



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/004

Audit of environmental activities in the UNMIT drawdown process

Overall results relating to effective management of environmental activities were initially assessed as partially satisfactory. Management has implemented all recommendations satisfactorily

FINAL OVERALL RATING: SATISFACTORY

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AUDIT REPORT

Audit of environmental activities in the UNMIT drawdown process

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of environmental activities in the United Nations Integrated Mission in Timor-Leste (UNMIT) drawdown process.
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNMIT was established pursuant to Security Council resolution 1704 (2006). The Security Council extended the UNMIT mandate several times and the most recent resolution 2037 (2012) extended the mandate until 31 December 2012. UNMIT started downsizing in October 2012, and was planning for its liquidation.
4. UNMIT had its headquarters in Dili and four regional offices across the country. As of 31 August 2012, 74 sites where UNMIT had operated were in the process of hand-over to the Government of the Democratic Republic of Timor-Leste (GDRTL).
5. The UNMIT Environmental Affairs Unit was initially located in the Office of the Chief of Mission Support and later relocated to the Engineering Section. Two staff were assigned to the Unit, a P-3 Environmental Officer and a United Nations volunteer (UNV). For the year 2011/12, the Unit's budget was \$91,200.
6. Comments provided by UNMIT are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of the UNMIT governance, risk management and control processes in providing reasonable assurance regarding the **effective management of environmental activities in the drawdown process**.
8. The audit was included in the OIOS 2012 risk-based work plan because of the importance of ensuring an environmentally safe draw-down and liquidation of the Mission.
9. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as those that provide reasonable assurance that policies and procedures: (i) exist to guide environmental activities in the UNMIT drawdown process; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.
10. The key control was assessed for the control objectives shown in Table 1.
11. OIOS conducted this audit from September to November 2012. The audit covered the period from 1 January 2012 to 30 September 2012.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

13. The UNMIT governance, risk management and control processes examined were assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective management of environmental activities in the drawdown process**. OIOS made two recommendations to address issues identified. The final inspection and handover process was jointly conducted by UNMIT and GDRTL representatives, and environmental certificates for cleared sites were signed by both parties. UNMIT conducted adequate inspections of contractor dumping sites, and several awareness-raising activities on environmental matters were organized by the Mission’s Greening Committee. However, there were inadequate resources assigned to environmental activities, and the standard checklist used for the inspection of field offices and sites prior to their closure needed to be revised to ensure that hazardous materials, medical waste, and ammunition and explosive items were covered in the inspection. UNMIT had implemented arrangements to ensure that environmental concerns were addressed during the liquidation phase.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **satisfactory** as all recommendations have been implemented satisfactorily.

Table 1: Assessment of key controls

| Business objective | Key controls | Control objectives | | | |
|--|----------------------|------------------------------------|--|------------------------|---|
| | | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Effective management of environmental activities in the drawdown process | Regulatory framework | Partially Satisfactory | Partially Satisfactory | Partially Satisfactory | Partially satisfactory |

A. Regulatory framework

Environmental inspection process needed to be enhanced

15. Prior to the closure of field offices and sites, the Engineering Section conducted a preliminary inspection to identify the existence and conditions of assets and to assess environmental issues related to waste and contamination. However, the checklist used for the inspection process was not sufficiently comprehensive as it did not cover hazardous materials, medical waste, and ammunition and explosive items.

16. The final inspection and handover process was jointly completed by UNMIT and GDRTL representatives, and a joint inspection report called a land and/or property inspection report was prepared by UNMIT and signed by both parties. However, the report focused on documenting actions taken during the inspection and did not provide the status of environmental conditions, including: conditions of septic

and generator fuel tanks; whether fuel leakage and contamination of soil had been addressed; and whether hazardous materials had been adequately cleared.

17. In October 2012, around the time the Environmental Officer was reassigned, UNMIT discontinued the preparation of joint inspection reports stating that the report was an internal document and should not be shared with external parties. In OIOS' view, there needed to be a final report of the results of inspections to ensure accountability.

18. Nonetheless, for the 20 sites that were cleared as of September 2012, there were environmental clearance certificates signed by UNMIT and a representative from the Ministry of Environment.

(1) UNMIT should enhance the inspection checklist to ensure that all environmental concerns are considered, including effective disposal of hazardous materials, medical waste and ammunition and explosive items. Also, for future inspections, a report should be prepared to document the results of the inspection.

UNMIT accepted recommendation 1 and revised the inspection checklist. The results of the inspections were documented on these checklists prior to handing over sites. Based on the actions taken by UNMIT, Recommendation 1 has been closed.

Lack of adequate capacity impacted environmental activities

19. An Environmental Affairs Officer was only appointed in February 2012 to manage environmental issues in the Mission, and in July 2012 a UNV assisted the Officer. Shortly afterwards, however, in October 2012, the Environmental Officer was reassigned to another mission and the UNV left UNMIT. UNMIT indicated that it was aware of the importance of having an environmental officer; but it had encountered difficulties in finding qualified candidates. The recruitment process for the previous environmental officer took three years.

20. Due to the limited expertise in UNMIT on environmental issues, many activities required by the Departments of Peacekeeping Operations and Field Support (DPKO/DFS) Environmental Policy were not carried out, including: (a) conducting environmental baseline studies; (b) implementing the UNMIT draft environmental policies and procedures; and (c) providing adequate training on waste disposal and environmental activities to relevant staff.

21. With UNMIT moving into the liquidation phase, there was a need to ensure adequate resources are available to address environmental concerns.

(2) UNMIT should ensure that adequate resources are allocated to dealing with environmental issues during the drawdown and liquidation period.

UNMIT accepted recommendation 2 and stated the difficulties they experienced in the timely recruitment of an environmental officer. The Engineering Section and the Camp Management Unit had been briefed by the Environmental Affairs Officer before departure and had enhanced the environmental certificate checklist to ensure that all environmental concerns were addressed during the liquidation phase. Based on the actions taken by UNMIT, recommendation 2 has been closed.

There was adequate awareness and monitoring of environmental initiatives

22. Awareness-raising initiatives on environmental matters were generally adequate. In 2008, UNMIT established an Environmental Green Team (EGT) also known as the Greening Committee, which was comprised of eight professional staff in support of the United Nations Environmental Policy. During the period from 1 January to 30 September 2012, the EGT made 16 broadcasts on environmental issues to raise staff awareness on observing World Environment Day, Earth Day and Car Free Day, and to provide suggestions to staff members on the proper disposal of solid waste.

Adequate labelled bins for segregating solid waste were not in use

23. The DPKO/DFS Environmental Policy requires the segregation of solid waste into recyclable and non-recyclable components. In two locations visited there was no segregation of solid waste for proper disposal. Similarly in another location, the number of recyclable bins was insufficient to ensure adequate segregation of waste. There was also no segregation of burnt waste. UNMIT advised that recycling was an UNMIT initiative, and would ensure that there was adequate segregation of waste. Due to the liquidation of the Mission and confirmation from UNMIT that adequate labelled bins for segregating waste was now available, no recommendation was made.

IV. ACKNOWLEDGEMENT

24. OIOS wishes to express its appreciation to the Management and staff of UNMIT for the assistance and cooperation extended to the auditors during this assignment.



David Kanja, Assistant Secretary-General
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of environmental activities in the UNMIT drawdown process

| Recom. no. | Recommendation | Critical/ Important ² | C/ O ³ | Actions needed to close recommendation | Implementation date ⁴ |
|------------|---|-------------------------------------|----------------------|--|----------------------------------|
| 1 | UNMIT should enhance the inspection checklist to ensure that all environmental concerns are considered, including effective disposal of hazardous materials, medical waste and ammunition and explosive items. Also, for future inspections, a report should be prepared to document the results of the inspection. | Important | C | Action taken | Implemented |
| 2 | UNMIT should ensure that adequate resources are allocated to dealing with environmental issues during the drawdown and liquidation period | Important | C | Action taken | Implemented |

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by UNMIT in response to recommendations.