



INTERNAL AUDIT DIVISION

REPORT 2015/188

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Overall results relating to the effective management of the Chemicals and Waste Sub-programme were initially assessed as partially satisfactory. Implementation of seven important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY
SATISFACTORY

22 December 2015
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AUDIT REPORT

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Environment Programme (UNEP) Chemicals and Waste Sub-programme.
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. The Chemicals and Waste Sub-programme (previously known as Harmful Substances and Hazardous Waste Sub-programme) was established in 2010 to promote the transition of countries to sound management of chemicals and waste. The Sub-programme offered technical support to minimize adverse impact on the environment and human health by focusing on three key areas: (i) enabling environment; (ii) chemicals; and (iii) waste. Sub-programme activities were managed by individual project managers across various UNEP divisions and branches. This included the Chemicals Branch in Geneva, Switzerland and the International Environmental Technology Centre (IETC) in Japan which focused on waste management issues.
4. The Sub-programme had a total of 83 staff distributed among the Chemicals and Waste Branch, the Ozone Secretariat and the Global Environment Facility. Of the 83 staff, 40 (three D-1, 22 Professional and 15 General Service staff) worked at the Chemicals and Waste Branch and IETC. For the 2014-2015 biennium, the Sub-programme was allocated \$46.6 million including \$15.5 million from the Global Environment Facility. Total expenditure as at December 2014 was \$21.6 million.
5. Comments provided by UNEP are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNEP governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the UNEP Chemicals and Waste Sub-programme**.
7. The audit was included in the 2015 internal audit work plan for UNEP due to the risk that potential weaknesses in implementation of the Sub-programme could adversely affect the achievement of the UNEP mandate.
8. The key controls tested in this audit were: (a) strategic planning and risk assessment; (b) project management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
 - (a) **Strategic planning and risk assessment** - controls that provide reasonable assurance that strategic planning for the Sub-programme is implemented effectively, and the related risks are identified and appropriately mitigated.

(b) **Project management** - controls that provide reasonable assurance that projects pertaining to the Sub-programme are planned and implemented efficiently and effectively.

(c) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the Sub-programme; (ii) are implemented effectively and consistently; and (iii) ensure the reliability and integrity of financial and operational information.

9. The key controls were assessed for the control objectives shown in Table 1.

10. OIOS conducted the audit at UNEP Offices in Nairobi, the Chemicals Branch in Geneva and IETC in Osaka, Japan from June to September 2015. The audit did not include the activities of the Ozone Secretariat and the Global Environment Facility. The audit covered the period from January 2014 to August 2015 which coincided with the 2014-2017 Medium Term Strategy.

11. The audit team 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

12. The UNEP governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of the UNEP Chemicals and Waste Sub-programme**. OIOS made seven recommendations to address issues identified in the audit.

13. Strategic planning and risk assessment was assessed as partially satisfactory because of the need to document and implement a resource mobilization strategy. Project management was assessed as partially satisfactory because there was a need to develop an internal system for regularly monitoring project implementation to facilitate timely remedial actions when expected results are not being achieved. In addition, UNEP needed to: (a) maintain adequate supporting documentation in the Programme Information Management System (PIMS) to support reported project accomplishments and to explain any delay; and (b) strengthen the Sub-programme coordination function by preparing an annual coordination plan. Regulatory framework as assessed as partially satisfactory because there was a need to enhance the partnership selection process by strengthening the comparative review process and retaining only performing partners. While delays in recruitment were being addressed, controls in recruitment of consultants needed to be strengthened.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as the implementation of seven important recommendations remains in progress.

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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 the UNEP Chemicals and Waste Sub-programme	(a) Strategic planning and risk assessment	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Strategic planning and risk assessment

Need to document and implement a resource mobilization strategy for the Sub-programme

15. Chapter 6 of the UNEP Programme Manual of May 2013 states that the Global Sub-programme Coordinator, with the support of the Lead Division Director, is required to guide the development and execution of a resource mobilization strategy. The Manual emphasizes the need for a strategic approach to resource mobilization and the need for a cohesive working relationship between the different parties in fundraising. According to the 2014 UNEP funding strategy, the Donor Partnerships and Contributions Section under the Office for Operations and Corporate Services was required to work closely with the Global Sub-programme Coordinator and Division Director in the development of a resource mobilization strategy for the Sub-programme.

16. The Chemicals and Waste Sub-programme did not have a documented resource mobilization strategy and action plan to guide its fundraising activities. While management was involved in strategic resource mobilization activities such as donor consultations, development of partnerships, mapping of available resources against sub-programme activities and undertaking resource allocation, there was no documentation to show how these activities were coordinated or executed. Further, while IETC did have a Resource Mobilization Plan embedded in its 2015-2018 implementation plan, it was unclear how this plan was integrated with the rest of the Sub-programme. The Sub-programme experienced funding gaps which resulted in delayed recruitment for some posts as well as challenges in meeting some programme objectives. It was not clear how these resource gaps would be addressed.

17. The Global Sub-programme Coordinator attributed the lack of a resource mobilization strategy to high turnover of Sub-programme leadership at the branch level where since 2013 the branch had three heads. In addition the Global Sub-programme Coordinator was relatively new as he came on board in August 2014. A new Branch Head was expected on board from mid-September 2015 and since both the Branch Head and the Global Sub-programme Coordinator were crucial in the development of a resource mobilization strategy, the Sub-programme should soon have sufficient capacity to develop this strategy.

18. As a result of the lack of a documented resource mobilization strategy, there was no cohesive approach to fundraising and there was a risk of duplication of effort in donor engagements, especially

because programme managers individually approached the same donors when sourcing for extra budgetary funds.

(1) UNEP should document and implement a resource mobilization strategy for the Chemicals and Waste Sub-programme to achieve cohesiveness and optimize fundraising activities.

UNEP accepted recommendation 1 and stated that the documentation of a resource mobilization strategy was part of the annual work plan of the Sub-Programme Coordinator, and would be done in close coordination with UNEP Programme Strategy and Planning Team and Donor Partnership and Contributions Section, under the lead of the DTIE Director. The Sub-Programme Coordinator would help mobilize resources in line with the resource mobilization strategy and provide support to programme managers and other relevant staff towards its implementation. Recommendation 1 remains open pending receipt of a documented resource mobilization strategy for the Chemicals and Waste sub-programme and confirmation that the strategy is being implemented.

B. Project management

Need to improve the efficiency of project implementation

19. UNEP expected accomplishments were outlined in the biennial programme of work (PoW). The expected accomplishments were broken into output and outcome indicators which were implemented through projects. In order to determine which projects would deliver the PoW expected accomplishments, UNEP developed a biennial programme framework that outlined project concepts and formed the foundation for developing project documents. It was the link between the PoW and the detailed project activities and outlined how the project outcomes would contribute to the PoW expected accomplishments. Before projects could commence, the respective project documents were reviewed by the Quality Assurance Section (QAS) and approved by the Project Review Committee (PRC) or Lead Division Director if the project budget was less than \$500,000. Prior to approval, QAS checked, among other things, that the project indicators were linked to the indicators outlined in the PoW expected accomplishments and that the project documents complied with the Results Based Management (RBM) approach which required managers to report on outputs and outcomes as opposed to project activities. The project approval process was to be completed in time for the projects to contribute to the implementation of the expected accomplishments outlined in the PoW.

20. To accomplish the 2014-2015 and 2016-2017 PoW for the 2014-2017 Medium Term Strategy, the Chemicals and Waste Sub-programme developed 24 projects. According to the programme framework, 22 of the 24 projects were to start in January 2014 while the remaining two were to commence in October 2014. However, by 28 August 2015, only 16 of the 24 project documents had been reviewed by QAS and approved by PRC (or Division Director) but the project activities had not yet commenced. These project documents had been submitted to QAS between December 2014 and April 2015 and were not approved until July 2015 and August 2015. The remaining project documents were yet to be submitted for approval.

21. The above delays were attributed to several reasons. First, the Sub-programme had limited capacity as several programme managers faced challenges meeting the funding requirement for the projects, which was at least 25 per cent of total project funding at the point of submission of the project document. Also, several key posts, including two senior programme officer posts were vacant at the time of project preparation. In addition, there was lack of continuity in the leadership at the Chemicals and Waste Branch due to having three branch heads in the last three years, which may have adversely affected the oversight of the project development process. OIOS also noted that, outside of PIMS which required

six-monthly reporting of performance, the sub-programme did not have regular performance monitoring of projects where performance was reviewed recurrently, such as on monthly or quarterly basis, against set indicators to enable timely remedial actions. As a result, there was no clear accountability for the low performance. Further, there was no programme accountability framework covering the Medium Term Strategy period 2014-2017 and there was no evidence that project deliverables were included as part of the e-Performance work plans of managers to ensure accountability for results.

22. Delays in the completion of the project documents were also because some of the programme managers faced challenges complying with RBM requirements. This was because, of the 20 programme managers involved in the preparation of the 24 project documents, 8 had not attended RBM training. As a result, QAS assessed the quality of many of the project documents submitted for review as low. Further, of the 16 project documents submitted, QAS assessed five as unsatisfactory or moderately unsatisfactory. Non-compliance with the RBM requirements led to numerous re-submissions of project documents and project approval took as long as three months.

23. Due to the significant delay in commencement, the projects did not contribute to the 2014 expected accomplishments outlined in the PoW. As a whole, the project performed below expectation as was evidenced in the 2014 Programme Performance Report which showed that as at December 2014, only three of the nine indicators were on track to meet the targets set for the period ending December 2015. QAS validation of results for the interim period as at June 2015 showed that the status had not improved. Therefore, the Sub-programme was at risk of not fully achieving the targets for the 2014-2015 PoW.

(2) UNEP should: (a) develop an internal system for regularly monitoring project implementation (over and above the six-monthly monitoring and reporting performed through the Programme Information Management System) to facilitate timely remedial action when expected results are not being achieved; (b) enhance accountability of programme managers by including programme delivery as part of the staff performance appraisal process; and (c) identify and address the causes of delayed funding of project activities.

UNEP accepted recommendation 2 and stated that: (a) it could ensure that the Sub-Programme Coordinator kept a monitoring table of all projects under the Sub Programme Framework, and that Branch Heads hold regular follow-up meetings with their staff. This was the only internal system for regularly monitoring project implementation which UNEP could avail itself of until it committed to a new reporting system; (b) programme delivery would be included in the e-PAS (performance appraisal system) of the concerned staff; and (c) the identification and addressing of the causes of delayed funding of project activities would be implemented through the documentation and implementation of UNEP's resource mobilization strategy (to be addressed jointly with the implementation of Recommendation 1). Recommendation 2 remains open pending receipt of (a) evidence that a monitoring system comprising use of a project monitoring table and regular branch meetings was in place; (b) confirmation that programme delivery has been included in the 2016 e-PAS of concerned staff; and (c) evidence that identification and addressing of causes of delayed funding has been implemented through the UNEP resource mobilization strategy for the Chemicals and Waste sub-programme.

Need to maintain sufficient information to support the reported accomplishments

24. According to Chapter 5 of the UNEP Programme Manual, programme managers are required to monitor the performance of their projects and establish whether project progress is on schedule. Managers are also required to regularly assess the effectiveness of the project and take the necessary action to deal with any adverse variations. Every six months, managers must report on the accomplishment of the output

and outcome indicators in the UNEP monitoring and reporting module PIMS and any variations must be sufficiently explained and accomplishments adequately supported. Based on the data in the PIMS, UNEP prepares an annual Programme Performance Report which is used to inform the United Nations Environmental Assembly, including the Committee of Permanent Representatives of the progress towards meeting the expected accomplishments outlined in the PoW.

25. For 2014-2015, only five out of the 16 approved projects with a total of 31 output and outcome indicators had information in PIMS. OIOS reviewed project performance indicators reflected and noted that: 13 of the indicators were adequately supported; four did not have sufficient evidence to support the stated accomplished status; and no reasons were given for delays in accomplishing the remaining 14 indicators. Overall, the programme managers indicated that lack of funding was a key impediment to the accomplishment of project outcomes. However, it was not clear whether this was a contributing factor for all indicators not achieved, as this was not indicated in PIMS. Incomplete information within PIMS was because the Sub-programme did not have a follow up mechanism to ensure that all indicators were corroborated and sufficient explanations were provided for any partial- or non-accomplishments. As a result, it was difficult to ascertain whether some projects contributed to the expected accomplishments as outlined in the PoW. Further, there was a risk that annual reports could provide incomplete or inaccurate information which may negatively impact on the decision-making process.

(3) UNEP should maintain adequate supporting documentation in the Programme Information Management System to support reported project accomplishments and to justify any delays in accomplishment or non-accomplishment of project indicators.

UNEP accepted recommendation 3 and stated that the Division of Technology, Industry and Economics (DTIE) will closely monitor the quality of reporting in PIMS, including the uploading of supporting documentation. Additional training and guidance will be offered to programme managers to ensure that reporting in PIMS be comprehensive and of good quality. Recommendation 3 remains open pending receipt of evidence that supporting documentation is uploaded in PIMS in support of reported project accomplishments.

Need to strengthen the Sub-programme coordination function

26. In 2014, UNEP created the positions of Global Sub-programme Coordinator (GSPC) and five Regional Sub-programme Coordinators for the Chemicals and Waste Sub-programme. The GSPC position was filled in August 2014 and three of the five Regional Sub-programme Coordinator positions (Nairobi, Panama and Bangkok) were filled by September 2015, while two positions (Bahrain and Geneva) were still under recruitment. UNEP prepared terms of reference for the GSPC which included roles in strategic planning, programme and project planning and review, resource mobilization, resource allocation, implementation, monitoring and reporting, evaluation and knowledge management. Similarly, UNEP was preparing terms of reference for the Regional Sub-programme Coordinators, which will be harmonized with those of the GSPC.

27. UNEP was also coordinating with other United Nations agencies in the area of chemicals and waste through the 'delivering as one United Nations initiative'. Coordination was achieved via the Environment Management Group, a mechanism for coordinating environment issues for United Nations agencies, and the Inter-Organization Programme for the Sound Management of Chemicals, which was established in 1995 to strengthen cooperation and increase coordination in the sound management of chemicals.

28. However, OIOS noted that there was no annual coordination plan for the Sub-programme as a whole. The Programme Strategy and Planning Team prepared a generic individual work plan for the

GSPC but this did not include coordination roles of the Regional Sub-programme coordinators and the programme coordinator at the DTIE executive office. An annual coordination plan for the Sub-programme coordination function as a whole would help harmonize coordination activities, promote efficiency and avoid overlap amongst all actors.

29. The above weakness in the coordination function was attributed to the fact that the repositioning of the Sub-programme coordinator function as a stand-alone function was still relatively new (since August 2014) and therefore some of the operational procedures were still evolving or had not clearly been spelled out.

(4) UNEP should strengthen the Sub-programme coordination function by preparing an annual coordination plan which should include the activities of the global and regional Sub-programme coordinators and other staff fulfilling a coordination role.

UNEP accepted recommendation 4 and stated that an annual coordination plan is currently being developed by the Programme Strategy and Planning Team and DTIE. Recommendation 4 remains open pending receipt of the annual coordination plan.

C. Regulatory framework

Need to enhance partnership procedures to strengthen the partnership selection and retention practices

30. UNEP partnership policy and procedures require that for not-for-profit partners, responsible offices conduct a comparative review process involving due diligence of at least three candidate organizations and where this is not possible a written justification should be provided in the file for consideration by the Division or Regional Director together with a recommendation. For partnerships envisaging funding of less than or equal to \$200,000 the selection decision is made by the Lead Division Director. For partnerships with funding agreements over \$200,000 the partnership review process involves the Partnership Committee, supported by the concerned division.

31. UNEP selected 13 new partners for the Sub-programme between 2014 and 2015. Of these, OIOS reviewed a sample of six agreements to confirm whether a proper comparative review was done. The following weaknesses were noted:

- While UNEP included names of at least three organizations in the due diligence checklist for partner selections involving funding of up to \$200,000, no proper comparative review was conducted documenting the strengths and weaknesses of each partner organization. Further, while the policy did not specifically mention it, there were no pre-established evaluation criteria for any of the cases which could have made the selection more transparent and objective.
- For the six cases reviewed, there was no evidence that sufficient information and supporting documentation was provided to the Division Director for three potential implementing partners to enable a comparative review and to make an informed choice. In fact, for the Chemicals Branch, the dossier on the recommended partner was submitted to the Division Director together with a draft agreement for only one partner.
- The existing partnership policy and procedures did not contain provisions for retaining partners based on periodic evaluation of partner performance. A strong partnership policy should include not only procedures for selection but also for retention of partners. The latter involves periodic evaluation (such as once a year or once every two years) of the adequacy of partner performance

using tools such as performance monitoring reports and external audit reports to assess whether a previously selected partner still meets the partnership requirements.

32. The weaknesses indicated above arose because UNEP had not supplemented its procedures or issued additional guidelines to ensure that gaps in the UNEP partner selection policies and procedures were addressed. As a result of lack of transparency and objectivity in the partner selection process, there is a risk that poorly performing partners may be selected, leading to poor project implementation. Further, lack of partner retention procedures may result in UNEP missing the opportunity to retain well-performing partner organizations or retaining underperforming partners.

(5) UNEP should strengthen its partnership procedures or issue additional guidelines: (i) to strengthen its comparative review during the selection process; and (ii) on partner retention to ensure that only performing partners are retained.

UNEP accepted recommendation 5 and stated that the UNEP Partnership Policy and Procedures would be revised as necessary. Recommendation 5 remains open pending receipt of the revised UNEP partnership policy and procedures.

Need to improve recruitment procedures for consultants

33. Recruitment of consultants was conducted based on administrative instruction ST/AI/2013/4 on Consultants and Individual Contractors, which outlined the conditions and requirements for contracting of consultants and individual contractors.

34. OIOS reviewed the contracting process for all five of the Chemicals and Waste Branch consultancy contracts and noted the following deficiencies:

- According to Section 4.3 of ST/AI/2013/4, consultants should be sourced from the widest possible geographical basis. However, the Sub-programme did not have a roster from where potential candidates could be sourced for consultancy services. Résumés were sourced through references and recommendations from colleagues as well as the Geneva Human Resources focal point person. The Branch also maintained résumés of previous consultants who were sometimes called back and encouraged to apply for suitable assignments. As a result of sourcing résumés from a limited database, the recruitment process was limited and the Sub-programme did not benefit from accessing a wider array of possible candidates.
- According to Section 5.14 of ST/AI/2013/4, management should keep a record of how the fee of the consultant was arrived at. OIOS review noted that while the remuneration of the Branch consultants was within the recommended remuneration scale, there was no documentation of how the remuneration for each consultant was determined. The lack of clear documentation was attributed to lack of awareness of this requirement. Without proper documentation of consultancy rates, there was a risk of subjectivity in the rates paid.

35. In January 2015, Fund Management Officers and administrative officers were trained on how to access and use the Consultants Module in Inspira which allows staff to access a wider database of consultants. Access to this database was granted by the UNEP Office for Operations and executed by the Office of Human Resources Management. As of August 2015, several administration staff at DTIE in Paris had already received access to this database but this was yet to be rolled out to staff at the Branch in Geneva.

(6) UNEP should: (i) give access to the Consultants Module in Inspira to designated focal point persons at the Chemicals and Waste Branch to ensure access to a larger database of potential candidates and reduce the risk of subjectivity in recruitment of consultants; and (ii) ensure that staff involved in consultant recruitment maintain adequate records to support the calculation of consultants' remuneration.

UNEP accepted recommendation 6 and stated that the hiring of consultants was undertaken by Programme Officers and designated support staff. UNEP would ensure to give access to the Consultants module to designated focal points. The remuneration of consultants was undertaken in accordance with the provisions of ST/AI/2013/4, and proposals by hiring managers were reviewed by the relevant Administrative Officer under the supervision of the DTIE Director. Recommendation 6 remains open pending receipt of evidence that: (a) designated focal points have been given access to the consultants' module in Inspira; and (b) measures have been taken to ensure that staff involved in recruiting consultants maintain adequate records to support the calculation of consultants' remuneration.

Need to complete mission reports within the stipulated time

36. On 14 September 2012, the Executive Director of UNEP issued a directive requiring all senior management staff to ensure that UNEP personnel complete mission reports after every mission, and ensure that they are reviewed and approved by the staff member's supervisor within two weeks. Mission reports should highlight the purpose of the travel, as well as findings, conclusions and recommendations arising from the mission. Section 5 of the Programme Manual also identified completion of mission reports as one of the reporting requirements for all programme managers.

37. OIOS requested for 17 mission reports for 39 trips undertaken by five Sub-programme staff during 2014 and 2015 but received only 7 completed mission reports from two staff. The remaining staff either did not submit mission reports, or used workshop proceedings from the UNEP website to justify their travel. The lack of properly documented mission reports was due to inadequate enforcement of this requirement within the Sub-programme. As a result, it was not possible to assess the relevance of the missions and whether the organization was realizing the intended benefits.

(7) UNEP should ensure that Sub-programme personnel complete their mission reports within the stipulated two weeks after the end of the mission and that the reports are reviewed and approved by the supervisor.

UNEP accepted recommendation 7 and stated that clear instructions, which will also request relevant reports on compliance, would be issued in writing to Heads of Branches. Recommendation 7 remains open pending receipt of evidence that clear instructions have been issued in writing to Heads of Branches, and that mission reports are being completed within the stipulated two weeks after the end of the mission.

IV. ACKNOWLEDGEMENT

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

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNEP should document and implement a resource mobilization strategy for the Chemicals and Waste Sub-programme to achieve cohesiveness and optimize fundraising activities	Important	O	Receipt of the documented resource mobilization strategy for Chemicals and Waste sub-programme and confirmation that the strategy was being implemented.	31 December 2017
2	UNEP should: (a) develop an internal system for regularly monitoring project implementation (over and above the six-monthly monitoring and reporting performed through the Programme Information Management System) to facilitate timely remedial action when expected results are not being achieved; (b) enhance accountability of programme managers by including programme delivery as part of the staff performance appraisal process; and (c) identify and address the causes of delayed funding of project activities.	Important	O	Receipt of (a) evidence that a monitoring system comprising use of a project monitoring table and regular branch meetings was in place; (b) confirmation that programme delivery has been included in the 2016 e-pas of concerned staff; and (c) evidence that identification and addressing of causes of delayed funding has been implemented through the soon to be documented UNEP resource mobilization strategy for Chemicals and Waste sub-programme.	30 June 2016
3	UNEP should maintain adequate supporting documentation in the Programme Information Management System to support reported project accomplishments and to justify any delays in accomplishment or non-accomplishment of project indicators.	Important	O	Receipt of evidence uploaded in PIMS in support of reported project accomplishments.	31 December 2016
4	UNEP should strengthen the Sub-programme coordination function by preparing an annual coordination plan which should include the activities of the global and regional Sub-programme coordinators and other staff fulfilling a coordination role.	Important	O	Receipt of the annual coordination plan.	30 September 2016

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNEP in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
5	UNEP should strengthen its partnership procedures or issue additional guidelines: (i) to strengthen its comparative review during the selection process; and (ii) on partner retention to ensure that only performing partners are retained.	Important	O	Receipt of the revised UNEP partnership policy and procedures.	30 June 2017
6	UNEP should: (i) give access to the Consultants Module in Inspira to designated focal point persons at the Chemicals and Waste Branch to ensure access to a larger database of potential candidates and reduce the risk of subjectivity in recruitment of consultants; and (ii) ensure that staff involved in consultant recruitment maintain adequate records to support the calculation of consultants' remuneration.	Important	O	Receipt of evidence that designated focal points have been given access to the consultants' module in Inspira and measures taken to ensure that staff involved in recruiting consultants maintain adequate records to support the calculation of consultants' remuneration.	30 June 2016
7	UNEP should ensure that Sub-programme personnel complete their mission reports within the stipulated two weeks after the end of the mission and that the reports are reviewed and approved by the supervisor.	Important	O	Receipt of evidence that clear instructions were issued in writing to Heads of Branches, and that mission reports are being completed in time.	31 March 2016

APPENDIX I

Management Response

Management Response

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNEP should document and implement a resource mobilization strategy for the Chemicals and Waste Sub-programme to achieve cohesiveness and optimize fundraising activities.	Important	Yes	Sub-Programme Coordinator	31 December 2017	The documentation of a resource mobilization strategy is part of the annual work plan of the Sub-Programme Coordinator, and will be done in close coordination with UNEP's Programme Strategy and Planning Team (PSPT) and OfO's Donor Partnership and Contributions (DPC) Section, under the lead of the DTIE Director. The Sub-Programme Coordinator will help mobilize resources in line with the resource mobilization strategy and will provide support to programme managers and other relevant staff towards its implementation.
2	The UNEP should: (a) develop an internal system for regularly monitoring project implementation (over and above the six-monthly monitoring and reporting performed through the Programme Information Management System) to facilitate timely remedial action when expected results are not being achieved; (b) enhance accountability of programme managers by including programme delivery as part of the staff performance appraisal process; and (c) identify and address the causes of delayed funding of project activities.	Important	Yes	DTIE Director	30 June 2016	(a) As stated in UNEP's response to the Detailed Audit Results, UNEP can ensure that the Sub-Programme Coordinator keeps a monitoring table of all projects under the Sub Programme Framework, and that Branch Heads hold regular follow-up meetings with their staff. This is the only internal system for regularly monitoring project implementation which UNEP can avail itself of until it commits to a new reporting system. (b) Programme delivery will be included in the e-PAS of concerned staff (i.e. Branch Heads and

⁶ 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.

⁷ 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.

Management Response

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						programme managers) (c) The identification and addressing of the causes of delayed funding of project activities will be implemented through the documentation and implementation of UNEP's resource mobilization strategy (to be addressed jointly with the implementation of Recommendation 1)
3	UNEP should maintain adequate supporting documentation in the Programme Information Management System to support reported project accomplishments and to justify any delays in accomplishment or non-accomplishment of project indicators.	Important	Yes	DTIE Director	31 December 2016	UNEP's Division of Technology, Industry and Economics (DTIE) will closely monitor the quality of reporting in PIMS, including the uploading of supporting documentation. Additional training and guidance will be offered to programme managers to ensure that reporting in PIMS is comprehensive and of good quality.
4	UNEP should strengthen the Sub-programme coordination function by preparing an annual coordination plan which should include the activities of the global and regional Sub-programme coordinators and other staff fulfilling a coordination role.	Important	Yes	Sub-Programme Coordinator	30 September 2016	An annual coordination plan is currently being developed by UNEP's Programme Strategy and Planning Team (PSPT) and UNEP's Division of Technology, Industry and Economics (DTIE).
5	UNEP should strengthen its partnership procedures or issue additional guidelines on: (i) strengthening its comparative review during the selection process; and (ii) partner retention to ensure that only performing partners are retained.	Important	Yes	Director, Office for Operations (OfO)	30 June 2017	The UNEP Partnership Policy and Procedures will be revised as necessary.
6	UNEP should: (i) give access to the Consultants Module in Inspira to designated focal point persons at the Chemicals and Waste Branch to ensure	Important	Yes	Head, Chemicals and Waste Branch	30 June 2016	The hiring of consultants is undertaken by Programme Officers and designated support staff. UNEP will ensure to give access to the

Management Response

Audit of the United Nations Environment Programme Chemicals and Waste Sub-programme

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	access to a larger database of potential candidates and reduce the risk of subjectivity in recruitment of consultants; and (ii) ensure that staff involved in consultant recruitments maintain adequate records to support the calculation of consultants' remuneration.					Consultants module to designated focal points. The remuneration of consultants is undertaken in accordance with the provisions of ST/AI/2013/4, and proposals by hiring managers are reviewed by the relevant Administrative Officer under the supervision of the DTIE Director.
7	UNEP should ensure that Sub-programme personnel complete their mission reports within the stipulated two weeks after the end of the mission and that the reports are reviewed and approved by the supervisor.	Important	Yes	DTIE Director	31 March 2016	Clear instructions, which will also request relevant reports on compliance, will be issued in writing to Heads of Branches.