

11th Meeting of the WGEA

Audit of Domestic Environmental Issues

Prepared by: Office of the Auditor General of Lesotho

**Arusha, Tanzania
June 2007**

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AUDIT OF DOMESTIC ENVIRONMENTAL ISSUES

1. INTRODUCTION

The office of the Auditor General (OAG) is a Supreme Audit Institution (SAI) in Lesotho and the primary responsibility for Audit of government of Lesotho is vested in this statutory office. Section 117 of the constitution of Lesotho, Audit Act of 1973 and Statutory Bodies Act of 1973 set out the Auditor General's mandate requiring full audit of all accounts relating to the consolidated fund of Lesotho, other accounts and public stores for the purpose of providing an overall opinion on the accounts.

It is the responsibility of the OAG to provide independent assurance, information and advice to Parliament on the proper accounting for public expenditures, revenues and assets including compliance with applicable laws and regulations and on the economy, efficiency and effectiveness of the use of resources.

1.1 THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Lesotho like all other countries is committed to preserving the heritage, biodiversity and life-supporting ecosystem. Conservation is accordingly a key aspect of all land development plans in Lesotho while effective environmental management aims at ensuring the sustainability of natural resources. Section 36 of the Constitution of Lesotho stipulates the country's commitment towards the environment and sustainable development. The Environmental Act of 2001 constitutes the legal framework through which the environmental challenges could be addressed.

2. ENVIRONMENTAL AUDITING AND THE ROLE OF THE OFFICE OF THE AUDITOR GENERAL

In this regard and according to International Congress of Supreme Audit Institutions (INCOSAI) held in 1995 OAG had to carry out Regularity and Performance Audits of activities with an environmental perspective. Regularity Audit is concerned with the disclosure of environmentally related items such as assets, liabilities and costs as well as the systems supporting them; and also measures instituted to enforce environmental legislation and to comply with accords.

On the other hand Performance Audit is concerned with how government monitors compliance with environmental laws; performance of Government programmes; environmental management systems and evaluations of proposed environmental policies and programmes.

2.1 ENVIRONMENTAL AUDIT TRAINING

It was after attending Environmental Audit Workshop held in Tanzania in 1999 that the OAG started undertaking the Environmental Audits. There were other workshops under SADCOSAI¹ \AFROSAI-E² held in South Africa in 2003 and Kenya in 2004. OAG had

¹ Southern African development Community Organisation of Supreme Audit Institutions.

² African Organisation of Supreme Audit Institutions.

five of its staff members attending these workshops of which four were Performance Auditors while one was from Regularity Auditing.

These workshops highlighted the significance of the environment to mankind and hence the need for its conservation for sustainable development. They also provided auditors with skills to ensure that Government entities whose activities affect the environment in one way or another are audited to ensure compliance with laws, rules and regulations as well as accountability in the use of the environment by such bodies.

3. ENVIRONMENTAL AUDITS (EA) UNDERTAKEN BY OAG

Due to the pressure of work and shortage of staff in the Regularity Audit Departments, it has not been easy to train more auditors on EA hence no EA has been carried out. On the contrary, Performance Audit Department has been able to conduct EA, trained other staff members on EA, supervised and monitored related work in the department.

Performance audit was first introduced and incorporated into the functions of the OAG in 1988. Since the current legislation is not specific about Performance Audits, the OAG has been undertaking these audits under Section 7 on Special Audits in the Audit Act of 1973.

The OAG has an establishment of 161 positions of which 134 are audit positions and 27 for support staff. Performance Audit Department which is basically the one carrying out environmental audits has at the moment 12 Auditors in post who can independently undertake Environmental Audits with minimal supervision.

3.1 STRATEGIC PLAN ON ENVIRONMENTAL AUDITING

A strategic plan on EA was first developed in 1999 in consideration of the major environmental problems in the country and was improved in 2003 and 2004 after the subsequent workshops. Some of the environmental audits undertaken in pursuance of the problems highlighted in the strategic plan are as follows:

i) Maintenance and repair of rural roads by the Department of Rural Roads (DRR)—Ministry of Works and Transport.

There was a public outcry that roads were not rehabilitated timeously and were therefore in a bad condition especially after heavy rains that wash away the soil and create dongas. The main audit was to establish why maintenance, repair and upgrading of roads took longer periods than planned and hence more costs incurred due to more land degradation. Three districts in the south and northern regions and two in the eastern region of the country were visited. The audit covered financial years 1999 to 2002 and was completed in 2004.

It was discovered that the department of Rural Roads was not upgrading and maintaining roads efficiently and the factors that influenced that were that routine works which were supposed to be done annually were not carried out hence deterioration of roads. The other

factors were related to lack of communication, inadequate equipment and human resources especially engineers whose responsibilities among include road maintenance.

The recommendations made were that all maintenance or upgrading projects should be allocated to private contractors. This would help to avoid delays caused by lengthy tendering procedures when procuring materials.

DRR also should consider assigning and ensuring that force account teams (Department' employees) monitor private contractors, and not carry out major construction works. This would reduce the costs especially on the part of DRR.

ii) Management of Medical Waste in the Queen Elizabeth II Hospital - Ministry of Health and Social Welfare.

The main audit was conducted at the Queen Elizabeth II hospital which is the main and referral hospital. It also offers specialised services which are not provided in other Government hospitals and health centres, and as such it generates the biggest volume of medical waste compared to other hospitals.

The audit covered financial years 2000 to 2003. The audit was completed in 2004 and its focus was on generation and disposal of waste by the hospital. The procedures followed when handling waste and the problems encountered were established. Generation areas visited in the hospital were Laboratory, Laundry, Mortuary, Dental, Out-Patient, Pharmacy and stores. Treatment areas visited were the incinerator, Municipal skip and the dumping site.

The auditors familiarized themselves with the procedures followed when handling waste and the problems encountered in the process. It was therefore discovered that waste was not managed properly as prescribed by World Health Organization (WHO) guidelines. For example waste was not segregated and this practice exposed the staff and the public to infectious diseases. This was so because waste which was supposed to be incinerated was wrongfully dumped by the municipality in the landfill.

It was recommended that the hospital authorities should ensure that at all stages of waste generation/handling up to disposal; should conform to the guidelines as stipulated by WHO.

iii) Maintenance of the infrastructure for use in the water supply by Water and Sewerage Authority (WASA).

The main focus of the audit was the efficiency and effectiveness with which WASA maintains the infrastructure used for supply of water in the urban areas. Three district representing central, southern and northern regions were visited. They are Maseru, Mafeteng and Leribe respectively. The financial years under review were 1999/2000 to 2001/2002 and the audit was completed in 2004.

The audit discovered that infrastructure such as equipment and machinery used to extract water from the raw water sources; the network of pipes used for drawing water from

rivers, through production plant to the services reservoirs and to customers were not maintained.

It was recommended that WASA should consider producing the maintenance procedure manual that will guide the inspection and servicing of infrastructure before problems could be experienced. Again the authority should embark on preventative maintenance to avoid breakages and to increase the lifespan. of the equipment.

iv) Management of soil erosion by the Department of Soil and Water Conservation in the Ministry of Forestry and Conservation

The main audit was carried out to find out why measures put in place to prevent soil erosion by the ministry were not effective as it was evident that soil erosion and land degradation were still on the increase. The scope of audit covered the period from 2003/04 to 2006/07.

The audit revealed that information dissemination to the public at large on proper land use practices that would prevent soil erosion was not effective as people continued with improper land use practices. It was not possible to take corrective action against perpetrators as there was no penalty clause in the relevant legislation therefore people continued with improper land use practices which resulted in soil erosion.

It was recommended that information unit at the department re-schedule the radio and television programs to appropriate times when the majority of target group will be able to listen. It was also recommended that the public gatherings be held more often to disseminate information on proper land use practices. The department should advise the minister to make amendment in relation to penalty clauses in the relevant legislation so that perpetrators could be dealt with accordingly.

4. METHODOLOGY

In Performance Auditing the methodology commonly used is conducting interviews with stakeholders, reviewing all important and necessary documentation and making site visits for physical observation. When conducting these Environmental Audits the same methods were used for collecting data.

5. EXPERIENCES

- In all audited entities the common problem which hindered the quality of audits was non availability of the records to verify some of the findings.
- Some of the legislations that were in place were old and did not specifically address the prevailing problem areas especially on penalties due to non-compliance with the law. In cases where they were specific, the charges or penalties were so insignificant that the perpetrators still continued with improper practices.

- The Country had for the first time the Environmental Act in 2001. It is in this Act that some of the issues were addressed for the first time when a great damage had already occurred.

WAY FORWARD

The OAG intends to build knowledge and capacity amongst staff members on environmental auditing. This will enable auditors to conduct audits not only on domestic issues but on global and regional environmental issues.

With the assistance of AFROSAI-E Secretariat the office will be able to participate in the regional training and collaborative environmental audits.