



MINISTRY OF DEFENCE

Ministry of Defence

Sustainable Development Report 2009

Independent assurance statement and MOD's response

Sustainable Development Report 2008/09

Independent Assurance Statement

Scope and objectives

Grontmij Ltd (Grontmij) and Two Tomorrows (Europe) Limited (Two Tomorrows) have undertaken independent assurance of the Ministry of Defence's [Sustainable Development Report 2009](#) (the Report). The objectives of the assurance process were to provide an independent opinion to stakeholders and to management on:

- whether the Report presents information on material issues within the context of the Ministry's wider suite of sustainable development reporting documents
- the balance of the report and whether the selected data give a reasonably complete, meaningful and unbiased picture of performance on the material issues
- the completeness, accuracy and reliability of the information provided for the relevant financial year, including whether appropriate information is provided on the quality and reliability of data

The performance information included in the scope were all data and key claims in the report, with the exception of any financial or investment information.

In order to guide our evaluation of performance information in the report, we used the criteria provided by the [Global Reporting Initiative \(GRI\) G3 Quality of Information Principles](#).

Responsibilities of the Ministry of Defence and of the assurance providers

The Ministry of Defence (MOD) has sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of the MOD, however our statement represents

our independent opinion and is intended to inform all of the MOD's stakeholders. We adopt a balanced approach towards all stakeholders.

We were not involved in the preparation of any part of the Report. This is the first year that we have provided assurance. During the reporting year Two Tomorrows had no other contract with the MOD. Grontmij undertook environmental consulting work via a MOD Specialist Term Commission and through the Framework for Technical Services (FATS/3) contract, however this work did not relate directly to the information presented in this Report.

Our team comprised Colin Macdonald, Linsey Cottrell and Amy Henstock from Grontmij, and Mark Line and Louise Hawson from Two Tomorrows. Further information, including individual competencies relating to the team can be provided on request.

Basis of our opinion

Our work was designed to gather evidence providing a 'moderate' level of assurance. We have used the term 'moderate' here to provide guidance to the reader on the level of assurance provided in relation to the levels defined in the [AA1000 Assurance Standard 2008](#). Note that this was not an AA1000 Assurance Engagement.

We undertook the following activities:

- Review of the current sustainability issues that could affect the MOD and are of interest to stakeholders
- Interviews with selected directors and senior managers within MOD Whitehall responsible for management of sustainability issues, including the 2nd Permanent Under Secretary for Defence and members of the Safety, Sustainable Development & Continuity Division

(SSD&C). We also reviewed evidence to support issues discussed. Interviewees were selected through discussion with the SSD&C.

- Interviews with selected senior commanding officers, directors and senior managers at the following: RAF Air Command at High Wycombe; Defence Equipment and Support (DE&S) at Enleigh and Abbeywood; Land Command at Wilton; Permanent Joint Headquarters at Northwood; Royal Navy Command at Portsmouth; and Defence Estates at Sutton Coldfield. Interviewees were selected through discussion with SSD&C.
- Review of information provided to us by the MOD on its sustainable development strategies, management processes and activity during the year. In order to inform our opinion on the materiality and balance of the Report within the context of the MOD's wider reporting, we included in our review the following documents: [Sustainable Development: progress against key targets and actions 2008-09](#); [Sustainable Development Action Plan 2009](#); [Sustainable Development Strategy](#); and [Climate Change Strategy](#). We have not provided any assurance over the content of these documents.
- Review of supporting evidence for key claims in the report.
- In order to inform our opinion on the quality of the performance data reported, we reviewed the processes for gathering, checking and consolidating data centrally by SSD&C, and by the RAF, DE&S and Defence Estates. Note that we did not directly review any processes at MOD facilities outside the UK. We focused in particular on data relating to energy use and carbon emissions, waste arising and recycled, water consumption (inc. leakage) and Environmental management Systems (EMS) implementation. For a sample of data, we also checked the accuracy and reliability of the data consolidation process.
- We did not sample check the processes and controls for measuring and reporting data at individual site level and have not reviewed the accuracy of site-level data.

Findings

We reviewed and provided feedback on drafts of the Report and where necessary changes were made. On the basis of the work undertaken,

nothing came to our attention to suggest that the Report does not properly describe the MOD's sustainable development performance and management during the reporting period.

Observations

Without affecting the above assurance opinion we also provide the following observations.

Materiality and balance of reporting

In our view, the Report covers all issues considered to be material to the MOD's Sustainable Development performance, recognising that the summary nature of the report means that it is not possible to cover all issues in depth. We commend the MOD's work in producing a SD report that is accessible to non-expert readers and summarises performance information. The report directs the reader to relevant documentation, if further detail is required.

In particular, by combining health and safety, training, community involvement and global stability and security issues together under one heading, the Report provides very limited highlights, and relies on signposting to other documents to provide a full picture of activity and performance. There is also less coverage of Operational aspects such as use of motive fuels, and a focus on estate management and procurement aspects. This balance is better achieved in the [Sustainable Development Strategy](#) and '[Sustainable Development: progress against key targets and actions 2008-09](#)', although there remains a need for greater integration of employment aspects within SD reporting, for example by including reference to existing human resource strategies, employee benefits, staff retention rates and training programmes.

With regard to management of sustainability, we observed that sustainable development principles are becoming increasingly embedded throughout the MOD, in particular with regard to estate management. We found evidence of strong engagement within those parts of the MOD

with responsibility for key impact areas, such as Procurement and Estate Management, and a good level of awareness and engagement among senior management and commanding officers. We found evidence of good quality and timely reporting of progress on achieving targets and implementing action plans within some departments. It is not clear that the management of internal reporting is systematic across the MOD. As many of the key strategies for achieving waste and procurement targets have been developed within the last 18 months, it is not yet possible to assess how effective they will be in achieving these targets. We found some evidence of potential resource constraints in implementing improvement programmes.

Completeness, accuracy and reliability of performance information
Overall, we found evidence that appropriate systems are in place across the MOD for monitoring and gathering information on relevant management arrangements and performance. The MOD has taken significant steps forward this year in improving the accuracy and reliability of its performance information, and we welcome the fact that plans are in place to continue to improve over the next year, in particular for energy and waste data.

Taken together with associated documents such as [Sustainable Development: progress against key targets and actions 2008-09](#) (which we have not assured), the Report provides a complete picture of performance during the reporting period. The Report itself includes information on progress against targets and performance relating to the SOGE targets for estate management and procurement. It does not include progress information on targets or objectives for wider socio-economic aspects, such as health and safety, although these are reported in [Sustainable Development: progress against key targets and actions 2008-09](#), which reports against all the actions and targets from the MODs [Sustainable Development Report and Action Plan 2008](#) (SDRAP).

With regard to the completeness, accuracy and reliability of energy and carbon data, the system of measurement, monitoring and controls at

site and Top Level Budget (TLB) holder level continues to improve. An increasing proportion of sites now report figures from meter readings or bills, with fewer providing estimates. The roll out of SMART metering to the Top 220 energy consuming sites during 2009/10 will greatly increase the reliability of the data. Challenges to the data set include the availability of adequate staff time and resource at sites, and the changes in site 'ownership' from year to year between TLBs, which makes internal performance comparison difficult. We note that some smaller sites are estimating the proportion of energy from renewable sources. With regard to waste and recycling data, we welcome the establishment of the waste baseline this year. However, we note that despite the exclusion of Defence Estates data, a significant proportion of data are estimated based on accepted volumetric estimations of waste, primarily at sites served by multi-service agreements. The gradual renegotiation of these contracts, and the implementation of the new TRaSH data collection system at some sites, will significantly improve the accuracy and reliability of this data, and will most likely lead to a reduction in figures reported. While the current baseline is an appropriate estimate based on available data, it needs to be reviewed as data improves.

Finally, we observed that while use of EMS is widespread across sites, the level of implementation, auditing and quality varies between sites.

Recommendations

To improve the balance of reporting, we recommend that targets, commitments and achievements for Health and Safety, cadets, veterans and other socio-economic issues are summarised and highlighted in this Report in more detail. We also recommend that the MOD seeks external verification of its reporting against its sustainable development action plan 2009/10, to enable incorporation of more detailed progress information in the assurance process.

While we recognize that it may be inappropriate to set quantitative targets for use of motive fuels, alternative sources of power generation

and reduction of waste generation in Operational settings, we welcome MOD's efforts to seek ways to measure and report this data, where practicable. We found evidence of proactive and positive initiatives within the MOD to investigate options to reduce motive fuel use and these should be reported to track and reflect gains in this area.

Engagement with stakeholders, including suppliers, industry and external experts, should remain a key priority for the MOD going forward. This would facilitate sharing of best practice and encourage consideration of external expertise which may otherwise be overlooked. In addition, a growing focus on progress monitoring will be required to achieve longer term targets and implement new approaches to energy management, waste management and sustainable procurement.

Colin Macdonald

Grontmij Ltd
Director, Land Quality & Environmental
Management



November 2009

Mark Line

Two Tomorrows (Europe) Limited
Executive Chairman

**Grontmij Limited****Two Tomorrows (Europe) Limited**

MOD's response to assurance statement

The MOD welcomes Grontmij and Two Tomorrows' Assurance Statement, their confirmation that the SD Report 2009 covers all issues material to our sustainable development and their recognition of both the difficulties we face and the progress we have made.

This year we have produced a short report selecting significant achievements and challenges during the past year as well as presenting our key aims for the future to give a balanced and meaningful account of our performance to the general reader. As the Assurance Statement acknowledges, this is complemented by a suite of other documents to which the SD Report 2009 gives links. These include our [SD strategy](#); [Climate Change strategy](#); a detailed breakdown of [Progress against targets and key actions in 2008-09](#); and the full [MOD Action Plan 2009](#) - all of which are available on our web site along with relevant examples of good practice and community involvement.

The SD suite of documents is only a part of MOD's wider reporting; aspects of sustainable development, notably estates management, community engagement and MOD as an employer, are covered elsewhere. We note Grontmij/Two Tomorrows recommendation to extend the detail of the summary SD Report, but believe it is better to provide links than to duplicate items covered in, the department's [Annual Report and Accounts](#), [Defence Plan](#), [UK Defence Statistics](#), and [Stewardship on the Defence Estate](#). We will, however, seek to make clearer our performance in areas such as health and safety, cadets and veterans.

We appreciate the Assurance Statement's recognition of the significant steps we have taken in improving the accuracy and reliability of our data, particularly in respect of energy and waste, and of our plans to further improve this. Another area we are working to improve is the use of EMS, where we have commissioned Defence Internal Audit to conduct a study which will inform us as to improvements to be made.

We remain focussed on developing ways to engage with our stakeholders and our [Action Plan](#) includes a number of such items particularly with our suppliers.

Safety, Sustainable Development and Continuity Division

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