

THE CONSEQUENCES OF MISALIGNMENT BETWEEN AUDITING AND PROJECT MANAGEMENT ON INFRASTRUCTURE DEVELOPMENT:

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Misalignment between Auditing and Project Management



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- ❖ Misalignment:- unethical behaviour, lack of transparency, unaccountability, lack of rule of law, unregulated interventions, weak quality controls, MFMA and weak legal processes etc.
 - ❖ Organisations are solely using - 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.

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)

Planning, Budgeting, Performance Monitoring System



Planning

- National Infrastructure Plan (NIP)
- National Development Plan (NDP) vision 2030
- Medium Term Strategy Planning
- Integrated Development Plan (IDP)

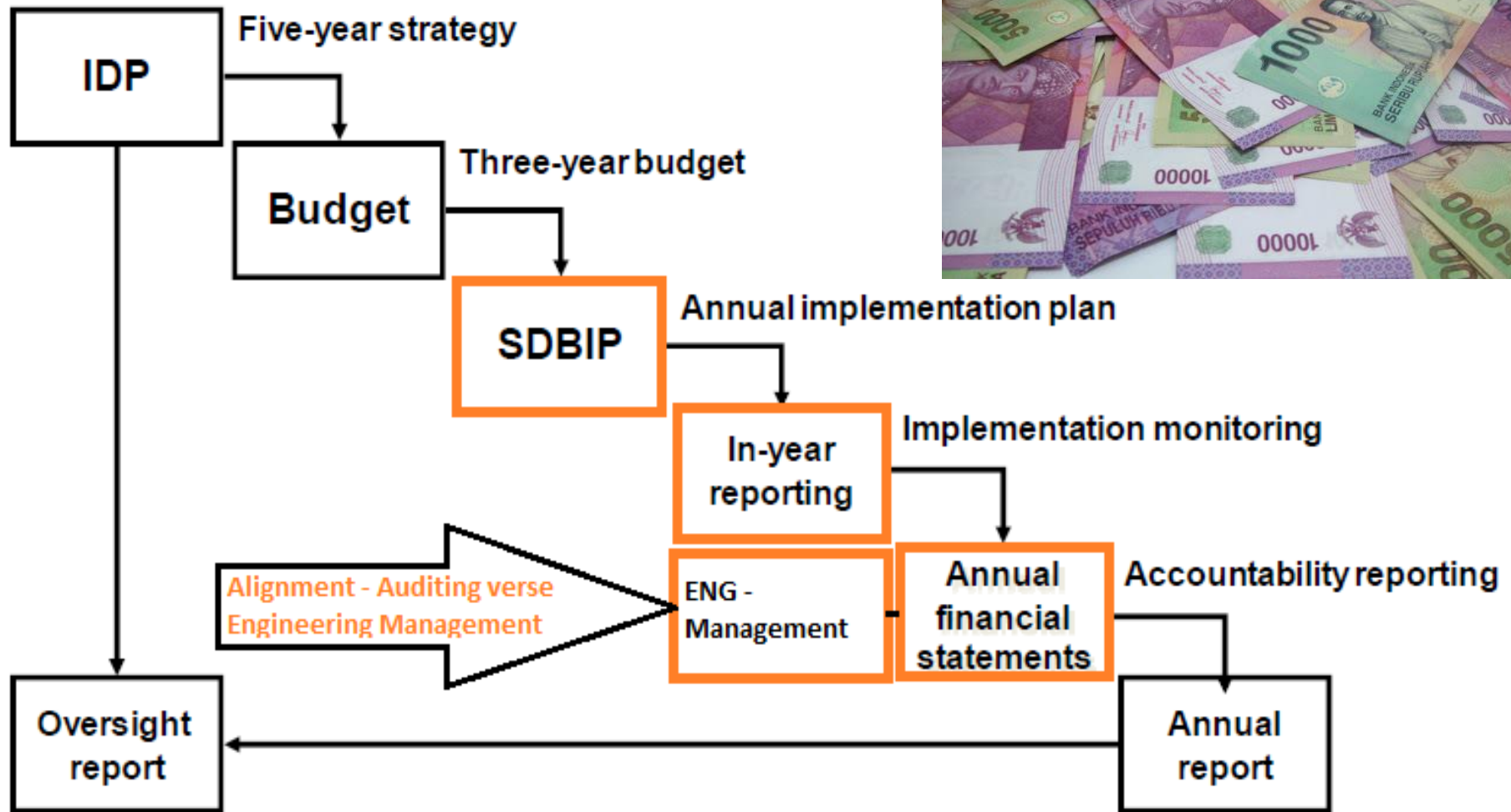
Budgeting

- Incremental, Input and Output Budgeting
- **Zero Budgeting**
- **MTEF**
- **Performance Budgeting**

Performance Monitoring

- DMPE, GWME, DORA, AG
- **Planning and Implementation Management Support Systems (PIMSS)**
- **The Infrastructure Delivery Management System (IDMS)**
- **South African Monitoring and Evaluation Association (SAMEA)**





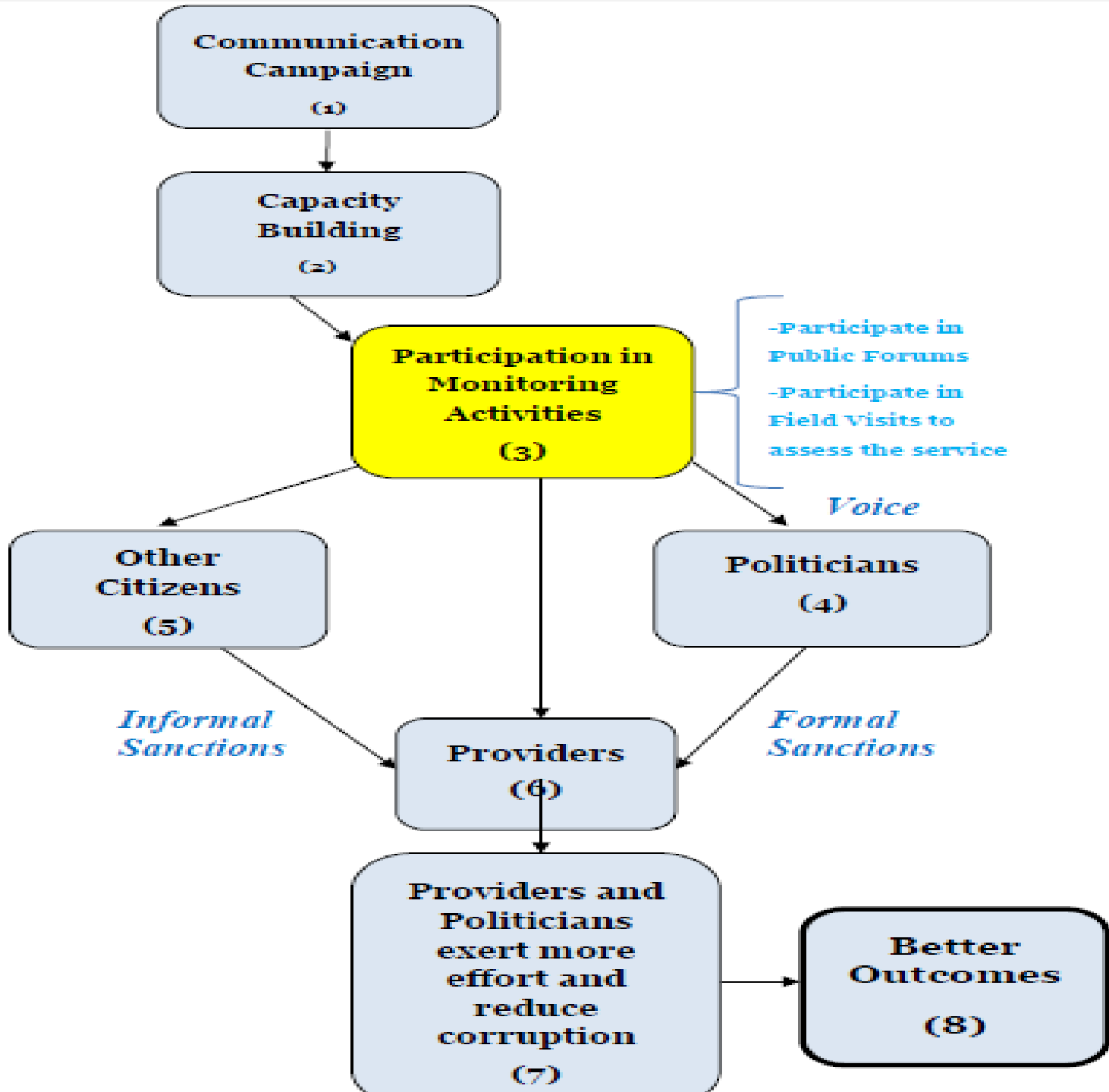
Accuracy of information depends on:

- 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.



Social Audit - Worldwide



Management Improvement Program (MIP) - CHILE

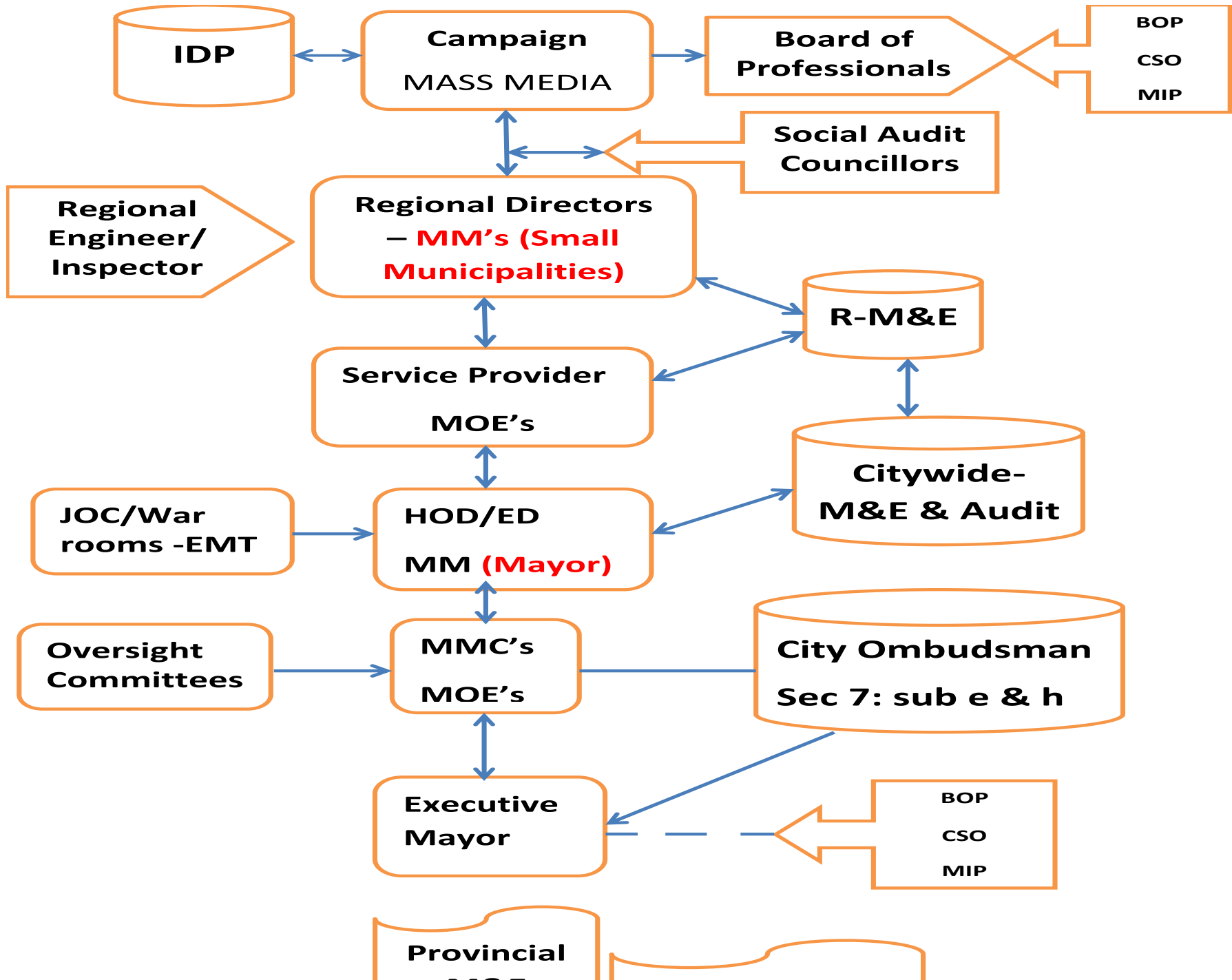
Programme Assessment Rating Tool (PART) – USA

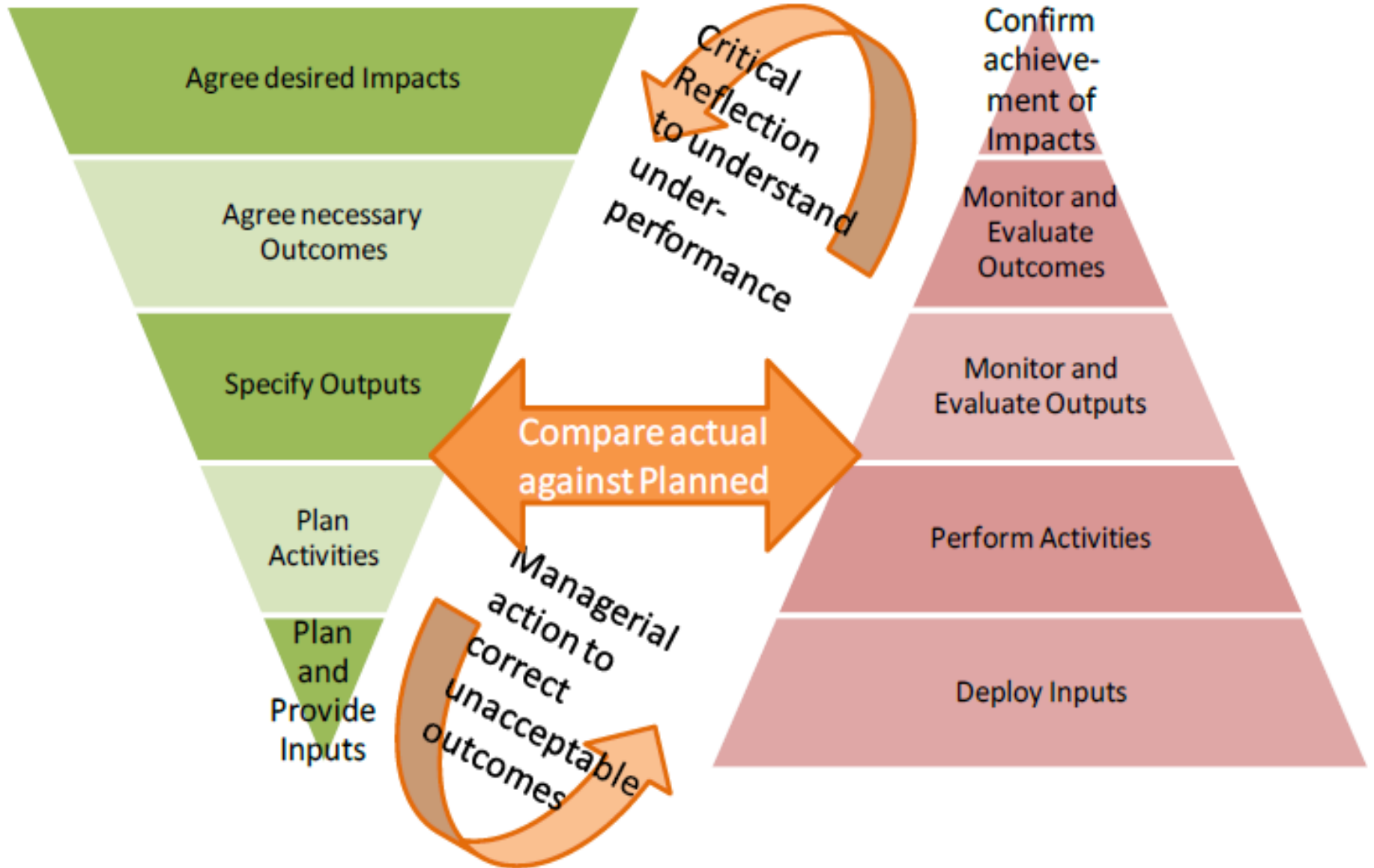
Programme Anti Corruption Development Effectiveness (PACDE) UNDP

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

CIETAfrica (An international NGO)

Twaweza – (Citizens making things happen)





Outcomes Performance Management Approach

Load Shedding Present Opportunities (Validation and Measures – Key)

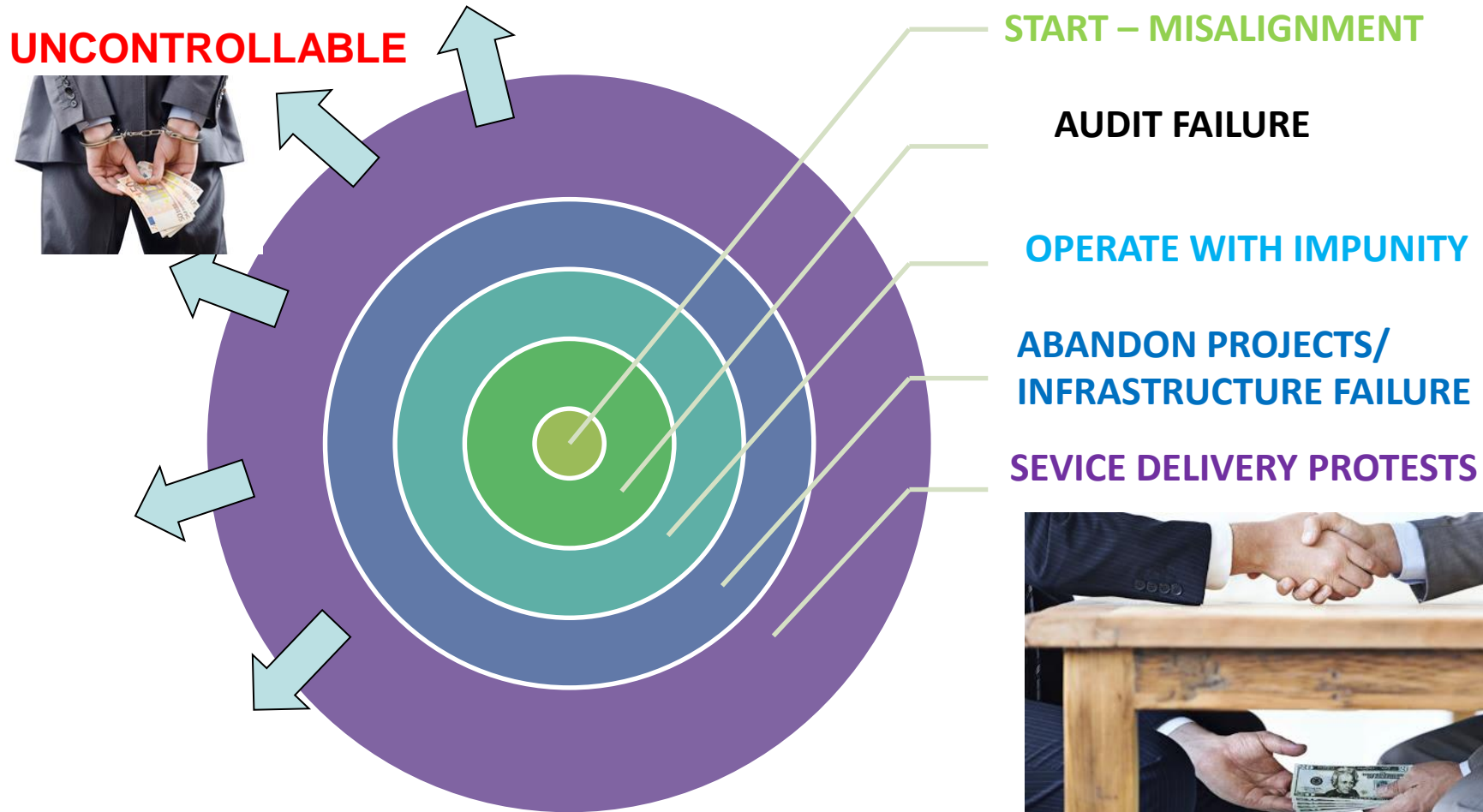


LOAD SHEDDING										
DEPARTMENTS/MUNICIPALITIES			NATIONAL DEVELOPMENT						AUDIT	
PROJECTS	DESCRIPTION	INITIATIVE	TECHNOLOGY	ECONOMIC	POLITICAL	SOCIAL	CULTURAL	RESEARCH - DEV	FINANCIAL	PERFORMANCE
All	Interior/Exterior/ Street Lights (PV)	EEDSM	X		X	X		?	X	
All	Occupancy and Motion Sensors	EEDSM	X		X	X		?	X	
A Project	Vandal Prove Structures	EEDSM	X	X	X			?	X	X
R Project	Revenue Recovery	SAPRA	X	X	X			?	X	X
S - Project	Revenue Recovery	Municipalities	X	X	X			?	X	X
T	Smart Metering	DSM	X		X			?	X	X
All	Solar Water Heaters	Renewable	X	X	X	X	X	?	X	X
All	Solar Water Pumps	Renewable	X		X	X		?	X	
Informal	Solar Rooftop	Renewable	X		X	X		?	X	X
Eskom	Coal and Diesel	Eskom	X		X	X		X	X	

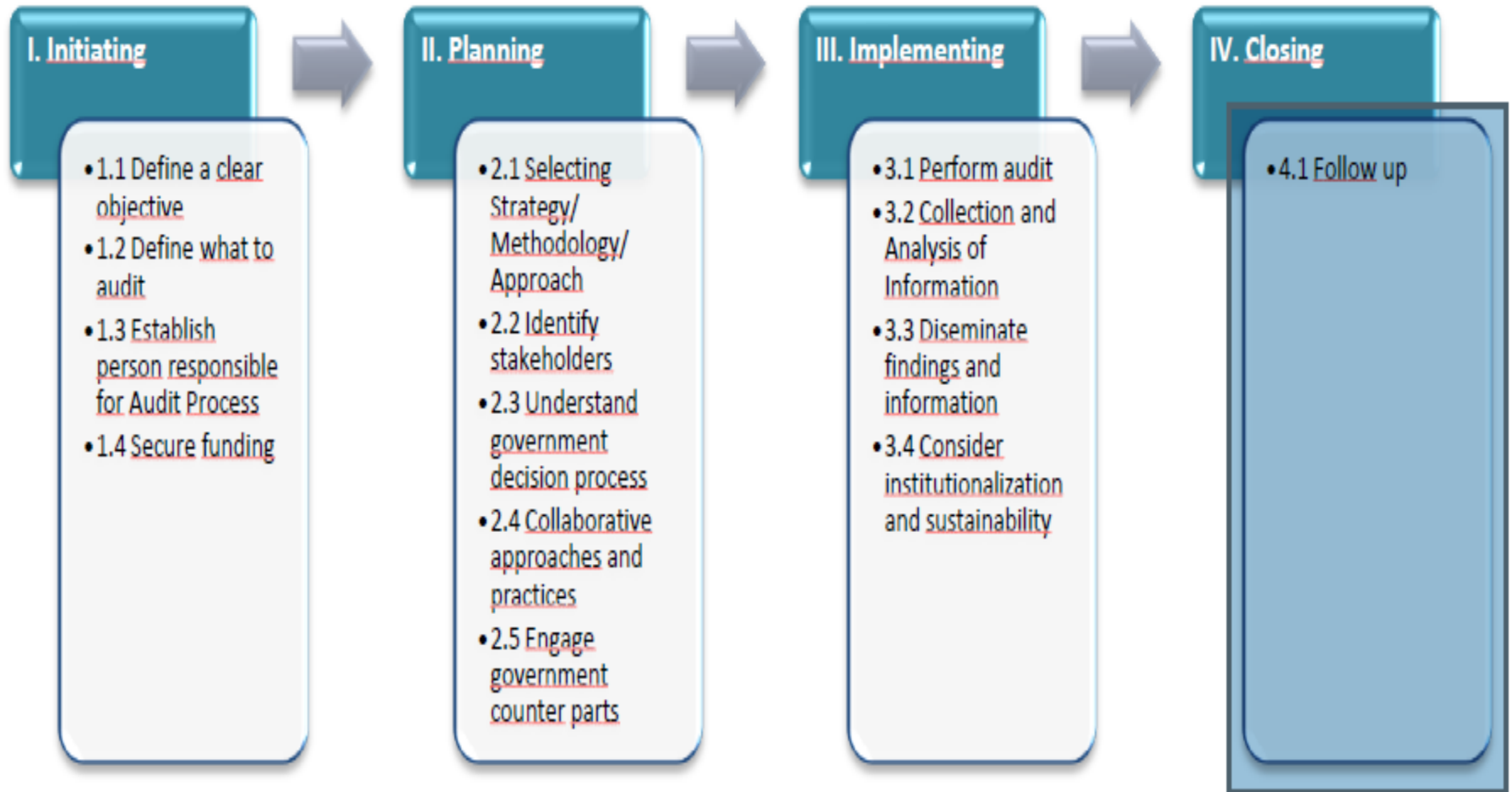
Why –Provincial/Department Under National Administration



- White Color represent - Auditing



Step by Step process of Social Audits – “Gerardo Berthin, 2011”



Scope of Social & Technical Audit “Gerardo Berthin” UNDP



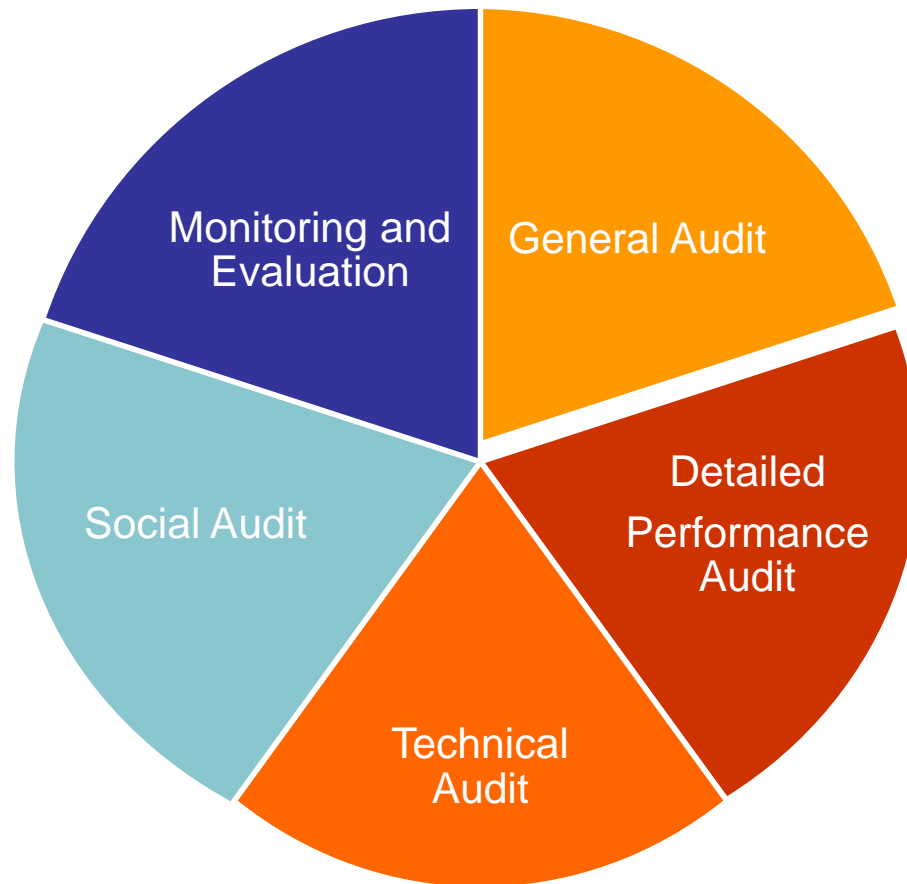
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- ❖ Promote dialogue and deliberation to promote effective public-private partnerships.
 - ❖ Ensure that implementation of a policy/program is transparent, comes to completion and known to everyone.
 - ❖ Increase public participation at all stages 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)

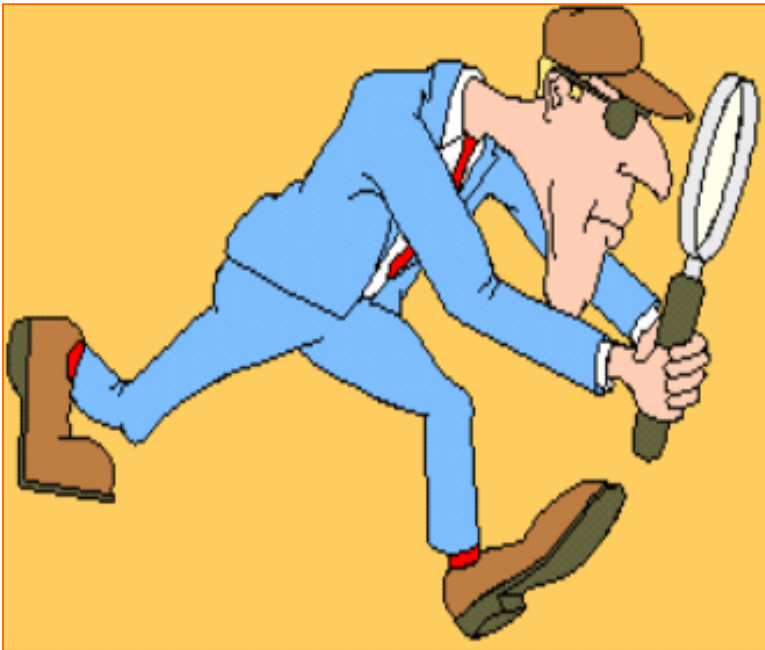


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- ❖ Measure the impact of policies/programs.
 - ❖ Enable citizens to exercise their rights.
 - ❖ Create awareness among beneficiaries and providers of social and productive services.
 - ❖ Increase efficacy and effectiveness of public programs.
 - ❖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

Project Management and Audit



Responsibilities of the Social and Technical Auditor



- Be honest and ethical
- Be independent
- Tell the whole truth
- Seek help for social and technical issues

Steps for Social and Technical Auditing

Assemble a team of experts

Familiarise the team with the scope of the project

Audit the project on site

De-brief project management once the project audit has been completed

Produce written report

End



Thank You

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