



IDIP implementation in the Province and how it is applicable to municipalities

MUNICIPAL CHIEF FINANCIAL OFFICER'S FORUM LEKGOTLA

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CONTEXT

- **Internationally the relationship between socio-economic growth and development and infrastructure delivery is attracting attention in the current difficult economic situation.**
- **However, public assets do not get built qualitatively if government administrators do not have sufficient capacity:**
 - **It is not enough just to have money!**
 - **Financial dumping and un-resourced mandates does not work!**
- **It is one thing to build a clinic: it's quite another to build the right clinic! The pre-condition for building the right school, clinic or road is building the right enabling environment, in all its dimensions.**

Performance Audit by the AG on infrastructure delivery at provincial level (Health and Education)

Findings

- Some documents on projects selected for auditing could not be submitted as reflected below.
- Due to the documents not submitted it could, *inter alia*, not be determined if:
 - Schools, hospitals and clinics were planned to ensure timely and effective service delivery;
 - Contractors with the required skills and capacity were appointed in a fair, equitable and transparent way;
 - Projects were managed effectively to ensure that it is completed on time, in budget and at the required level of quality; and
 - Contractors corrected all identified defects before the final payment were made.

AG findings

% of projects in which procurement legislation and/or regulations were contravened

- Western Cape 5%
- North West 29%
- Mpumalanga 94%
- Limpopo 83%
- KwaZulu Natal 11%
- Gauteng 47%
- Free State 65%
- Eastern Cape 38%

AG: Demand management

2.1.1 Demand management is the first phase of infrastructure delivery and is an element of supply chain management. The objective is to ensure that the resources required to fulfil the needs identified in the strategic plan are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs. A total needs assessment should be included as part of the strategic planning process of the institution and, hence, will incorporate the future needs.

Findings

The needs determination, planning and prioritising for infrastructure projects were not completed on time. The needs were identified up to 13 years prior to the acquisition of resources through tenders being awarded. The planning phases of projects were also delayed due to:

- A lack of capacity and qualified staff at the departments and implementing agents to ensure that comprehensive planning takes place in a timely manner;
- Insufficient project information at the identification stage of projects to ensure that realistic values were allocated on the infrastructure budgets;
- Projects being withdrawn after the design phase due to budgetary constraints; and
- Some needs not being included in the initial planning which resulted in scope changes. This contributed to increases in the original budgets.

AG findings: Departments of Education

% of projects in which were identified that planning contributed to a delay in the projects

- Western Cape 33%
- North West 65%
- Mpumalanga 88%
- Limpopo 61%
- KwaZulu Natal 33%
- Gauteng 47%
- Free State 76%
- Eastern Cape 75%

AG: Acquisition management

The PFMA requires the AOs to ensure that the department has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective. The accounting officer should delegate officials within his/her supply chain management unit to deal with supply chain management processes. Bid Evaluation Committees are responsible for evaluating and scoring tenders and the Bid Adjudication Committees for making recommendations to the accounting officer regarding the awarding of bids. **The principle should be vested such that no individual official should be in a position to take a decision in isolation regarding the awarding of bids.**

Findings

- a) Although SA has comprehensive legislation and regulations governing the supply chain management process, these were not always adhered to. In 43% of the projects selected for auditing, the departments deviated from the prescribed
- b) Multiple contracts were awarded to contractors or consultants, without taking their capacity into account.
- c) Replacement contractors had to be appointed which resulted in higher project costs and delays in completing the projects. Where possible irregular, fruitless and wasteful expenditure was identified, the accounting officer was requested to investigate the matter and institute the actions as required by the PFMA.

PURPOSE & OUTPUTS OF IDIP

- The **Purpose** of IDIP is, “**To improve the effectiveness and efficiency of infrastructure delivery by selected provincial government departments**”.
- **Outputs:**
 - Effective functioning of the institutional arrangements and enabling environment for infrastructure delivery
 - Skills development in accordance with the HR Strategy supporting the IDMS implemented
 - Improved infrastructure programme and project planning, budgeting and management
 - Implement improved Infrastructure Procurement Systems and Practices in accordance with legislative imperatives.
 - IDIP is effectively managed

The Logic Model

Can only be influenced by the Project Manager

“why we do it”

Impact:

- Long term benefits as a result of the sustained changes brought about by the Outcomes

Outcomes:

- That which has changed as a result of the Outputs being utilised.

“what we produce”

Outputs:

- The “deliverables” or “products” of Activities.
- i.e. That which can be paid for.

“what we do”

Activities:

- Activities are actioned using the available resources in order to achieve Outputs.

Inputs:

- Human Resources
- Systems and processes
- Budgets

“Doing the right thing”

Effectiveness:

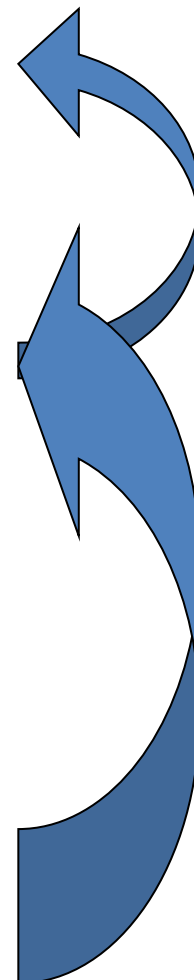
“An assessment of the contribution made by results to achievement of the project purpose and how assumptions have affected project achievements.”

Efficiency:

“The cost, speed and management efficiency with which inputs, means and/or resources and activities were converted into results, and the quality of the results achieved.”

“Doing things right”

Can & should be controlled by the Project Manager



IDIP Operates On and Across the Fault Lines/Boundaries in Government

- Political/Administrative interface**
- Inter-and intra-governmental relations**
- Prioritisation/Planning/Budgeting**
- Learning/Compliance**
- Silos/Cooperative governance/Systems Approach**
- IDIP “Builds Bridges” & “Span Boundaries”**
- Cooperative governance is central to the IDIP approach**

IDIP: Key Areas of Leverage to Implement and Sustain the IDMS

Management Systems

- IDM Toolkit implementation **through 4 Technical experts** in each province
- IDM Toolkit **train-the-trainer** initiatives
- Improved infrastructure planning through a **team of short term experts**
- **Procurement training** and facilitation

Education

Public Works

Provincial Infrastructure Delivery

Health

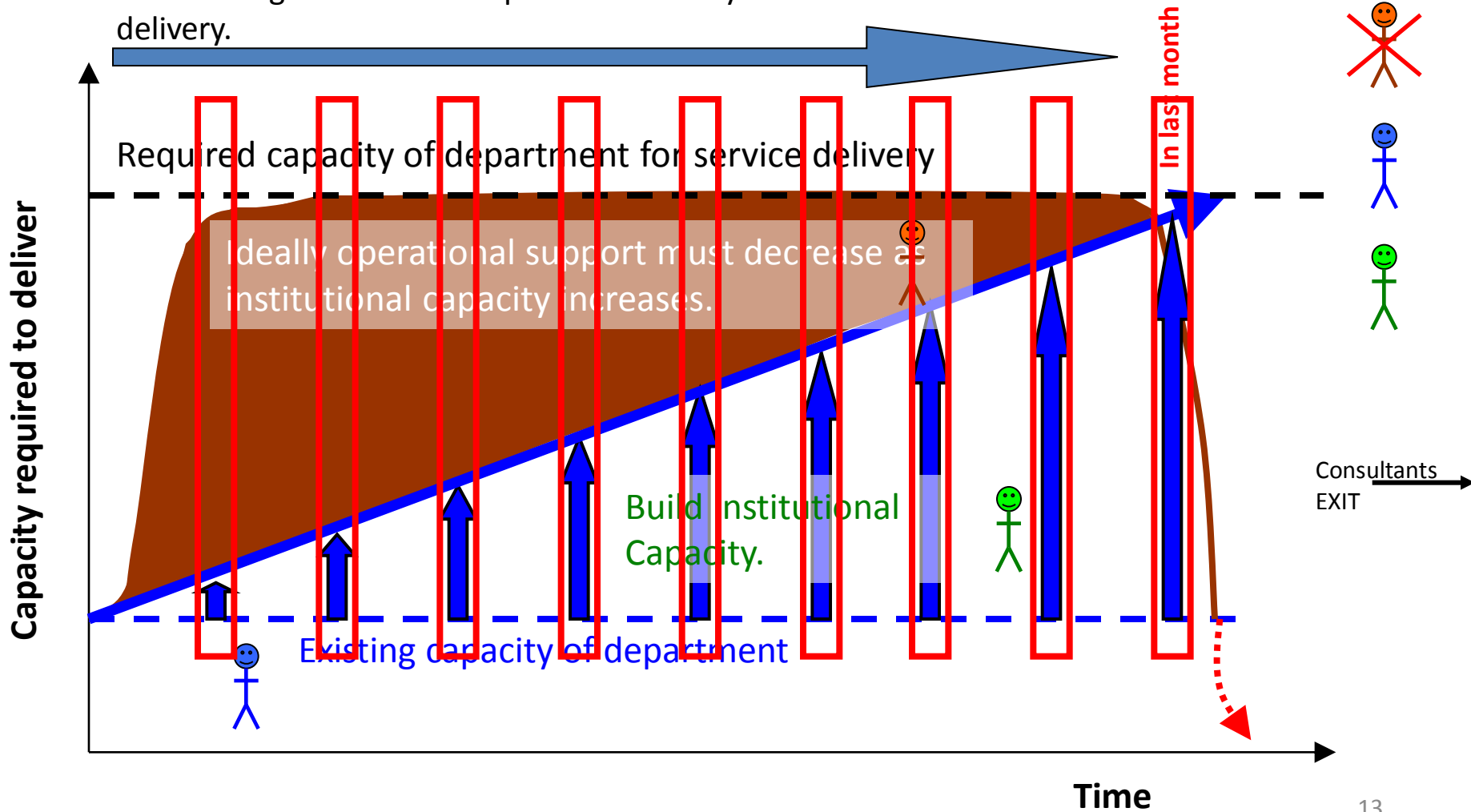
HR

- **Legal mandate and responsibilities** of and alignment between departments
- **Functional analysis**
- **Organisation design**
- **Staffing norms and job profiles**
- **Mentoring & Internship**

Provincial Treasury

Improvements in Capacity

Over time the departmental officials should be increasingly contributing towards the improved efficiency of service delivery.



IDMS Capacitation Kit

Governance Principles

Legal mandate and functional analysis – easy to customise in each Province.

HR Profiles in line with business roles.

Organisational structures – sector **Departments/sector alignment** can be achieved between all nine provinces and within each Province.

Generic Job Profiles

Recruitment/retention strategies.

Cabinet memorandum to approve IDMS, Service Delivery Model and Functional Structures – dpsa will issue Ministerial Directive for the functional structures.

Infrastructure Delivery Principles

IDMS - Key Roles & Responsibilities

WCED & WCDoH

- **Infrastructure Planning** - project identification, prioritisation & budgeting, & funding of infrastructure capital & maintenance programmes
- **Client Programme Management** - programme design & management, formulation of construction procurement strategies, stakeholder interfacing, & monitoring & controlling activities of WC DTPW as Implementing Department
- **Operating the facilities** – preparing new facility for occupation (including staffing and resource provisioning), and thereafter effectively managing the facility on a day-to-day basis

IDMS - Key Roles & Responsibilities

WCDTPW

As **Custodian**, assist WCED & WCDoH in:

- Infrastructure planning – input into project costing & budgeting, site availability & property options, maintenance planning etc. – compiling C-AMP.
- Vetting & approving all building plans; & maintaining building plans registry
- Conducting conditional & performance assessments of facilities & ensuring availability of comprehensive & up to date asset register
- Acquiring & disposing of property (including land)
- Managing lease agreements

As **Implementing Department** accountable & responsible for ensuring that infrastructure projects assigned to them are completed on time, within budget, & to required specification (i.e. quality)

IDMS - Key Roles & Responsibilities

Provincial Treasury

- Co-ordinate **development of uniform processes**
- **Monitor compliance** with these processes
- **Co-ordinate Budgeting Process**
- **Monitor infrastructure expenditure** against programmed delivery & budgets
- Regularly **monitor the effectiveness** of infrastructure delivery.

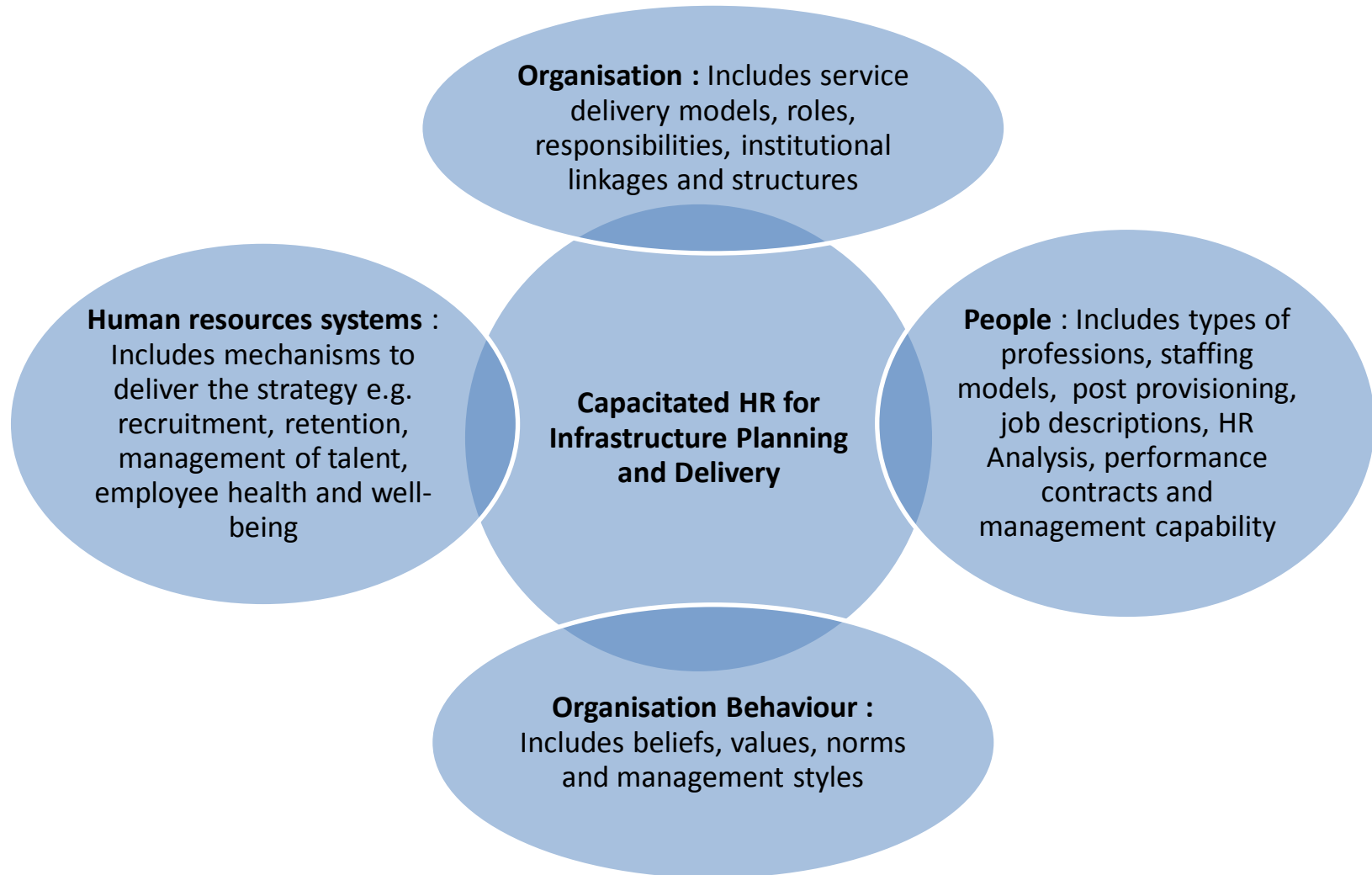
Focus areas - Infrastructure Planning

- Development of **Provincial Infrastructure Plan** – ensuring strategically focused, integrated and properly sequenced infrastructure investment, taking direction from PGDP and National & Provincial SDFs - **processes currently being devised by DotP**
- Introduction of **WCED Comprehensive Services Plan (CSP)** – as per WCDoH
- **U-AMPs & C-AMP** (incl MTEF budgets) informed by above plans
- Critical for accurate and up-to-date databases – **Asset Register** (responsibility of WC DTPW as Custodian)
- Need appropriate **Information Systems** (preferably GIS based) designed to support planning activities
- Establish relationship with the Department of Social Development's (DSD's) Directorate: Research and Population Development in respect of **demographic analysis/profiling**

Focus area - HR

- **APPROVED HR STRATEGIC DIMENSIONS**
- **LEGAL MANDATE:MAIN SOURCES**
- **LEGAL MANDATE :BRIEF DESCRIPTION**
- **LEGAL MANDATE:INTERPRETATION**
- **CORE BUSINESS DEFINITION**
- **METHODOLOGY: FUNCTIONAL ANALYSIS**
- **TASKS**
- **STRUCTURING DESIGN PRINCIPLES**
- **PROPOSED ORGANISATIONAL MODELS**

APPROVED HR STRATEGIC DIMENSIONS

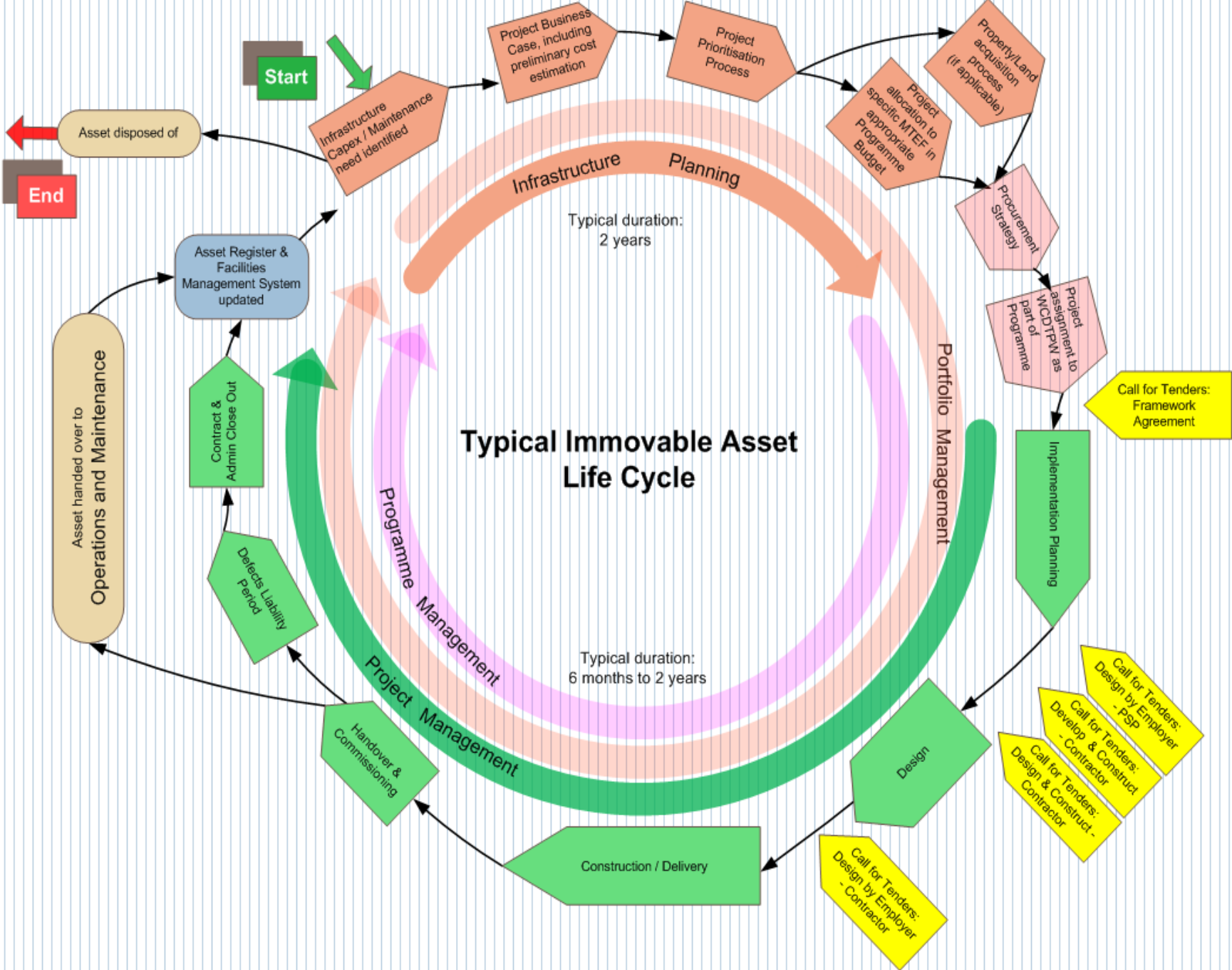


Focus area – Infrastructure SCM (1)

- The Construction Procurement System is to comprise of construction procurement policy, processes, procedures and methods which are standardised and documented for common and repeated use for the achievement of the optimum degree of order in the overall system.
- This will provide a solid platform for departmental staff to work in a uniform and consistent manner, and enable training interventions to be developed to capacitate those engaged in the performance of various activities.

Focus area – Infrastructure SCM (2)

- The Design and Delivery Management System is to comprise of processes, procedures and methods for the design and delivery of infrastructure in a staged systematic, disciplined, uniform and auditable manner.
- Such a system will ensure that informed decisions are taken before commitments are made to proceed with the implementation of projects; projects can be readily tracked and performance monitored; programmes of projects can be delivered at scale and progress and key performance indicators can be monitored at each stage.



Thank you