

The consequences of misalignment between financial, performance auditing and engineering management (on infrastructure development)



A large banner for the AMEU 25th Technical Convention. The background is a photograph of an industrial power plant with tall chimneys and metal structures. The text on the banner includes: "LEADING THE ELECTRICITY DISTRIBUTION INDUSTRY" above the AMEU logo; "25TH AMEU TECHNICAL CONVENTION 4 - 7 OCTOBER 2015" in large white letters; "AMEU CENTENARY CELEBRATION - ALTERNATIVE TRAJECTORIES TOWARDS THE SA ELECTRICITY REGIME" in white text on a dark blue background; and "HOSTED BY THE CITY OF JOHANNESBURG" in white text on a dark red background. To the right of the banner are three logos: Joburg (a world class African city), City Power Johannesburg, and the AMEU logo (Association of Municipal Electricity Users of Southern Africa, Est 1915).

Presenter: Phetole Moagi

Supervisor: Dr. Telukdarie Arnesh

Misalignment between Auditing and Project Management



- ❖ Affect service delivery (poor quality of service and infrastructure development)
- ❖ Monitoring and Evaluation - lack of transparency
- ❖ Board of professionals (BOP): Citizen involvement is critical to ensure accountability and transparency
- ❖ BOP complement existing frameworks (CDW, Ward committees, Community development committees (CDC's))
- ❖ Improve public expenditure efficiency
- ❖ Strengthen institutions, processes and systems
- ❖ Greater trust in government and public confidence



Legal and policy basis for this research



The Municipal Systems Act (2000) (Section 16(1))

- The White Paper on Local Government (1998), signals a clear intention of active citizen participation in local government and specifically service delivery and makes reference to the role of citizens in monitoring. “Municipalities should develop mechanisms to ensure citizen participation in policy initiation and formulation, and the monitoring and evaluation of decision-making and implementation. (1998:34)
- The White Paper on Transforming Public Service Delivery (Batho Pele White Paper) (1997).
Section 195 of the Constitution of the Republic of South Africa (1996) outlines the principles to which the public administration must adhere. These include:
 - a. A high standard of professional ethics must be promoted and maintained.
 - b. Efficient, economic and effective use of resources must be promoted.
 - c. Public administration must be development-oriented.
 - d. Services must be provided impartially, fairly, equitably and without bias.
 - e. People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
 - f. Public administration must be accountable.
 - g. Transparency must be fostered by providing the public with timely, accessible and accurate information.

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- The Promotion of Access to Information Act (2000) and the Promotion of Administrative Justice Act (2000)
 - Provide citizens with the legal right to access information held by government as well as to explanations before and after administrative decisions.
 - Classified – information

Current Challenges and Interventions

- ❖ unethical behaviour, lack of transparency, unaccountability, lack of rule of law, weak quality controls, MFMA and weak legal processes etc.
- ❖ Organisations are solely use - to/followed (ticking boxes).
- ❖ Organisations receive clean audit and become insolvent shortly after that or ask for government bailouts.
- ❖ The recent auditing profession, professional conduct, ethical behaviour, report and relevance leave a lot to be desired.

LEADING THE WAY - CITY OMBUDSMEN



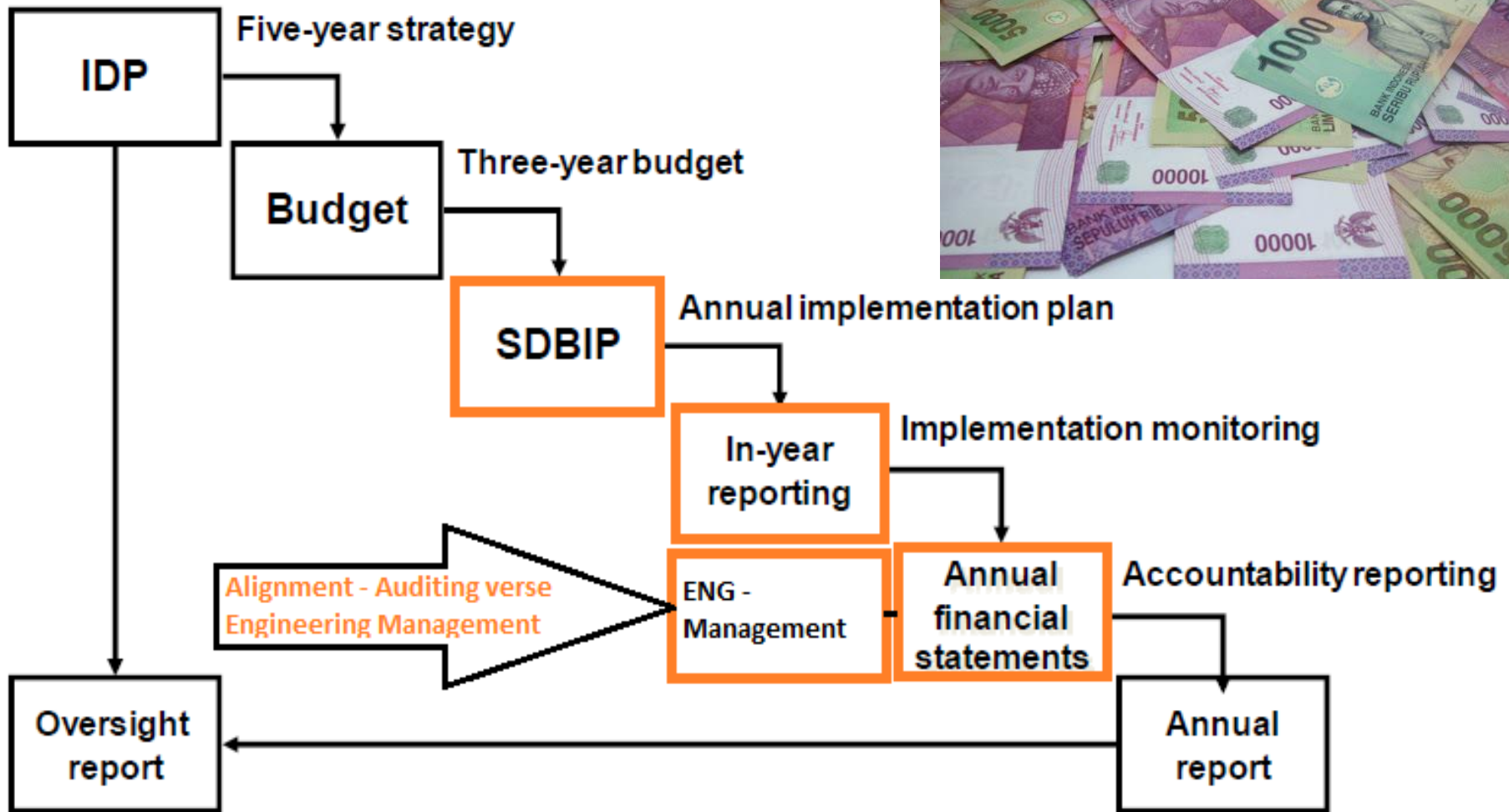
Corruption

Strategy – Social Audit:

- decentralization by bringing decision making closer to people shines sunlight on government operations and empowers people to hold government to account and thereby offers potential for combating corruption in the long run (Anwar Shah, 2014)

Definition:

- Corruption is defined as exercise of official powers against public interest or the abuse of public office for private gains.
- Public sector corruption is a symptom of failed governance (Anwar Shah, 2014)



Accuracy of information depends on:

- Organisational structure aligned to basic services
- Sound municipal policies, processes and procedures
- Standard chart of accounts for municipalities

Tools to deal with Corruption



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1. Audits (**Social and Technical**) - poor quality of the built infrastructure asset.
 2. Construction Sector Transparency Initiative
 3. **Community Monitoring** - is used where there is a gap in accountability at a particular stage in the project cycle.
 4. Red Flags - track vulnerabilities to corruption.
 5. Integrity pacts – behaviour -procurement officials and potential bidders.
 6. Project Anti-Corruption System - assist in the prevention and detection of corruption on construction projects.
 7. Citizen report cards - provide systematic feedback from users of public services.
 8. Ombudsmen Office/President Hotline

Social Audit – Worldwide

Technical Audit



Management Improvement Program (MIP) - CHILE

Programme Assessment Rating Tool (PART) – USA

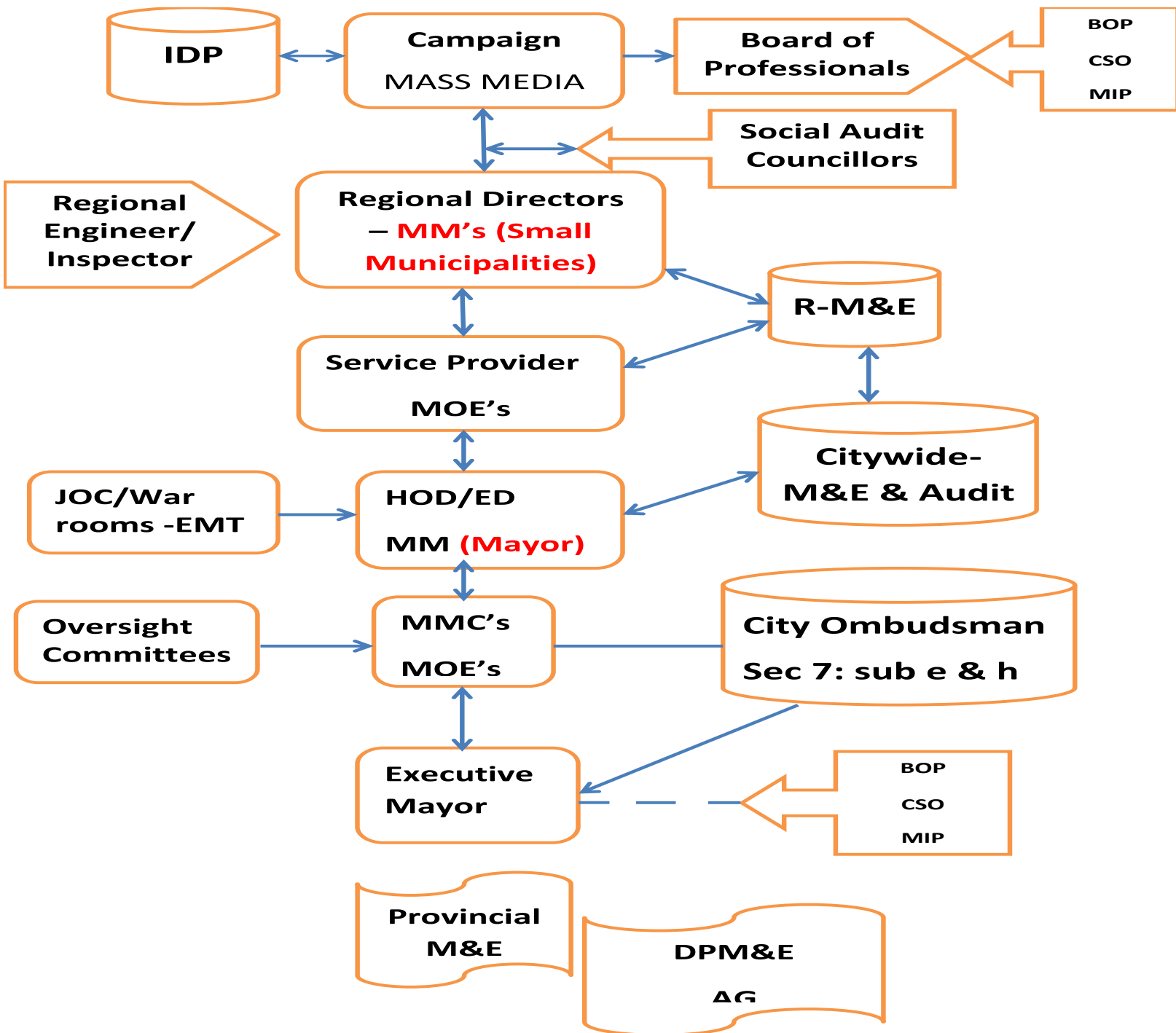
Programme Anti Corruption Development Effectiveness (PACDE) UNDP

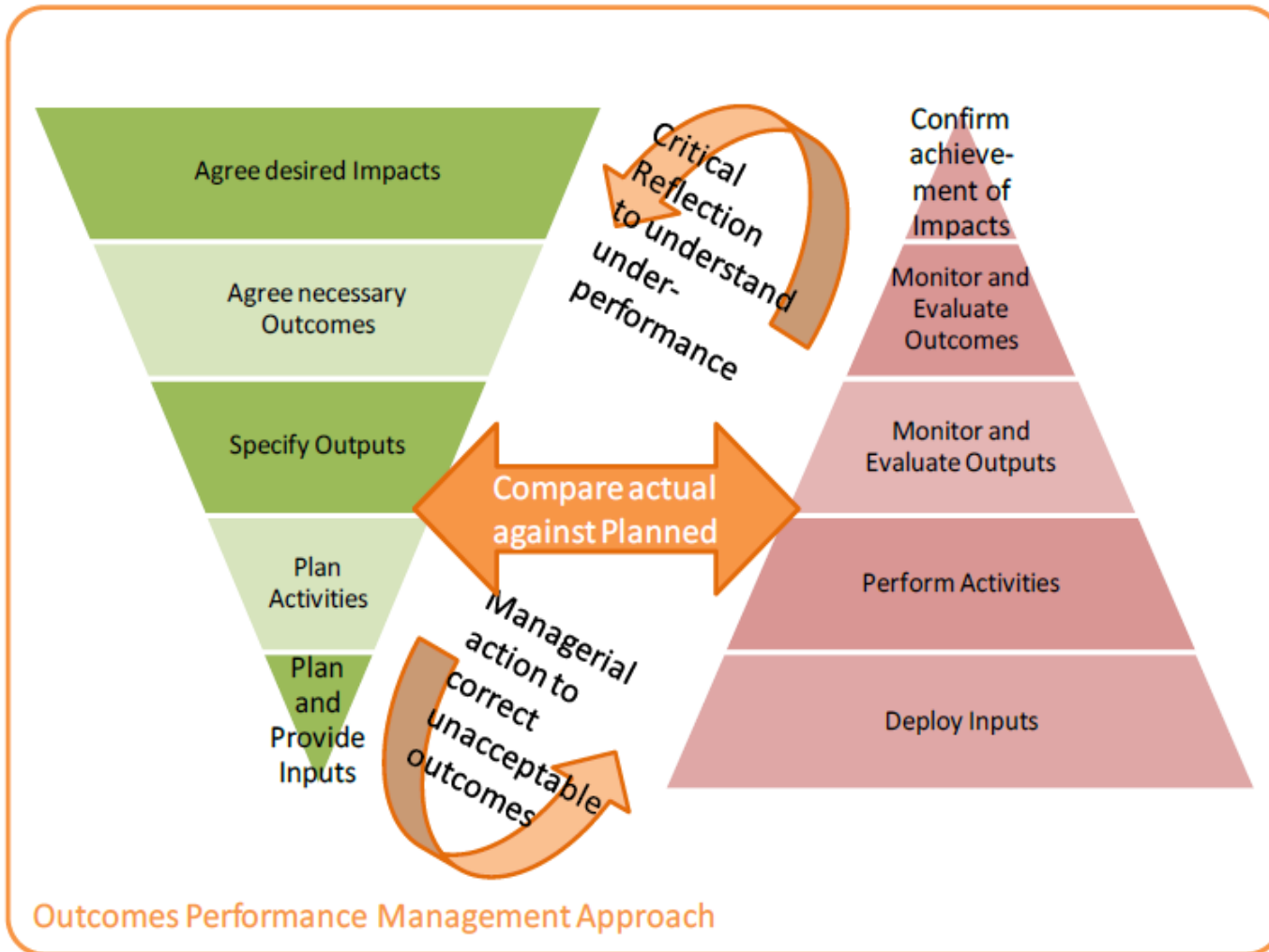
Community Based Monitoring and Evaluation (CBM&E) –
Civil Society Organisations (CSO)

CIETAfrica (An international NGO)

Twaweza – (Citizens making things happen)

A FRAMEWORK FOR STRENGTHENING CITIZEN-GOVERNMENT
PARTNERSHIPS FOR MONITORING FRONTLINE SERVICE DELIVERY.....



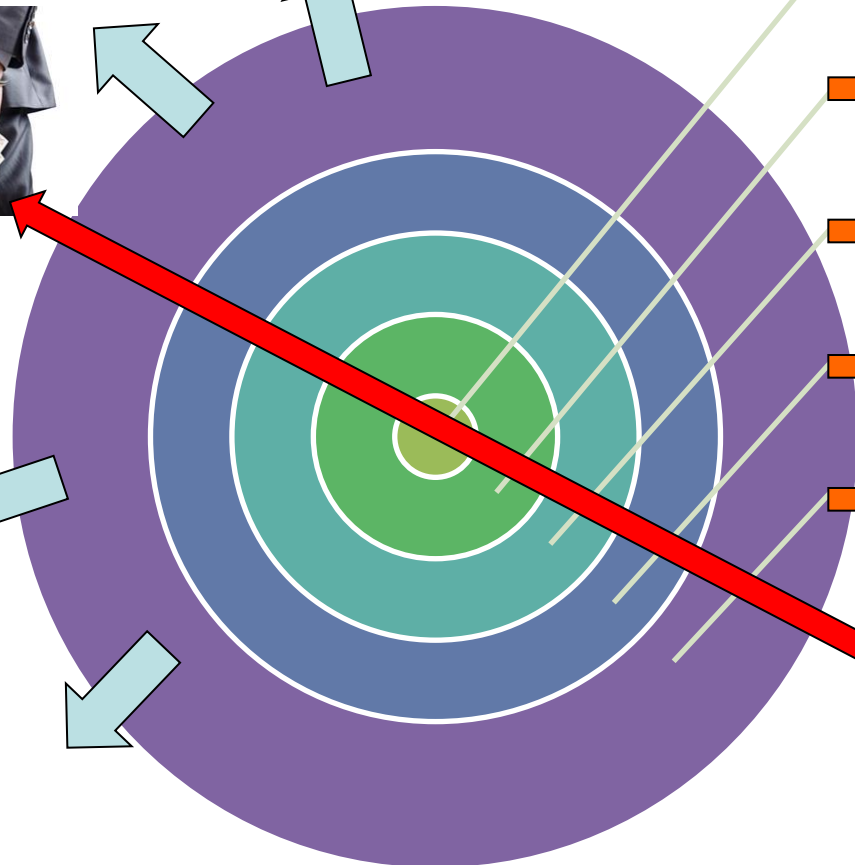


Source: CIDB - Infrastructure Delivery Management Toolkit: 2010 Edition

Municipalities Under Administration

- White Color represent - Auditing

UNCONTROLLABLE



START – MISALIGNMENT

AUDIT FAILURE

OPERATE WITH IMPUNITY

ABANDON PROJECTS/
INFRASTRUCTURE FAILURE

SEVICE DELIVERY PROTESTS



Scope of Social & Technical Audit “G. Berthin” UNDP

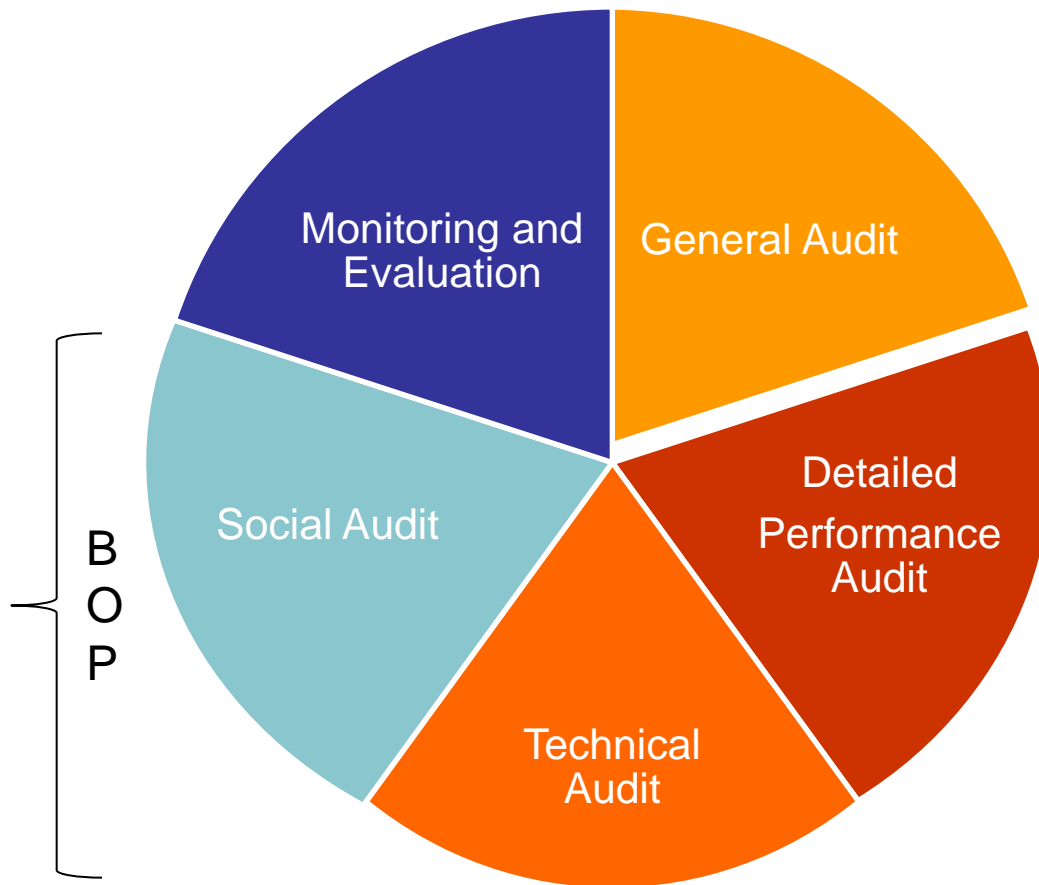
- ❖ Promote dialogue and deliberation to promote effective public-private partnerships.
- ❖ Ensure that implementation of a policy/program is transparent, comes to completion and known to everyone.
- ❖ Increase public participation at all stages of the public policy and budget cycle.
- ❖ Increasing accountability and transparency.
- ❖ Identify, control and report irregularities and prevent abuse of funds and power.

cont....Transparency & Accountability in Local Government (TRAALOG)



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- ❖ Measure the impact of policies/programs.
 - ❖ Enable citizens to exercise their rights.
 - ❖ Create awareness among beneficiaries and providers of social and productive services.
 - ❖ Increase efficacy and effectiveness of public programs.
 - ❖ Strengthen integrated management systems and strategies.
 - ❖ Identify areas for institutional and bureaucratic reforms of institutions.

Project Management and Audit



Thank You...