

Audit File

Identification Data

Audited Entity: **Ministry of Environment and Natural Resources**

No. and Title of Review: **202** Wildlife Conservation

Exercise and Type of Audit: **2008** Performance

Objective

Overseeing the financial management of federal public resources applied by the Ministry of Environment and Natural Resources (SEMARNAT, by its Spanish acronym) and the Federal Attorney for Environmental Protection (PROFEPA, by its Spanish acronym), in order to verify compliance with the goals and objectives to develop, lead, operate and evaluate the national policy on wildlife, for their protection and conservation through sustainable use.

Scope

Universe Selected: 679,826.8 thousand pesos

Audited Samples: 679,826.8 thousand pesos

Representativeness of the Sample: 100.0%

We reviewed 679,826.8 thousands of pesos spent by the Ministry of Environment and Natural Resources (SEMARNAT) under budgetary programs G002 "Regulation of sustainable use of environmental resources and natural ecosystems" (486,278.8 thousand pesos) and R011 "Recovery and repopulation of endangered species" (8144.9 thousand pesos), and by the Federal Attorney for Environmental Protection (PROFEPA) in G006 budget programs "Inspection and monitoring sources of federal jurisdiction and the exploitation of natural resources" (113,895.0 thousand pesos) and R011 "Recovery and repopulation of endangered species" (71508.1 thousand pesos), through the budget records, Budget Adjustments, Accounts to be paid off Certified, Ministers of Resources, and reimbursements to the Treasury of the Federation.

Items, concepts, chapters, or aspects Revised

For the purpose of this review, the aspects of effectiveness, efficiency and economy were analyzed.

Regarding efficacy, the System of Management Units for the Conservation of Wildlife (SUMA, for its acronym in Spanish), the Mexican Official Standards on the classification of the species considered in any risk category, geographic information records of the Priority 152 Terrestrial Regions and 70 Marine Regions for biodiversity conservation were analyzed.

For the analysis of efficiency, we reviewed the Annual Work Programme 2008 of the SEMARNAT and PROFEPA, the record of the 38.992-use of wildlife species contained in the National Information System Procedures (Sinat); records of the 1.651 inspections and 157 surveillance operations on wildlife, as well as the 1,390 assurances reports and the 290 precautionary seizures; the 1.392 technical record and the 614 sanctions contained in the PROFEPA's Institutional Information System (SIIP); issued authorizations for the operation of 8.648 UMA and 100 federal lands; the 26 technical

monitoring visits undertaken and fortnightly Statistical reports of 4 of the 6 Centers for Research and Conservation of Wildlife.

For economic analysis, we reviewed the records of the 314 fines imposed by the PROFEPA for breach of the legislation, the Income Reports and Whole by Rights, Products and Exploitation; the Register of the Revenues Generated by Fees Charged in regarding Wildlife, and Project Proposals to be financed by Surplus Income.

Besides, we reviewed the results obtained by the federal delegations of SEMARNAT in Campeche and Sinaloa, as well as PROFEPA's state delegations in those states, as discussed below:

In SEMARNAT delegations, we reviewed a sample of 208 cases of UMA in order to verify compliance with the requirements for operation, and determine population densities of the species used in the UMA, as well as a sample of 6 (10.5%) of 57 different steps in the area of wildlife attended by SEMARNAT and focused on 29.695 (76.2%) of 38.992 requests for paperwork registered in the National System of Procedures (Sinat) of the ministry.

In PROFEPA delegations, a sample of 27 records of inspections was reviewed to verify the results of inspection activities; and 18 records of assurance to verify that they had been made in accordance with established procedures and regulations.

The sample size was determined based on simple random sampling technique, with a confidence level of 95%, 5% of probability of error and an accuracy level of 3.0%.

Results

Regarding the development of wildlife policy, it was observed that at the end of 2008, SEMARNAT did not bind the Wildlife National Subsystem, did not developed the lists of priority species and populations for conservation, and neither integrated the populations and wildlife inventory in violation of article 9, section IX, and 61 of the General Law of Wildlife; and 31, section X, and 39, Section XI, Rules of Procedure of the Ministry of Environment and Natural Resources.

As regards the carrying out, SEMARNAT did not define actions to promote the System Management Units for the Conservation and Sustainable Use of Wildlife (SUMA) to create sustainable rural development options in terms of Section VIII. Areas Description, of Specific Organization Manual of the General Directorate of Wildlife; and failed to deliver the 2008 annual and biennial reports from 2007 to 2008 that the Mexican government agreed in Article VIII, paragraph seven, a and b, of the Convention on International Trade in Endangered Species of Fauna and Flora.

Regarding the operation, in 3 (9.4%) of 32 state delegations of PROFEPA, operational goals of surveillance on wildlife were not define, and SEMARNAT did not set targets for the actions performed by the Centers for Conservation Research and Wildlife (CIVS), in violation of Article 13, Section II, Standard II .- Identifying, assessing and managing risks, of the Agreement establishing the general rules of internal control in the field of Federal Public Administration; and in 12 (37.5%) of the 32 state delegations of the attorney, they met the partial inspection goals of wildlife, in violation of Article 45, first paragraph, of the Federal Law on Budget and Fiscal Responsibility. As a result of inspection activities, 35.038 specimens of wildlife were ensured, of which 4.9% (1.732 copies) led to a seizure.

As for the evaluation, it was observed that of 8.648 Management Units for the Conservation of Wildlife (UMA), 0.3% (26) was subject to a technical supervisory visit by the SEMARNAT, limiting compliance with Article 43 of the Wildlife Act, and the lack of coordination between SEMARNAT and PROFEPA was noted to verify the operation of the UMA, in the terms established in Articles 87 BIS, fourth

paragraph, of Law Ecological Balance and Environmental Protection, and 180, Section VIII, Rules of Procedure of the Ministry of Environment and Natural Resources.

With regard to the protection of wildlife, it was found that SEMARNAT did not set goals and actions to increase the area of UMA located in regions with high biodiversity ecosystems in breach of Article 13, Section II, Standard II.- Identifying, assessing and managing risks, the Agreement establishing the general rules of internal control within the scope of the Federal Public Administration, and did not have metrics to identify achievements and results of the objective of conserving wildlife in breach of Article 13, Section III. Third Standard. Implementing and / or updating control activities, high level review of the current performance of that agreement. Based on extra tests, the Superior Audit Office of Mexico (ASF, by its Spanish acronym) found that in 2008, of 27.747 thousand hectares covered with UMA, 81.4% (22598.8 thousand hectares) was located outside of regions with high biodiversity ecosystems and based on a comparison of the official Mexican standards of endangered species in 1994 and 2001, it was found that, in 2002, there were 41 new species in the category of probably extinct (9.8% to 90.2% of flora and fauna) in respect of those existing in 1994, and that of 8.648 protected species in the 3.034 UMA, 12.1% (367) were classified at some level of risk.

Regarding the exploitation of wildlife species, we observed that the federal delegations of SEMARNAT in Sinaloa and Campeche did not do the monitoring of wildlife populations in violation of Article 39, Section XI, Rules of Procedure of the Ministry of Environment and Natural Resources. Therefore, based on extra tests, the ASF determined that a sample of 19 species used in the UMA, in 11 cases (57.9%) the population density was reduced on average per year between 2.5% and 71.5% by unsustainable use, and in 8 cases (42.1%) density increased on average per year between 7.3% and 216.2% because they were exploited sustainably.

Impact of Observations

Summary of observations and promoted actions

In short, 32 comment (s) generated 34 actions (s) were promoted; which correspond to: 34 Recommendation (s) to Performance.

Judgment Type **NEGATIVE OPINION**

Judgment

On the occasion of the review performed in the Department of Environment and Natural Resources (SEMARNAT) and the Federal Environmental Protection (PROFEPA), in relation to the so-called performance audit of Wildlife Conservation, whose objective was to control the financial management of federal public resources applied by the SEMARNAT and PROFEPA, in order to verify compliance with the goals and objectives to develop, conduct, operate and evaluate the national policy on wildlife, to ensure its conservation through protection and sustainable use, the review identified a total of 679,826.8 thousand pesos, which represented 100.0% of the funds disbursed by the SEMARNAT in G002 budget programs "Regulation of sustainable use of environmental resources and natural ecosystems" (486,278.8 thousand pesos) and R011 "Recovery and repopulation of endangered species" (8144.9 thousand pesos); and by PROFEPA in the budgetary programs G006 "Inspection and monitoring sources of federal jurisdiction and the exploitation of natural resources" (113,895.0 thousand pesos) and R011 "Recovery and repopulation of endangered species" (71508.1 thousand dollars), reported in the 2008 Public Account.

The study was conducted in accordance with the rules and guidelines for superior auditing, which was considered applicable to the circumstances, which require that the audit is planned and developed in such a way as to obtain reasonable assurance examination, it was performed according to the objective and scope of the audit, and leaned on the application of selective tests and audit procedures deemed necessary. Therefore, it is considered that the audit conducted provides a reasonable basis for the following opinion:

The Superior Audit Office of Mexico considers that, overall, the Ministry of Environment and Natural Resources and the Federal Environmental Protection Agency failed in its objective to develop, conduct, operate and evaluate the national policy on wildlife to achieve conservation through the protection and sustainable use.

From the results with observation, the ASF highlights the following:

- In the formulation of public policy, the National Subsystem on Wildlife was not consolidated, and nor were lists of priority species and populations for conservation, and neither the inventory of populations and wildlife was integrated.
- As for the carrying out, it was determined the lack of action to promote the System Management Units for the Conservation and Sustainable Use of Wildlife (SUMA) to generate alternative sustainable rural development through diversification, as well as for complying with the agreements established in the Convention on International Trade in Endangered Species of Fauna and Flora (CITES).
- Regarding the operation, it was noted the lack of goals in operational monitoring of wildlife and partial fulfillment of inspection goals and surveillance activities; of 35.038 samples insured, 4.9% (1.732 samples) led to a seizure, and of 936 wildlife specimens losses recorded in the CIVS, 35.4% (331 individuals) occurred due to loss or death of individuals.
- As for the evaluation, of 8.648 UMA, 0.3% (26) was subject to a technical supervisory visit by the SEMARNAT, and a lack of coordination was found between SEMARNAT and PROFEPA to ensure that UMA operate in accordance with established rules.
- With regard to the protection of wildlife species, it was determined that 81.4% (22598.8 thousand hectares) of 27.747 thousand hectares of land area of the Management Units for the Conservation of Wildlife (UMA) was located outside of regions with high biodiversity ecosystems; from 1994 to 2002 41 new species were registered in the category of probably extinct, of which 9.8% were species of flora and 90.2% of fauna, and of 3.034 protected species in the 8,648 UMA, 12.1% (367) were those listed in some category of risk according to NOM-059-SEMARNAT-2001.
- Regarding the exploitation of wildlife, with extra tests conducted by the ASF, it was determined that of 19 species identified by monitoring rates in the period 2006-2008, 15.8% (three species) were at risk, which in one case the population density was reduced by 2.5% in one year, from 0.101 species per hectare in 2006 to 0.096 species per hectare in 2008; and 84.2% (16 species) were not classified at risk, but in 10 species (62.5%) the population density decreased between 7.9% and 71.5%.

Area Director: Mrs. Sofía Fernandez del Ángel

General Director: Mr. Ruben Medina Estrada

Important note: For the federal delegations selection of SEMARNAT and state selection of PROFEPA, the country was divided geographically into the northern states and south-central states, according to the characteristics of territorial extension of the UMA and the number of managed species. Once split, it was decided to review the delegations that based on a conditional probability, met with the following variables: Number of established UMA, area of UMA, UMA surface built in 2008, number of transactions registered in the Sinat of SEMARNAT, allotted budget, and inspections, operatives and assurances made by the PROFEPA.