#### PROGRAMME OF AN AUDIT ENTITLED State funds spent on the enhancement of purity of water in the Oder watershed

##### Table of Contents:

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#### 1) The Subject of the Audit

State funds spent on the enhancement of purity of water in the Oder watershed.

#### 2) The Objective of the Audit

To audit management of the funds spent on measures to enhance the purity of surface waters in the Oder watershed and to assess the impact of the implementation of such measures on the overall degree of pollution of the Oder as it leaves the territory of the Czech Republic.

#### 3) The Persons Audited

Ministry of the Environment („MoE“),  
Ministry of Agriculture („MoA“),  
Czech Republic State Environmental Fund („SEF“),  
Czech Environmental Inspection („CEI“),  
Oder Watershed, state enterprise,  
Agency for the Protection of Nature and Landscape („APNL“),  
Select beneficiaries of funds.

#### 4) An Introduction into the Issues

##### a) An International Framework of the Audit

In October 2000, a requirement was floated at the meeting of EUROSAL's Environment Working Group that the audit of implementation and provision for the Helsinki Convention on the Protection of the Baltic Sea involve also those landlocked countries, which are not signatories of the Helsinki Convention, but whose territories the rivers emptying into the Baltic Sea either originate in or flow through. In the Czech Republic (CR), it is the River Oder, or its watershed, respectively. The Polish side prepared draft principles for a joint audit programme of the implementation of tasks bearing on the protection of waters in the watersheds of the rivers that flow to the Baltic Sea. According to the Polish proposal, such an audit ought to be conducted by the audit authorities of the Czech Republic, Slovak Republic, the Ukraine and Norway.

The audit programme has been produced as a pilot programme and it will be proposed for use to additional landlocked countries at a colloquium to be held on this topic at Přestavlky, CR this June. Representatives from the audit authorities of the countries, which impact the purity of the Black Sea, have also been invited to the colloquium.

## b) Basic Information on Czech Streams and on the Oder Watershed

In the CR, there is a total of 76,000 km of water streams, which pursuant to the Water Act have been specifically entrusted to the expert care of appointed legal persons. Of that number, some 15,000 km of streams considered important from the water management point of view or forming state borders are managed by the following state enterprises: Elbe (Labe) Watershed, Vltava Watershed, Eger (Ohře) Watershed, Morava Watershed, Oder Watershed. The State enterprise Czech Forests manages some 20,000 km of torrents and State Amelioration Administration manages some 34,000 km of minor streams that flow through agricultural land. National Park Administrations, municipalities, or local military authorities manage the rest of the small streams.

The Oder watershed comprises approximately of 7 % of the Czech Republic, being the smallest watershed of 8,127 square km. The entire Czech part represents only 5 % of the Oder watershed. It covers the northeast part of Moravia, Upper Silesia and a section of the Broumov and Frýdlant „promontories“ in East and North Bohemia, respectively. The administrative unit of the Oder Watershed, managed by the state enterprise of the identical name, includes only the Moravian section, that is the Counties of Ostrava, Opava, Frýdek - Místek, Karviná, Nový Jičín, Bruntál, Jeseník and Olomouc, or portions thereof. In the north, it forms the state border with Poland, and in the east with Slovakia. The area managed by Oder Watershed, state enterprise is 6,252 square km. The total length of the streams managed by Oder Watershed, state enterprise is 1,328 km. Further to this, this state enterprise manages 8 valley reservoirs, 2 ponds, 57 weirs, and 12 minor hydroelectric power stations.

## c) Basic Data about the Territory

The territory of the Oder watershed is characterized by a unique geographical array. These different types of landscape and diverse geological composition make up a mosaic of ecosystems and a great biodiversity. The elevation ranges from 220 to 1,401 meters above the sea level. There are several species of plants and animals for which this territory happens to be the northernmost reach of their incidence.

The territory is highly populated and there is a significant concentration of industry. Considerable pollution with industrial and communal wastewater ensues. Attenuation and restructuring of many activities, mining included, has been going on in the past decade or so.

Apart from the areas substantially impacted or damaged by human activity, the territory also contains important element of ecological stability, whose functionality necessitates a substantial attention. In that territory, there are three large protected areas or their portions, i.e. the protected landscapes of Poodří, Jeseníky and Beskydy. In the past years, the number and acreage of protected areas grew substantially; many of them protect dead water or swampy areas such as the Old Oder meanders or the Large Pavlovický pond. Revitalization of river systems occurred above all in the counties of Bruntál, Nový Jičín and Frýdek - Místek.

Compared to the nationwide average, the area concerned has a large proportion of forests. However, the degree of damage to the forests is average and so is the proportion of incidental harvesting caused by emergencies, mostly due to the bark-coring beetle.

The production of waste is dropping, primarily as the industrial production is being slashed, and the structure of such waste is changing (an increase in plastic packaging), and the extent of recycling is on the rise. The majority of unsorted waste goes to landfills. The total number of dumps has been reduced of late, although several new ones, fully secured, were started.





## 5) The Audit's Mandate

### a) Data Gathering and its Evaluation

In order to arrive at audit conclusions, it will be required to gather and evaluate data for the period of roughly last five years concerning:

- **The streams:** monitoring of water quality in the individual profiles, especially at the point where each major tributary empties into the Oder river, and of the border profile of the Oder river, major stationary polluters and area-wide sources, trouble spots, trends under investigation, assessment;
- **Hazardous substances:** in waste dumps, including illegal ones, represent with regard to waters, the situation at the dumps and reclamation thereof;
- **The measures** instituted by all entities and not only through the state funds towards enhancement of water quality:
  - At operating waste water treatment plants („WWTPs“), i.e. launched from 1996 through 2000, inclusive, the amounts of water released and contaminants, the issues of disposal of waste from animal farms, capacity reserves, comparison with design parameters, emergencies, the status of sewer systems and leaks that affect underground water table,
  - At WWTPs under construction, the construction time, changes effected during such time, planned and actual costs to date,
  - Details on planned WWTPs; technological equipment in respect of the ever increasing demands on the treatment (e.g. nitrogen, phosphorus, heavy metals).
  - Data will be gathered at Oder Watershed, state enterprise, county authorities, CEI, Ostrava's office of the TGM Water Management Research Institute („WMRI“), at the owners and investors of sewer systems and WWTPs, and if need be, at other polluters sites as well.

### b) MoE

- Conceptual activity (including research work and production of the regulatory base) that impacts the environment in its complexity, in particular water management in the territory covered by the Oder watershed,

- Coordination of activities leading to water quality improvement in the area concerned, including disbursement of funds, even as related to international water protection treaties,
- Provision for and management of a unified information system on the environment, including nationwide monitoring with an emphasis on the Oder watershed territory, also in relation to international treaties,
- Activity of the administrator of SEF,
- Use of state budget funds from the MoE chapter, purpose-earmarked for implementation of programs, which directly or indirectly impact water quality in the Oder watershed territory, including cost-effectiveness of such applications.

#### **c) MoA**

- Conceptual activity focusing on water management in the Oder watershed territory,
- Creation of an information system, basic and applied research, monitoring in the individual areas,
- Coordination of provision of funds for the individual programmes,
- Management of the funds earmarked for construction and technical renovation of sewer systems and WWPTs,
- Management of the funds earmarked for anti-flood measures, removal of flood damages, and flood prevention,
- Management of the funds earmarked for anti-erosion protection of agricultural land,
- Management of the funds earmarked for seeding grass throughout the Oder watershed.

#### **d) SEF**

- Adherence to the regulations on decisions concerning aid, conclusion of contracts, release of funds, checks on cost-effectiveness and purposefulness of such applications, feedback to opinions by CEI and other state bodies on events receiving aid,
- Assessment of results in the removal of pollution, or an increase of water quality in the Oder watershed territory, respectively, as compared with the funds spent.

#### **e) CEI**

- Keeping of water management records on pollution sources that are subject to charges, on fees, penalties, on emergency situations,
- Compliance with the fee regulations,
- Issuance of deferments and indefinite deferments, compliance with the terms of such deferments,
- Observance of the audit plan and its scope.

The aforementioned activities will be audited at the area-specific inspectorate and at the directorate in Prague.

#### **f) The Oder Watershed State Enterprise**

Water quality monitoring at the individual evaluation profiles and the use of such data,

- Activity of the administrator of the river as to how water quality is assured,
- The impact and consequences of the 1997 floods on quality of the out-flowing waters,
- Audit activity execution as linked to CEI,
- Utilization of state funds for the removal of consequences of the floods, and other activities.

#### **g) APNL**

- Consulting and audit activity in assessment, selection and implementation of events under the following MoE programmes: River System Revitalization Programme („RSRP“), Landscape Care Programme („LCP“), Minor Water Management Environmentally Friendly Events Programme („MWEFE“).

#### **h) Selection of the State Funds Beneficiaries**

- Purposefulness and cost-effectiveness of the use of the state funds, compliance with contractual terms,
- Accomplished contributions to the improvement of water quality - comparison of the starting-point situation (prior to the launch of the works), linkage to the projected parameters of the works, to the data shown in the building permit and in the conditions for the provision of aid, to the changes during the course of construction, and the situation after the completion of the works (trial operations) and after the acceptance (permanent operations status).

### **6) The Period under Review**

The audit will deal primarily with the period of 1996 - 2000.

## **7) Criteria for Assessment of Purposefulness and Cost-effectiveness of the Activities Audited or Methods for Determination of these**

For the evaluation of conceptual and coordinating activities of MoE and MoA, the basic criterion will be the achieved effect in an overall improvement of the situation in the territory at the given volume of funds, the performance of competencies stipulated by the generally binding regulations and the fulfilment of commitments under international treaties. The influence of the funds spent on reducing the pollution sources, and subsequently, on the purity of the rivers within the watershed during the period under review.

In respect of CEI, the main criterion is compliance with the regulations governing state administration in water management, imposition of penalties, enforcement of decisions, and cooperation with other bodies - SEF in particular. The resulting effect of such activities.

In the activities to be audited, APNL follows mainly MoE-issued regulations; the criterion will be above all its result of implementation of the aid-receiving events, about which APNL co-decides in regions.

As regards the beneficiaries of state funds, the basic criterion is observance of the terms on which those funds were provided. In terms of the generally binding regulations, it is the Public Procurement Act. As regards the use of state budget funds, here too the criterion is adherence to purposefulness as stipulated by the Act - the budgetary rules. In respect of municipalities and organizations reporting to the central bodies, the criterion is adherence to purposefulness and cost-effectiveness pursuant to the implementing regulation to the budgetary rules.

In regard of the providers of funds from the state budget, the criterion is observance of purposefulness in the allocation of such funds, again laid down by the budgetary rules, and the channelling and auditing conducted pursuant to the implementing regulation to the budgetary rules. As far as SEF is concerned, the basic criterion is adherence to the conditions stipulated by the SEF Act and further by the MoE guidelines.

As regards Oder Watershed, state enterprise, the basic criterion is also adherence to the conditions for the use of state funds, including the Public Procurement Act.

## **8) Criteria for the Assessment of Material and Formal Accuracy of the Activities Audited**

This accuracy is established in respect of beneficiaries of funds by compliance with the accounting and tax regulations; in respect of construction, which investment activities are generally associated with, then in adherence to the Building Act and related regulations.

Next, verification of the adherence to regulations on the protection of the environment, above all the Water Act, e.g. Part II, Title 1 - Disposal of waters, Section 8 - Permit to dispose of waters, Section 9 - Permit for water management works, Section 23 - Release of wastewater, could be reviewed. As regards investors, Part II of the Waste Act - Disposal of waste, in respect of the disposal of WWTP products, is binding.

## **9) Procedures and Criteria of the Financial Assessment of the Audit's Results**

- State the actual volume of funds decided on by the pertinent bodies - of which, funds provided in breach of the regulations should be specified (non-compliance with the laws and Government Resolutions),
- State the actual volume of funds that went to investors - of which, funds disbursed in an unauthorized manner or disbursed in breach of the conditions stipulated by contracts,
- State the actual volume of funds that went to investors - of which, funds disbursed in breach of the criteria of material and formal accuracy,
- State the actual volume of funds decided on by the pertinent bodies and which went to investors - of which, funds disbursed but lacking a purpose and in a non-cost effective way was required by the required criteria (the required effect failed to be accomplished).

## **10) A Summary of Previous Audit Results**

The disposal of state funds used to improve the quality of waters flowing into Poland was the subject of an audit numbered 96/41. The respective audit report was published in SAO Bulletin, Volume 1997, Part 3 on 30 September 1997.

The institutions audited were: MoE, MoA, SEF, Oder Watershed, joint-stock company, Ministry of Finance, and selected beneficiaries of the state budget and SEF funds. The audit noted deficiencies in the legal treatment of collection of charges for wastewater release and in their proper collection. Activities concerning the provision and the use of state funds intended for environmentally friendly water management investments were insufficiently coordinated and checked. In some cases, investors did not use the state funds in a cost-effective manner.

## **11) Information on the Preparations of the Audit**

### **a) Monitoring and the Status of the Waters**

Water quality is being systematically monitored by the Oder Watershed, state enterprise (a joint-stock company until 31 December 2000), whose founder is MoA. Further, Czech Hydro-meteorological Institute (reporting to MoE) monitors

water quality at 40 profiles in the Oder watershed territory. State Amelioration (reporting to MoE) gathers water quality data concerning minor streams and sediment contamination in small reservoirs as part of a systematic monitoring programme. Stationary polluters are monitored primarily by CEI for the purposes of assessment and collection of charges.

Waters stream pollution of the 4th and 5th class (seriously and very seriously polluted water) has been reduced since 1991 to the current 30% of the length of the streams in the Oder watershed. However, this situation is still being ascertained in some streams, primarily in the Olše - a high level of COD (chemical oxygen demand), BOD5 (biological oxygen demand 5 days), nitrogen and phosphorus. Another stream is Černý potok (directly flowing into the Slezská Harta na Moravici reservoir) with a high content of ammonia-bound nitrogen. What has been significantly improved in the Oder watershed is the oxygen regime (an increase by some 50% of O<sub>2</sub>, a reduction by 50% of COD and BOD5): the construction of municipal WWTPs has been credited. On the other hand, the current but the earliest industrial production is blamed for the current recorded concentrations at certain Oder and Olše profiles of AOX (absorbable organic halogens), PCB and PAU (polyaromatic hydrocarbons) that are higher than EU quality targets. These indicators classify these streams to the lowest quality category.

Another problem facing the reservoirs is an increase in the content of mineral nutrients, in particular nitrogen and phosphorus (eutrophization). This produces problems for the collection and treatment of potable water, but also a worsening of recreational uses.

#### **b) State Administration and Release of Waters**

The MoE manages state administration in the exercise of water management, or in other words, it is the central water management body and exercises the superior water management oversight (Act No. 130/1974 Coll., as amended). Further to this, MoE cares for the protection of natural accumulation of waters and water sources, for the protection of streams, for the protection of quality of surface and underground waters, and for the removal of the present pollution, and for the prevention of additional pollution thereof. It streamlines water management, cares for the most cost-effective and purposeful exploitation of water resources. In addition, MoE is the body of the superior state oversight in the environmental matters, and in such matters, it coordinates the procedures to be taken by all the ministries. Each year, MoE issues a report on the status of the protection of the waters from pollution.

The care for the purity of waters is part of the State Environmental Policy, drafted and submitted to the Government by MoE. Government Resolution No. 38 approved the most recent update to the State Environmental Policy on 10 January 2001.

The MoA is the central state administrative body for water management with the exception of the protection of natural accumulation of waters, the protection of water sources and the protection of the quality of surface and underground waters (Act No. 2/1969 Coll., as amended). As the central state administrative body for water management, it manages:

- Administration of streams that are important from the point of view of water management or that form a part of the state borders,
- Administration of minor streams and torrents,
- Water management amelioration of agricultural and forest land and the damming of torrents, including irrigation and drainage structures and systems, ponds and small reservoirs, provided they serve agriculture or silviculture,
- The systems of public water supply,
- The systems of public sewers.

In the aforementioned areas, it is also responsible for long-term concepts, basic and applied research, monitoring, and the information system.

The water management concept of MoA is to harmonize the demands on all types of use of the waters with the overall protection of water ecosystems while taking into consideration the measures intended to lower harmful effects of such waters. The objective is to ensure improvement and protection of the water ecosystems for the purpose of their sustained utilization. MoA's concept of the water management policy was approved by the Government Resolution No. 49 of 12 January 2000.

The agenda of charges has been conducted since 1 January 1999 by CEI (by Oder Watershed, joint-stock company until then). Further to this, CEI is a state administrative body, or of water management oversight, respectively, especially in the matters of release of wastewater into surface waters, the construction and operations of WWTPs, and the protection of waters from pollution. Additional bodies of state administration or water management oversight are the pertinent bodies of municipalities, county authorities and the regions.

Constituting revenues for SEF, the charges for the release of wastewater into the surface waters display a declining trend. The table below shows the amount of such charges in the Oder watershed (in CZK thousands) reduced by the deferments granted:

	1994	1995	1996	1997	1998	1999
Total charges	83,425	58,569	60,089	53,585	50,145	43,446
Of which, water mains and sewer systems	44,919	37,521	31,720	32,519	29,245	not monitored

The lowering of the level of the charges is related primarily to the reduction of the volume of wastewater released, which is of a permanent nature. The reduction is particularly notable between 1998 and 1999, when it amounted to 13.3 %. The volume of wastewater released by the industry and energy generating plants has to do with production attenuation, and the reduction in the sewer systems has been chalked up to household water conservation. Significant reductions have been achieved in the pollution released (around 20% between 1998 and 1999) in all indicators, with the exception of soluble inorganic salts, which has of late included the seesawing influence of waters released from the mines. At the same time, production-generated pollution has been stagnating, so that the impact of more extensive and more efficient treatment of wastewater prior to its release is beginning to show.

Released pollution in the COD indicator increased between 1998 and 1999 at Biocel Paskov, a. s., while the same indicator dropped considerably for the City of Ostrava.

The penalties levied by the CEI Ostrava Inspectorate for breaches of the water management regulations amounted to CZK 1 to 2 million annually between 1995 - 1999. There were approximately 40 to 60 instances of fines each year. These penalties constitute revenues to the state budget.

In 1998 and 1999, CEI Ostrava Inspectorate recorded 43 and 47, respectively, emergency cases of water pollution, including 15 and 8, respectively, instances of the underground water pollution. Oil-based substances were present in more than one-half of such emergencies, which were typically caused by transport. On a nationwide scale, the perpetrators were not identified in 21.5 % of the cases.

### c) Water Quality Enhancement Measures

Funded by the state budget and SEF, WWTPs and sewer systems are being constructed for the protection of the waters. The „Construction and technical renovation of sewer systems and WWTPs programme“ is part of the MoA budget chapter. Loans, systemic and individual investment assistance to municipalities and towns have been made from the programme.

In the future, financial aid from the European Union's ISPA, oriented at least in its initial stage also to investment construction of WWTPs, sewer and water supply systems, is envisaged. One of the first events assisted in CR is the revamping and enlargement of the sewer system in Ostrava. Total costs are estimated at 40.72 million EUR (or 24.8 million EUR, respectively, if only EU-recognized costs are added up), ISPA-originated aid should come to 16.6 million EUR. According to the project, construction should be completed in August 2005. Although a Financial Memorandum has been already signed, ISPA funds are likely to be used only in 2002. Other 2 short-listed events --- Karviná main sewer and a sewer-cum-water-supply system in the Jeseník area --- are in the final stages of completing the application. The projected costs stand at 18.7 million and 20.5 million EUR respectively, and ISPA-originated aid is envisaged at 75 %.

From their own resources, companies pay for the construction and renovation of industrial WWTPs and neutralization stations. Such investments are subject to statistical monitoring.

The threat to underground waters will be significantly reduced through National Property Fund investments to remove inherited environmental damages. To this end, amounts ranging in the order of billions or tens of billions of Czech crowns have been used. The purposefulness and cost-effectiveness of such funds invested to date were audited by SAO in 2000.

A portion of the state budget funds earmarked for the removal of the consequences of the catastrophic floods of 1997 was used also for water protection measures. In 1998, MoE completed a project entitled „Assessment of the Flood Situation in July 1997“, which is the basis for a systemic approach addressing anti-flood measures.

Some programmes funded from the MoE chapter, e.g. RSRP, LCP or MWEFE, contribute (indirectly, in some cases) to the protection of the waters. These provide both investment and non-investment means. Thus, nearly CZK 212 million was drawn in 2000 for LCP, while an integral part of this predominantly non-investment programme includes measures for the protection of landscape against erosion - grass seeding, trees planting. In the same year, subsidies from RSRP mostly to investment events exceeded CZK 203 million (plus another CZK 50 million was transferred from the MoE

chapter to other ministries); nearly CZK 178 million came from MWEFE, and loans worth CZK 103 million were granted.

As part of its research activity, WMRI (an MoE contributory organization) has been addressing an Oder Project through its Ostrava branch. The project has been going on since 1993, and its first stage was completed in 1998. Its principal output was an area-wide assessment of surface water quality in the Oder watershed and the production of an Oder Watershed Action Plan, which proposed measures to rectify the unsatisfactory water quality by 2010. In mid-1998, work commenced on the Oder II project, which, among others, focuses on a presentation (pursuant to EU requirements) of pilot water management plans for the component watersheds that constitute the Oder watershed.

A project entitled „Monitoring of alluvia and sediments in the watersheds of the Elbe, the Morava and the Oder“ whose objective was to assess the influence of alluvia and sediments on water quality was completed in 1998.

It follows from the MoE papers that with the gradual elimination of point pollution sources, wide sources are gaining importance. The removal of their impact is of the same priority as the removal of the remaining stationary sources of pollution. One constituent task within the Oder II project addresses such issues.

Agriculture happens to be an area-wide polluter of waters. During 1995-99, nearly 18% of aid from the state budget on average was spent to improve the relationship of agriculture in relation to the environment and the rural areas, and this proportion is on the rise (23 % in 1998, and nearly 22 % in 1999). In line with the long-term intentions, the majority of such aid went to the maintenance of landscape exposed to adverse natural conditions. Thanks to state support, the acreage of eco-farming has shot up significantly to 111 thousand hectares in 1999, which is 2.6 % of the total agricultural land in CR, whereas in 1994 it was a mere 15.8 thousand hectares, i.e. 0.4 % of the total agricultural land in CR. Through the subsidy policies, the acreage of permanent grass growth increased slightly and forests were planted at over 2,500 hectares of agricultural land of poorer quality.

Somewhat paradoxically, the lack of funds on the part of agricultural companies for purchases of intensifying inputs contributed towards improving the relationship of agriculture to the environment. The consumption of industrial fertilizers dropped from 223 kilograms of net nutrients per hectare in 1989 to 81 kilograms of net nutrients per hectare in 1994, and even to 66 kilograms of net nutrients per hectare in 1999. Similar developments were noted for the consumption of plant-protecting preparations (1.98 kilograms per hectare in 1989, 0.88 kilograms per hectare in 1994, and 0.97 kilograms per hectare in 1999. Since 1999, support has been given to adding lime to land, which contributes to the improvement of the quality of agricultural soil.

The Table below shows the approximate amounts of funds from public sources (subsidies, unless stated otherwise) used to enhance surface water quality managed by the State Enterprise Oder Watershed, (excluding funds spent by the State Enterprise Lesy ČR )

	1995	1996	1997	1998	1999	2000 (Estimated)
MoA Program				Through 1998: 496.6	212.7	299.3
SEF	113.0	47.4	50.5	28.3	73.5	78.4
SEF loans	61.2	72.4	40.0	15.4	34.4	5.3
LCP				1.8	2.7	
RSRP	0.6	1.3	3.2	5.1	10.2	13.5
MWEFE					4.5	8.0

The area concerned is the home of the Protected Landscape (PL) of Poodří and a portion of other two - Jeseníky and Beskydy. In particular at PL Poodří, the LCP program is funding activities that promote water management improvements, such as the renewal of riverside growth, considerate mowing of the meadows in the river's vicinity. In this particular PL, some CZK 670 thousand from LCP was used in 2000. In PL Jeseníky, the LCP funds are applied mostly for the improvement of the forest; in 2000, the figure was approximately CZK 860 thousand.

Those forests that are economically important from the water management point of view, where this function happens to be exclusive, overriding, or equal to the production function, constitute 27.6% of all forests in CR. Of which, nearly 11% of forest acreage in CR is located in the protected zones of surface waters (PZS):

State aid arising under Section 35 of the Forest Act (in CZK million):

	1996	1997
Amelioration and maintenance of small streams	170	228

Financial contribution supporting the non-production function of forests (in CZK million):

	1996	1997	1998
Amelioration and damming of torrents	68	16	50
Retention reservoirs: Construction & repairs	23	8	14
Measures in PZS, areas of water sources	2		2

As regards volume, the most important flow of funds comes from resources of the private sphere together with money from municipalities. Investment into the protection of waters by companies has been necessitated by demands of the legal regulations. These regulations also include financial stimulation for investing into the protection of waters (deferment of remittance of charges, if the terms of deferment are met, such deferred payment need not be made). The pressure on compliance with such requirements and financial stimulation are carried out through decisions taken by the state administrative bodies in the area of water management.

Statistics show that investments from public funds (in CZK million) to enhance water quality are as follows:

	1996	1997	1998
Investment to protect waters in the CR	10,886	11,879	8,291
Support from public budgets	2,957	2,551	1,625
Percentage share of the public budgets	27.2	21.5	19.6
North Moravian Region, investments to protect waters		1,990	1,492
North Moravian Region's percentage share CR of investments to protect waters in the	15.7	16.8	18.0

In the Oder watershed, the following WWTPs were completed or renovated in 1999: in Horní Benešov, in Fulnek, an industrial WWTP at Bochemie, joint-stock company in Bohumín. In 1998: an industrial WWTP at Mlékárny, joint-stock company in Kunín, and at Autopal Nový Jičín.

All locations over 15,000 inhabitants (or the equivalent thereof) in the area concerned possess a WWTP. In 2000, this objective was to be accomplished for the entire CR. A subsidy policy priority will be supporting sewer systems and WWTPs in municipalities for over 2,000 inhabitants. Such municipalities without a WWTP are on file at CEI.

#### d) An International Context

The CR is a party to the multilateral Convention on the International Commission for Protecting the Oder from Pollution. The other parties are Poland, Germany and the EU. The Minister of the Environment at that time signed the convention on 11 April 1996, and it entered into force on 28 April 1999. The mission of the convention is to permanently keep on diminishing the burden of harmful substances that get into the Oder river and subsequently the Baltic Sea.

On 15 January 1998, a Treaty between the Government of the Czech Republic and the Government of the Republic of Poland concerning cooperation in the protection of the environment was signed. The Convention between the Government of the Czechoslovak Republic and the Government of the Polish People's Republic concerning cooperation on the border-forming waters from 1958 is still in force; inter alia, the parties undertook to decrease pollution of the border-forming waters and to maintain their purity. There were no negotiations held on the level of

plenipotentiaries of both governments in 1998 and 1999 because the Polish government did not appoint a plenipotentiary but cooperation on the level of working groups went on without a hitch.

On 22 September 1999, the Government gave its approval to accession to the multilateral Treaty on the protection and the use of border-forming streams and international lakes, after which the process of ratification was set in motion. The Treaty has been in force for the CR since 10 September 2000. Among other things, it will constitute a framework for formation of bilateral relationship between individual states. The CR is a signatory of the Protocol on water and Health to the aforementioned Treaty; the party in charge is the Ministry of Health.

In 1998, the Minister of the Environment signed the Charter of the Oceans as an expression of responsibility CR has towards the status of the seas into which water flows from our territory.



## Appendix 2 - Minutes of the Introductory Session in Přebavky

### JOINT POSITION

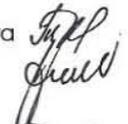
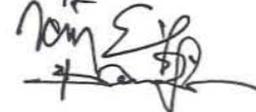
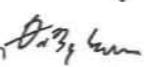
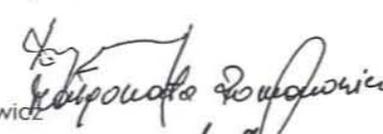
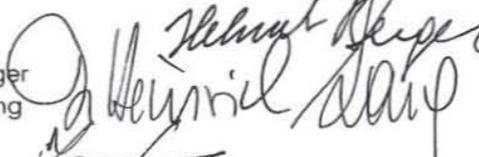
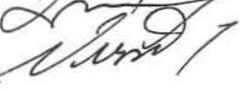
From the SAI Round Table on „Auditing the management of financial resources earmarked for improving the quality of surface waters drained by the rivers of inland countries“

Přebavky, 20-22 June 2001

- The meeting was attended by representatives of the SAIs of Austria, Bulgaria, the Czech Republic, Hungary, Norway, Poland, and the Slovak Republic.
- The Polish SAI informed participants about work progress in the international audit of the Baltic Sea Protection.
- Participants received a written report from the Romanian SAI on the current status of the international audit of the Danube River protection, complemented by information from the Bulgarian and Slovak SAIs involved in the audit.
- The Czech SAI gave a detailed presentation of their draft audit plan with regard to funds allocated for improving surface water quality in the Czech part of the Oder River basin.
- The Czech SAI informed participants about their definition of the substantive framework of the audit; this was then discussed together with the timeframe for activities.
- The audit report shall be approved by December 2001.
- Options were discussed for the involvement of individual SAIs in a concurrent audit of inland states' compliance with the Convention on Baltic Sea Protection.
- As a result of the discussion, the SAIs of Norway, Poland, the Slovak and Czech Republics declared their commitment to participate in the joint audit. The SAIs agreed to entrust coordination of the international audit to the Czech Republic. With a view to the availability of resources, a joint final report will be prepared by mid-2002.
- The Czech Republic will submit a Joint Statement on Cooperation for approval by the remaining SAIs.
- Representatives of the participating SAIs have agreed that the Round Table has fulfilled its objective, and countries not involved in the international Oder protection audit assume that they will be able to draw on the experience from that audit in future joint projects.

Přebavky, 22 June 2001

SAI representatives:

Bulgaria	Tania Konstantinova Serafim Sofroniev	
Hungary	Emil Kemény Lajos Bank	
Norway	Oivind Berg Larsen	
Poland	Kazimierz Dymus Malgorzata Romanowicz	
Austria	Helmut Berger Heinrich Lang	
Slovakia	Emil Zuzik Zoltán Virsik	
Czech Republic	Zdeněk Smělik Miroslav Kruchina	

## Appendix 3 - Joint Standpoint of the Presidents

### JOINT STANDPOINT ON COOPERATION

IN THE SPHERE OF CARRYING OUT PARALLEL AUDITS OF IMPLEMENTATION OF TASKS RELATED TO PROTECTION OF WATERS AGAINST POLLUTION IN THE WATERSHED OF THE BALTIC SEA BY THE COUNTRIES WHO ARE NOT THE HELSINKI CONVENTION SIGNATORIES WITH THE PARTICIPATION OF THE SUPREME CHAMBER OF CONTROL OF POLAND

#### CONCLUDED AMONGST

THE SUPREME AUDIT OFFICE OF THE CZECH REPUBLIC  
THE SUPREME CHAMBER OF CONTROL OF POLAND  
THE SUPREME AUDIT OFFICE OF THE SLOVAK REPUBLIC

## I. GENERAL PRINCIPLES

### 1. The joint standpoint on cooperation is related to:

- The Supreme Audit Office of the Czech Republic
  - The Supreme Chamber of Control of Poland
  - The Supreme Audit Office of the Slovak Republic, which shall be hereafter referred to as the „cooperating parties“.
1. This joint standpoint on cooperation was prepared on the basis of the INTOSAI Directive contained in the publication „Methods of cooperation amongst The Supreme Audit Institutions (hereinafter „SAI„) in the area of audit of compliance with international agreements related to protection of the environment“, prepared by the INTOSAI Working Group on of the Environmental Auditing, submitted for approval to the Governing Board of INTOSAI and subsequently at the XVIth INTOSAI Congress in Uruguay in the autumn of 1998.
  2. The cooperating parties agree with carrying out audit through implementation of tasks related to protection of waters against pollution in the watershed of the Baltic Sea in connection with the provisions of the Convention on protection of the environment on the territory of the Baltic Sea (hereinafter the „Helsinki Convention“). Audits carried out by the cooperating parties will have the form of parallel audits. The audits will have the character of performance audits, audit of legality and financial audits.
  3. The audit findings completed by the Supreme Chamber of Control of Poland in the field of the water protection against pollution in the Odra River watershed will be the supplement to the materials prepared by the Supreme Audit Office of Czech Republic.
  4. The Supreme Control Authority of the Czech Republic has prepared a program of control of the use of financial means to improve the quality of surface waters in the watershed of the Odra River in the territory of the Czech Republic, that was presented and discussed at a workshop on June 20 - 22, 2001 in Přestavlky. The discussed program was submitted to the cooperating parties for use in the newly introduced controls with the intention of improving the quality of surface waters drained by rivers from the territories of the individual states.
  5. The cooperating parties will adopt measures corresponding to their competences and capabilities. The cooperating parties agree that the target of the audit is to carry out an evaluation of implementation of tasks in the area of protection of water against pollution in the watershed of the Baltic Sea, related in particular to:
    - a) determining whether the national legislation takes account of the provisions of the Convention related to protection of the Baltic Sea against pollution,
    - b) determining whether procedures and means of audit are employed in this area,
    - c) audits of the use of public funds for implementation of tasks related to protection of the water of the Baltic Sea, in relation to the wishes of the individual SAIs. The results of audits carried out in this area in 1996 - 2000 may be utilized.

- d) audits of extensive pollution of territories derived mainly from agriculture, utilizing the results of audits carried out in 1996 - 2000,
- e) audits of point sources of pollution of territories, related primarily to urban areas and municipal waste water treatment plants, utilizing the results of audits carried out in 1996 - 2000,
- f) each SAI shall submit general information on the results of audits to date, which shall permit evaluation of the implementation of tasks in the area of interest.

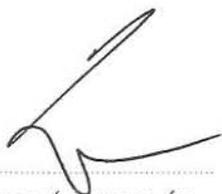
Cooperating parties that participate in parallel audits agree that, according to their abilities, further use shall be made of the „Principles of the program of audit of implementation of tasks related to protection of waters against pollution in the watershed of the Baltic Sea”, which constitute Annex No. 1 of this standpoint.

The Supreme Chamber of Control has fully completed the parallel audit of implementation of the provisions of the Helsinki Convention. The Supreme Chamber of Control in the frame of this audit will audit the results of cooperation between Poland and Czech Republic on the bordering waters in the Odra River watershed in the field of protection against the water pollution.

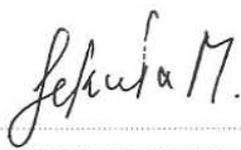
- 6. The cooperating parties shall employ the criteria of audit corresponding to the principles valid in each SCI, taking into account the targets and scope of the audits.
- 7. By October 30, 2001, each of the cooperating parties shall name two contact persons for cooperation and shall communicate their names to all the other parties

## II. ORGANIZATIONAL PREREQUISITES

- 1. The participants in parallel audits of implementation of tasks related to protection of waters against pollution in the watershed of the Baltic Sea shall be the SAIs of the Czech Republic, Norway, the Republic of Poland and the Slovak Republic.
- 2. Parallel audits shall be commenced in the second half of 2001 and, where possible, shall be terminated by March 31, 2002. Audits will cover the years 1996 - 2000.  
In justified cases, data from previous years may be used for comparisons and, where possible, also data for 2001.
- 3. To the end of February 2002, the SAI will submit information on the most important results of the audits in the form of resumés of the national reports ( minimum 10 pages).  
The Supreme Audit Office of the Czech Republic will prepare a joint final report containing a resumé of the national reports and a general description of cooperation and experience gained in audit of the implementation of tasks related to protection of waters against pollution in the watershed of the Baltic Sea.  
A joint final report will be prepared in the second quarter of 2002 and will be sent to the cooperating SAIs and submitted for approval to their presidents (chairpersons) and subsequently submitted to the SAIs of the Baltic countries.
- 4. It is expected that an interaudit meeting will be held in the I quarter of 2002. The target of the meeting will be exchange of information on the course of the controls and explanation of any unclear aspects. If necessary, additional meetings will be organized.
- 5. English will be the working language for cooperation.



LUBOMÍR VOLENÍK  
President of the SAO  
of the Czech Republic



MIROSLAV SEKULA  
President of the SCC  
of the Poland



JOZEF STAHL  
President of the SAO  
of the Slovak Republic

SEOUL, 23 October 2001

## Appendix 4 - Minutes of the Discussion of the Joint Report in Bojnice

### MINUTES

of the session of the representatives of the SAO CR, SAO SR and SCC RP concerning the production of the final report on the parallel audit entitled „Implementation of Tasks concerning the protection of water from pollution in the Baltic Sea Catchment Area” (Helsinki Convention)

On invitation from Mr. Jozef Stahl, the President of the SAO SR, the session took place at the Educational Center in Bojnice from 19 to 21 June 2002.

The participants (see the roll call) have assessed auditing collaboration to date and concurred in the following conclusions:

1. The execution of audit by the landlocked countries, where the rivers emptying into the Baltic Sea originate or flow through, has been a fitting supplement to the parallel audit conducted by the Helsinki Convention signatories.
2. The objective of the parallel audit has been achieved and the audit results have produced an objective picture of activities evolved by public administrative bodies in the area of surface water purity in the rivers discharging into the Baltic Sea and in the implementation of measures leading to gradual improvements in surface water purity in these rivers.
3. The draft of the final wording of the Presidents' Communiqué and of the joint audit report as submitted by the coordinator - the SAO CR - has been approved by the participants. The resulting material (in an English version) was initialled by representatives of the participating parties and is ready to be signed by the Presidents at a joint session to be held in Bojnice from 26 to 27 June 2002.
4. The selection of suitable topics for future cooperation ought to issue mainly from the focus of the work plans of the EUROSAI and INTOSAI Working Groups on Environmental Auditing and from national priorities. These topics include:
  - Implementation of the Council Directive 91/271/EEC concerning urban waste-water treatment
  - Handling of hazardous substances.

These potential parallel audits are likely to get launched in 2003 and 2004.

5. Any participating party is free to propose launching a potential parallel audit mentioned in Point 4 above.

Given in Bojnice on 21 June 2002

List of the SAI Representatives:

SCC of the Republic of Poland  
Mieczysław Kosmański  
Alicja Groszecka  
Jan Krzeminski

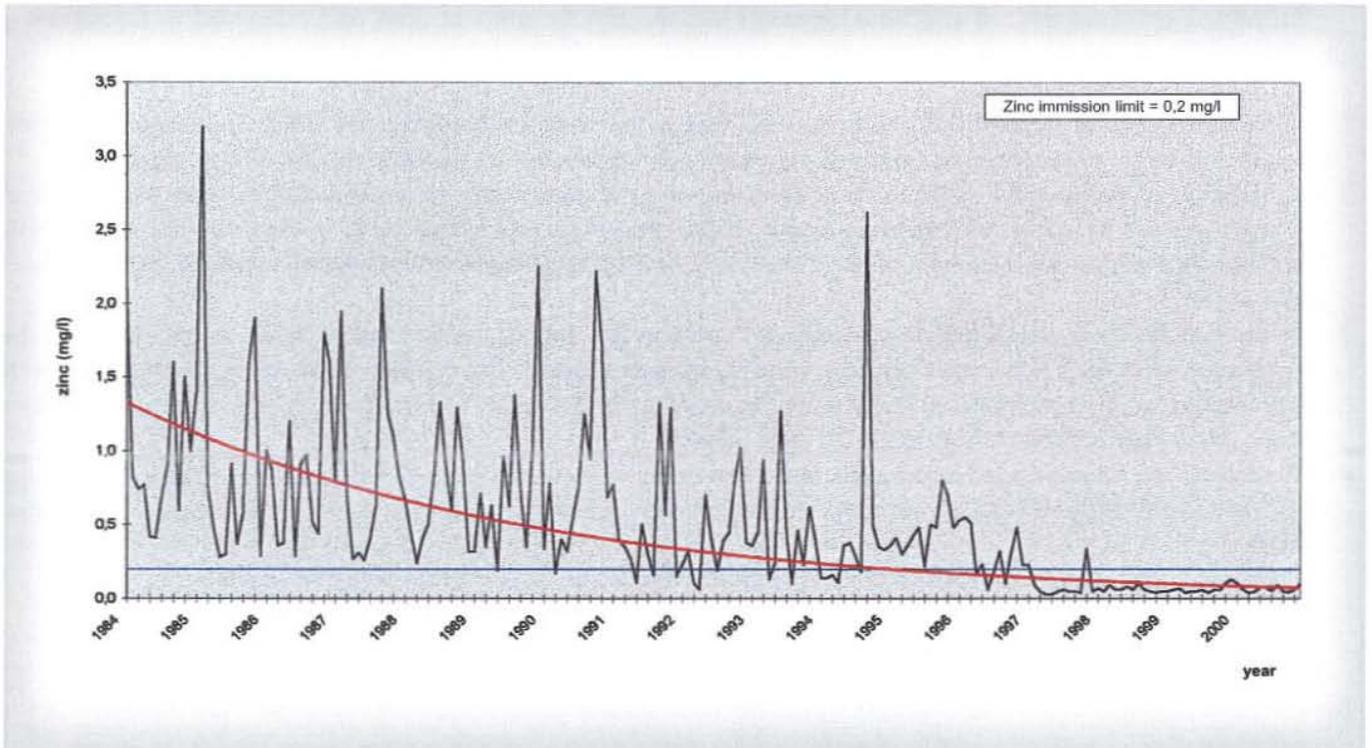
SAO of the Czech Republic  
Zdeněk Brandt  
Miroslav Kruchina  
Helena Hašková  
Tomáš Fiala  
Sylva Müllerová  
Hana Vaňková  
Zuzana Holoubková

SAO of the Slovak Republic  
Igor Ciho  
Emil Zuzík  
Zoltán Virsik  
Jan Držík  
Vladimíra Pisárová

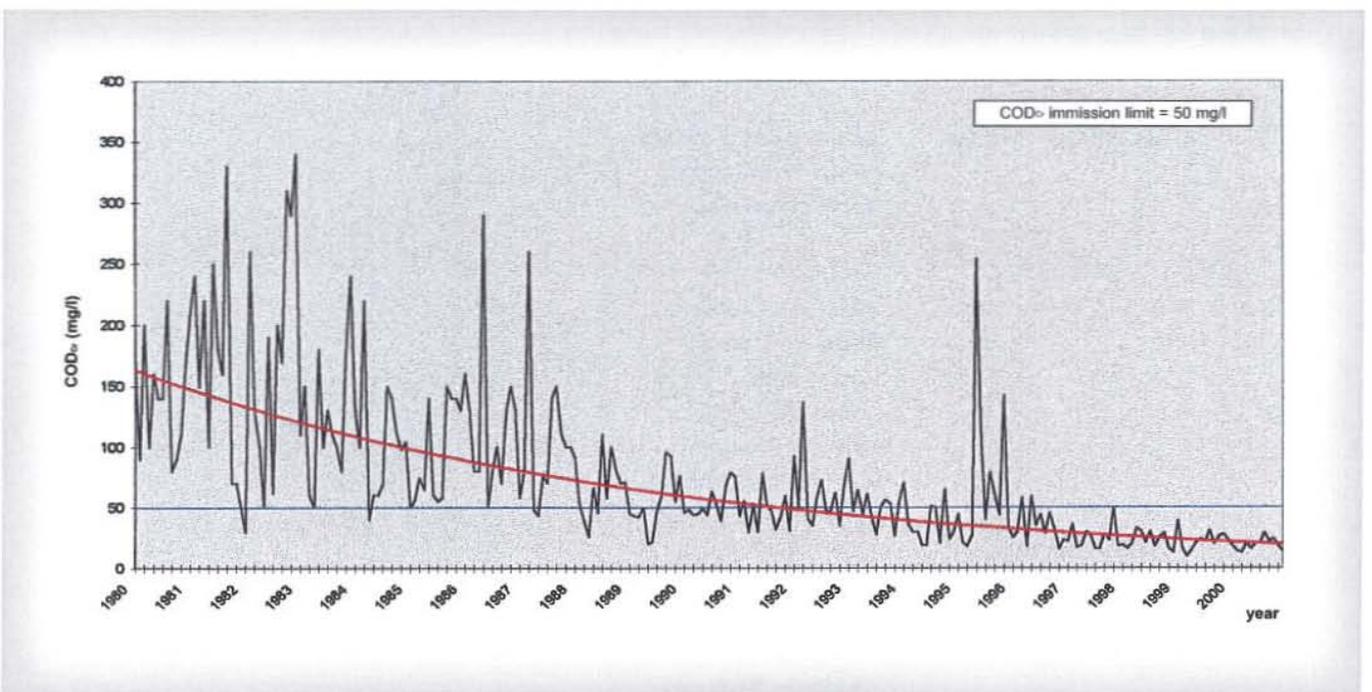
## Appendix 5 – Summary of Developments in the Quantities of Pollutants at the Odra River Border Profile, 1980 – 2000

### Graphs indicating pollution levels at the Oder River border profile

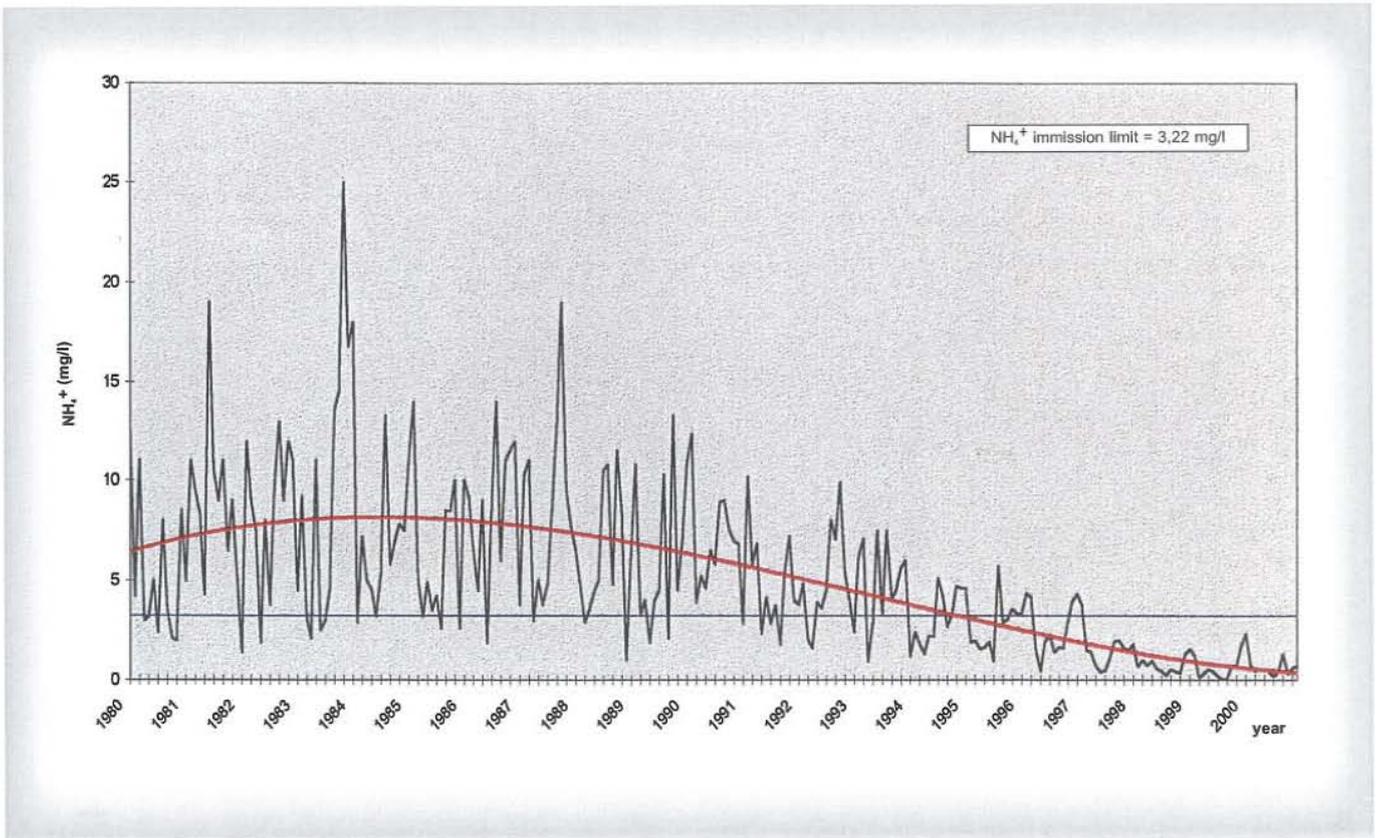
Graph No. 1 - Zinc concentrations in the Oder river in the CR, 1984 - 2000



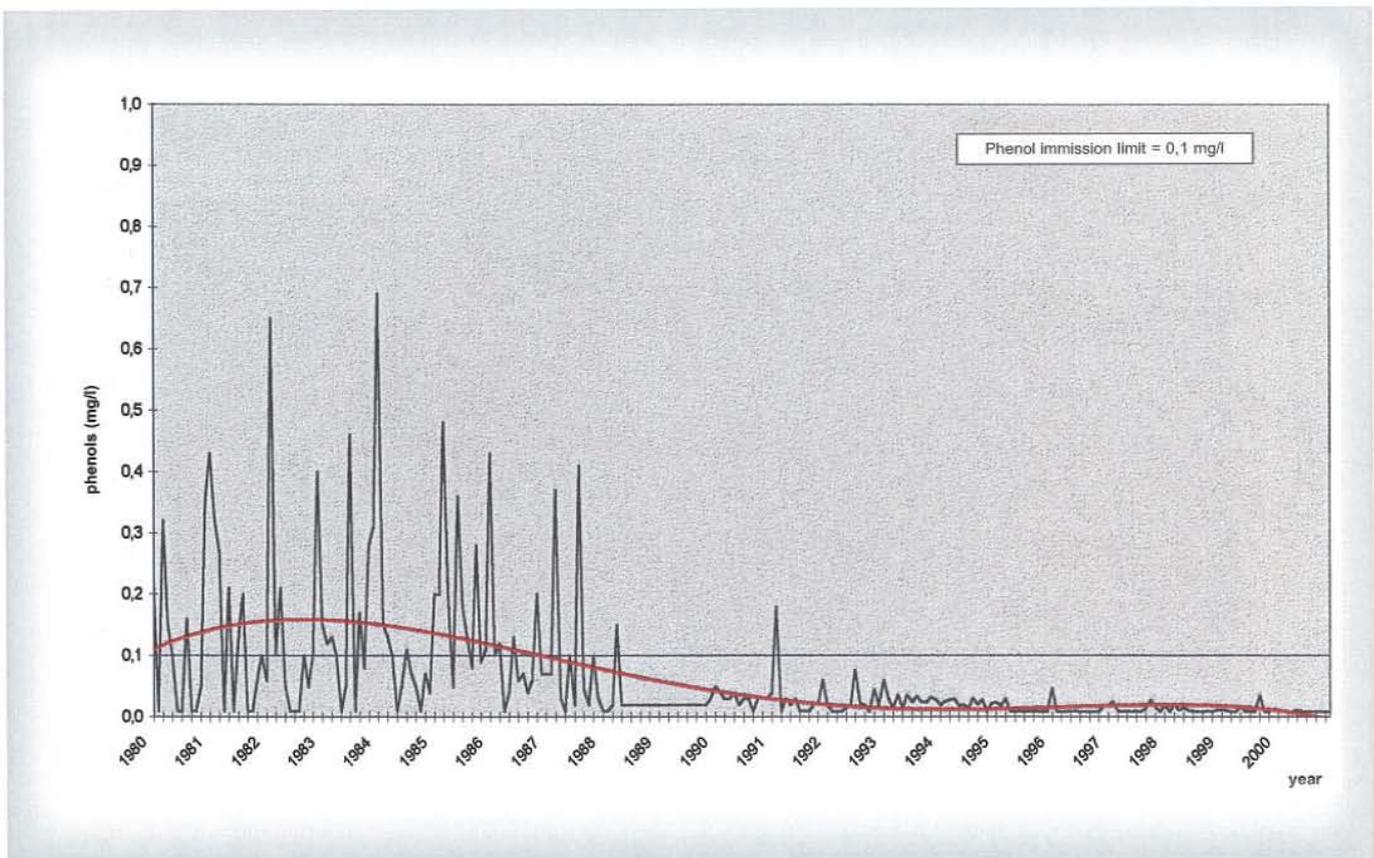
Graph No. 2 - COD<sub>Cr</sub> concentrations in the Oder river in the CR, 1980 - 2000



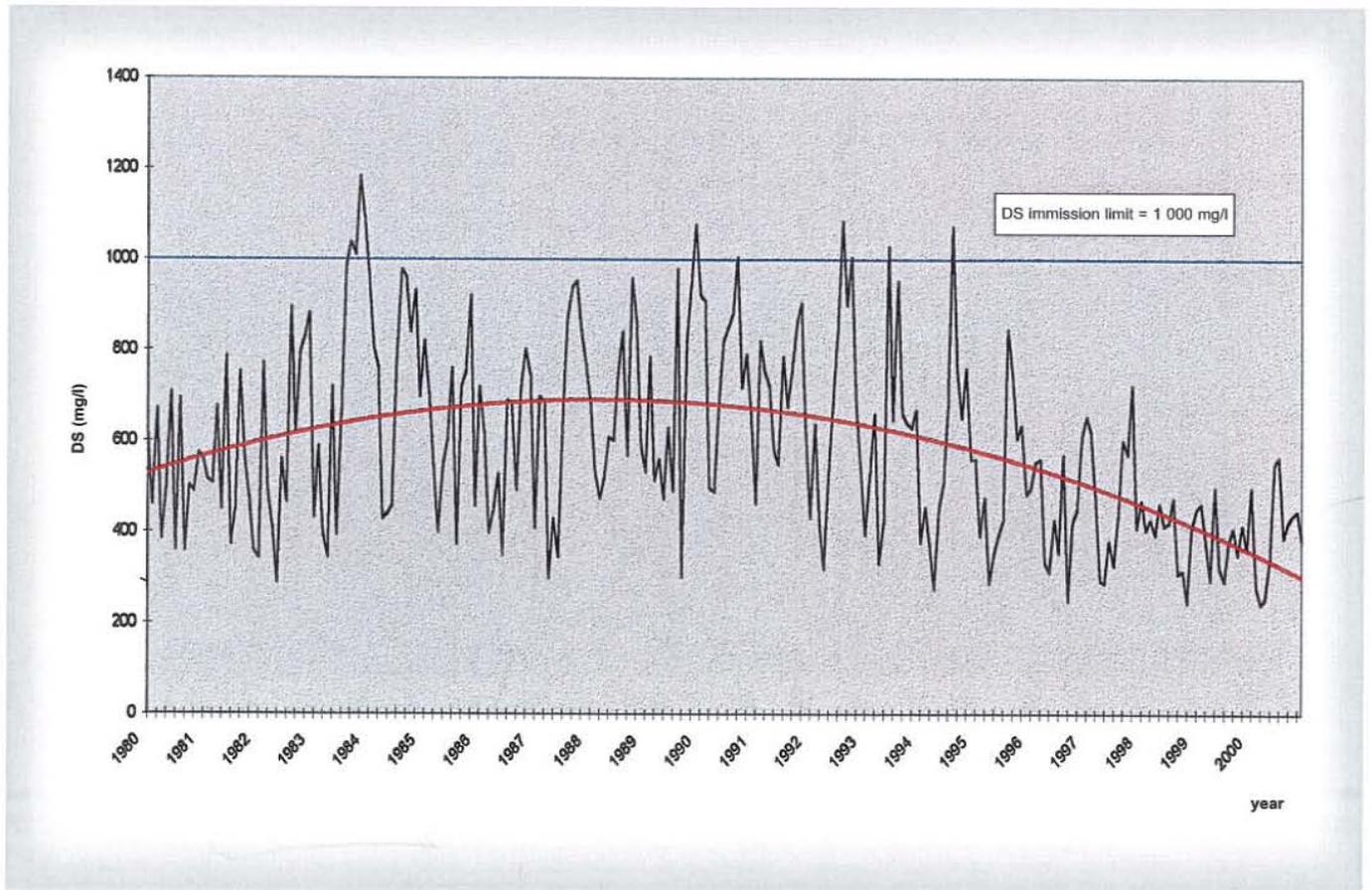
Graph No. 3 -  $\text{NH}_4^+$  concentrations in the Oder river in the CR, 1980 - 2000



Graph No. 4 - Phenol concentrations in the Oder river in the CR, 1980 - 2000



Graph No. 5 - DS concentrations in the Oder river in the CR, 1980 - 2000



Graph No. 6 - BoDs concentrations in the Oder river in the CR, 1980-2000

