

SPECIAL AUDIT REPORT
AUDITOR GENERAL OF JAMAICA

Jamaica Social Investment Fund

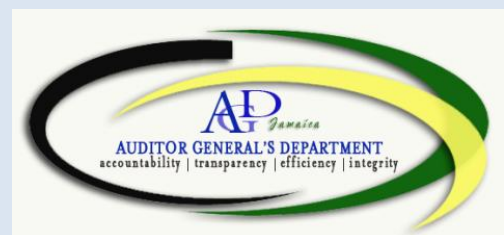
Assessing the Management of Sub-Projects

Prepared by:
The Auditor General's Department, Jamaica

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This report was prepared by the Auditor General's Department of Jamaica for presentation to the Board and Management of JSIF.



Auditor General of Jamaica
Auditor General's Department
40 Knutsford Boulevard
Kingston 5, Jamaica, W.I.
www.auditorgeneral.gov.jm

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Executive Summary

Jamaica Social Investment Fund manages several major projects including the Basic Needs Trust Fund (BNTF), the Japan Social Development Fund (JSDF), the Rural Economic Development Initiative (REDI), Community Investment Project (CIP), PetroCaribe Development Fund and the Inner City Basic Services for the Poor (ICBSP) project. These projects represent special interventions of the Government of Jamaica in partnership with multilateral funding agencies to improve quality of life and access to basic services in poor and vulnerable communities in Jamaica.

Within each of these major projects are sub-projects amounting to over 200 for which JSIF is responsible for delivering. There is 18 years of institutional experience of JSIF in the role of planning, organizing, monitoring and control of these sub-projects. During this time, the organisation has accumulated important know-how and competence, as well as systems for process-driven services and operations. For this work, JSIF brings together diverse professionals (social officers, engineers, quantity surveyors, environmental specialists and specialists in finance, procurement and information systems).

In our audit, we assessed how effective, efficient and economical JSIF is managing sub-projects. Specifically, the audit examined whether:

- the sub-projects were sufficiently planned for successful implementation;
- effective measures were adopted to ensure the proper execution of sub-projects; and
- there was an efficient monitoring and evaluation system in place.

The audit also examined JSIF's role and purpose, project management systems and contracted human resources.

Key Findings

- 1. Weaknesses in JSIF's planning process resulted in non-commissioning of sewage system and termination of projects.** JSIF's lack of proper coordination and liaison with National Works Agency, along with JSIF not ensuring that commitments of the other implementing agencies were documented; resulted in a drainage system constructed at a cost of \$57.4 million not being commissioned. Further, Professional fees of \$330,000 had already been incurred when a project - Marketing for Agricultural - was terminated. The termination resulted from a dispute regarding the ownership of the land, which was slated for the project. This may be the result of poor planning activities as one of the conditions for JSIF to implement projects is that land ownership must be clearly established beforehand. JSIF indicated that they have since reviewed their procedures to include the purchase of land titles directly from the National Land Agency.

We identified an additional four projects that were terminated after professional fees of \$7 million had already been incurred for design. Contributing factors, which led to the terminations included insufficient community support, inability to complete project within the donor agency slated timeframe and inadequate funds to take project through implementation phase. In one instance, the donor agency's funds were limited; while there was delay in the release of funds from Ministry of Finance in another.

- 2. JSIF's method of monitoring consultants does not always include a written report on assessment of their work.** JSIF is responsible for supervision and monitoring functions of all sub-projects. To assist in these functions, JSIF engages consultants to supervise construction works. The consultants are expected to oversee the implementation of designs, monitor contractors' activities on site, and performing different tests to check the quality of the works. Additionally, they prepare progress reports and final accounts of the projects. Despite the effectiveness of the quality assurance being largely determined by how well the consultants have fulfilled their duties, there is no written report showing whether JSIF assessed the performance of all consultants in order to satisfy itself that the quality of the conducted infrastructure works met the planned objectives. This indicates that there is no systematic monitoring of the consultants' performance. JSIF assured us that they are working on improving their procedures so that evaluations can be completed in a timely manner.
- 3. JSIF's management information system does not provide some information essential to decision making.** JSIF developed a management information system (Fund Manager) that tracks the projects milestones and financial progress. This system is recognized for its ability to support JSIF's management of its complex portfolio. The system computes the average time lags between different milestones from submission of proposal, project development, execution and completion of project. However, it is not configured to capture the reasons for the lag between milestones. Consequently, the system does not provide relevant data on which to base decisions.

Further, JSIF was unable to provide us with an accurate report on the timeliness and cost of its sub-projects. JSIF advised us that system errors within the Fund Manager programme have impacted the reliability of the report generated by the system.

From an organization perspective, understanding the status of all projects is a key element of planning and administration. Having this information readily available to JSIF's senior management, donor agencies and other external stakeholders requires a management information system that produces relevant, current and reliable information. JSIF agreed that the system needs improvement and will be taking steps to address it.

Recommendations

To improve the efficiency and effectiveness of the management of projects, JSIF should consider adopting the following recommendations:

- 1.** Revamping the current management information system (Fund Manager) at the earliest possible time to address the deficiencies that have become obvious. During the overhaul process, emphasis should be placed on tracking and facilitating reports on reasons for time lag between main project milestones, including actual start date; ability of the system to monitor each project's life cycle and provide reliable information on the overview of project performance across all projects.
- 2.** Review the completeness of its key records in its paper-based filing system, including project documentation so that a project can be traced through the complete project cycle. This can be done by reviewing its records management processes and practices, associated standards and policies, and implement changes as appropriate.

Part One

Introduction

Role and Function of Jamaica Social Investment Fund

- 1.1 The investments of the Jamaica Social Investment Fund are intended to empower the poorest communities with greater access to quality social and economic infrastructure, and to building organisational capacity, skills to participate effectively in the economy and better quality social capital. The funds are financed from a portfolio of donors that includes the World Bank, European Union, Caribbean Development Bank, Organization of Petroleum Exporting Countries (OPEC), among others. The Government of Jamaica provides counterpart funding, and the funding strategy includes forging partnerships with civic and corporate society to leverage the development assistance.
- 1.2 Managing projects is the core function of JSIF. There is 18 years of institutional experience of JSIF in this role during which time, the organisation has accumulated important expertise and competence, as well as systems for process-driven services and operations. JSIF brings together diverse professionals (social officers, environmental specialists, engineers, quantity surveyors, and specialists in finance, procurement, and management information systems).
- 1.3 From inception to March 31, 2014 JSIF has completed 1,559 sub-projects. In the implementation of these sub-projects, JSIF collaborated with various government agencies, communities, non-government organizations and the private sector to ensure success. This collaboration has allowed for greater sustainability especially in the maintenance of projects as each project group receives maintenance training.

Project Identification and Selection

- 1.4 At the Portfolio level, areas of focus are as prioritized by the Government of Jamaica / Planning Institute of Jamaica for implementation by JSIF. The loans and grants reflect the priorities of the Government and as negotiated and agreed with the international donor partners (IDPs). At the sub-project level an intervention, that is, a set of goods, works and services are designed to address the specific need of a community and or group, which meets JSIF's mandated profile. JSIF's activities are targeted towards underserved, volatile and vulnerable communities and groups.
- 1.5 Where these Project agreements designate demand driven selection of sub-projects then JSIF's systems for prioritizing and ranking of requests will be applied. Thereafter, the technical, social and environmental assessments as well as relevant sector factors (e.g. Ministry of Education, National Water Commission, Parish Councils etc.) will influence the further advancement and implementation of the sub-projects. Under this approach, communities are responsible for identifying their priority needs and mobilizing

themselves in order to make a request for funding to JSIF. This approach facilitates community involvement and empowerment through the direct participation of the beneficiary communities from the beginning to the completion and subsequent maintenance of their projects.

- 1.6** Where the Project Agreements designate that communities and programmes be pre-selected, stakeholders are sensitized and mobilized, and thereafter priority sub-projects are identified and agreed. Where the modality for implementation designates that Calls for Proposals are used then these are announced and established evaluation criteria applied. For communities that are pre-selected the communities do not make applications for funding directly to JSIF as selections are based on indicators of poverty and governmental priorities such as rural development, poor service levels and concentrations of crime.
- 1.7** The selection of sub-projects are geared to assisting the underserved primarily in the sectors of education, health, transportation, public safety; disaster risk reduction and management; social protection; and market linkages for rural agriculture and community based tourism. In addition to cost and scope, the ability to implement sub projects based on social, technical and environmental factors will ultimately determine the extent to which sub-projects are advanced.

Project management framework

- 1.8** JSIF manages the delivery of projects under an in-house project management framework that provides guidance throughout the project lifecycle, and details processes and procedures for project staff to follow. It describes mandatory requirements and standard information that project staff should include in plans, while allowing flexibility and customization of plans from project to project.

Strategic planning

- 1.9** Strategic planning is an effective way for an entity to take a more considered and longer-term view to achieving its objectives and vision. In 2011, JSIF developed a three-year corporate plan as part of its business planning process. In addition, JSIF's strategic plan detailed a range of actions in relation to policy and corporate priorities, and outlined its projects for the three years 2011-2014.

JSIF project types

- 1.10** Between 2011 and 2014, JSIF expected to implement 338 sub-projects (200, 108 and 30 in financial years 2011-2012, 2012-2013 and 2013-2014 respectively). The main types of sub-projects include:
 - school infrastructure projects;

- projects relating to infrastructure, management and marketing for agriculture and tourism;
- social interventions and equipping projects;
- income generating agriculture and tourism projects; and
- technical and capacity building for agriculture and tourism.

1.11 Figure 1 shows JSIF's sub-project activities during the 2011 – 2014 periods.

Figure 1 Sub-project activities for the period April 2011 – March 2014

	2011-2012	2012-2013	2013-14	Total
Contracts Targeted	200	108	30	338
Approved by the Board	186	142	88	416
In Implementation	166	120	74	360
In Formulation	-	-	5	5
In Procurement	-	-	16	16
Completed	62	115	169	346
Total	414	377	352	

Notes

1. JSIF completed 346 sub-projects during the 3-year period.
2. According to JSIF there may be some overlap of figures as some contracts that went into implementation during the period were also completed within the financial year

Source: JSIF

Financing of JSIF activities

1.12 JSIF's main source of financing is through loans and grants from regional and international funding agencies, negotiated by the Government of Jamaica (GOJ). The GOJ also provides counterpart funding towards the financing of sub-projects and administrative expenditure. **Figure 2a** shows JSIF's projected and actual expenditure during the three-year period, 2011-12 to 2013-14; while **Figure 2b** shows amounts received and spent in the categories administration and sub-project.

Figure 2a Analysis of JSIF's request for project and actual expenditure for 2011-12 to 2013-14

Financial Year	Projected expenditure (\$000)	Approved Estimates (\$000)	Amounts received (\$000)	Actual Expenditure (\$000)	Difference (\$)
2011-12	2,565,727	2,807,331	1,556,156	1,768,653	(212,407)
2012-13	2,124,573	2,043,210	2,471,050	2,263,693	207,357
2013-14	1,522,194	1,852,855	1,908,463	1,978,175	(69,712)
TOTAL	6,212,494	6,703,396	5,935,669	6,010,521	(74,762)

Notes:

1. Funds received are not all spent in the respective year. For example, JSIF received EURO \$1.85 million for the year 2013-2014. However, at March 31, 2014 EURO \$1.28 million was not yet spent.

Source: AuGD analysis of JSIF data

Figure 2b Administrative and sub-project funds received and spent for 2011-12 to 2013-14

Financial Year	Amount received			Expenditure		
	Admin (\$000)	Sub-project (\$000)	Total (\$000)	Admin (\$000)	Sub-project (\$000)	Total (\$000)
2011-12	275,158	1,280,998	1,556,156	393,292	1,375,361	1,768,653
2012-13	277,548	2,193,502	2,471,050	461,980	1,801,713	2,263,693
2013-14	274,947	1,633,516	1,908,463	430,827	1,547,348	1,978,175
TOTAL	827,653	5,108,016	5,935,669	1,286,099	4,724,422	6,010,521

Notes:

1. Administrative cost comprises the following: compensation of employees, transportation/travelling, rental of office space, electricity and telephone, equipment (computer and motor vehicle), other goods (stationery, advertising).

Source: JSIF

The focus of our audit

1.13 In our audit, we assessed how effective and efficient JSIF is managing sub-projects. Specifically, the audit examined whether:

- the sub-projects were sufficiently planned for successful implementation;
- effective measures were adopted to ensure the proper execution of sub-projects; and
- there was an efficient monitoring and evaluation system in place.

The audit also examined JSIF's role and purpose, project management systems and contracted human resources. See **Appendix 3** for further information on the scope and audit approach.

Acknowledgements

We would like to thank JSIF's management and staff for their cooperation and timely assistance provided to the audit team throughout this engagement.

Part Two

Managing the Planning and Implementation Process

Overview

Poor planning led to the non-commission of an infrastructure project and the termination of other projects.

Although we identified that some contractors did not complete constructions

within the agreed time, we were unable to determine the time overrun on sub-projects with any accuracy, as the actual start and completion dates of the respective contracts were not always evident on files presented for review.

2.1 In this Part of the report, we evaluate whether:

- sub-projects are planned and executed in accordance with policy and procedures;
- the implementation process was achieved in a timely manner; and where alterations to the original contracts were inevitable, actions were taken to prevent undue time delays, cost overruns and substandard project quality.

Project planning procedure

2.2 Project management involves developing a project plan, which includes defining and confirming the project goals and objectives, identifying tasks and how goals will be achieved, quantifying the resources needed, and determining budgets and timelines for completion. It also includes managing the implementation of the project plan, along with mechanisms to implement recovery actions where necessary. JSIF developed and instituted project planning procedures to ensure consistency and quality assurance.

The system dictates that once a project's description is deemed acceptable, it is registered and then progressed through a regulatory review process. For example, the Projects Committee (PC), comprising members of the Board of Directors, other co-opted persons and supported by JSIF staff, are required to meet monthly to review all submissions for Board approval prior to presentation to the full Board of Directors. The recommended projects are considered by the Board and approved or declined at its monthly meetings.

2.3 Our review of planning information, approval documents provided by JSIF and our interviews demonstrated that JSIF's staff was fully aware of and understood the approval and planning process. We performed a review of compliance with the regulatory review process

for 38 sub-projects for the period April 2011 to March 2014. In general, there was no evidence of material weaknesses or discrepancies in these systems.

2.4 The Board, which was established in October 2013, did not convene until March 2014. In the interim, the chairperson in accordance with the JSIF's Operational Manual approved 16 sub-projects with an aggregate cost of \$678.6 million. He approved five on November 7, 2013 and 11 on February 14, 2014 (**Appendix 1**). We noted that the chairman's approvals were subsequently ratified by the Board at the March 2014 meeting.

Non-commissioning of drainage project

2.5 The final phase of the implementation of a project is the commissioning phase. JSIF commissions the completed structure to the beneficiaries for occupation and use. This phase moves the project from the end of construction to the commercial operation status and includes testing to verify if it functions according to its design objectives. We found that JSIF was unable to commission a storm-water drainage system at Flankers due to its failure to obtain prior commitment from the National Works Agency (NWA). The drainage system was constructed at a cost of \$57.4 million. In addition, NWA advised JSIF that at the point which the drain terminates it would pose a *"serious threat of flooding of their offices, as it directly channel all the collected water on the premises."*

JSIF explained that NWA had agreed to carry out the necessary upgrading of its existing drain to accommodate the effective operation of the Flankers drain. Such an upgrade could prevent flooding should there be a heavy down pour. JSIF did not formalize this commitment in writing and NWA is insisting that the adjustment of the drain is JSIF's responsibility. According to NWA's letter dated January 10, 2014 *"The extension of this drain should have been a part of your design solution.....Kindly advise when you intend to commence this necessary extended drain, given that your drain, as built, cannot be commissioned as it will result in the flooding of our offices."* However, NWA has since completed the design upgrade of the drain and JSIF is sourcing funds to implement it. JSIF informed us that the experiences gained would be used for better planning, learning, improvements and going forward all commitments will be confirmed in writing.

Termination of projects

2.6 JSIF terminated 472 projects during the period 2011 -2014 for varying reasons such as: lack of funds, withdrawal by applicants and proposals not being viable. While JSIF did not incur any cost relating to the termination of 467 of these projects, its data management system showed that it paid professional fees of \$6,386,447 prior to the termination of the remaining five projects. Our assessment and JSIF's explanation surrounding the terminated projects are discussed in the following paragraphs.

2.7 Poor planning led to the termination of the Mulgrave Community Association & Youth Club Goat Breed Improvement for Traceability and Market Access Project approved by the Board July 4, 2012. The termination resulted from an issue with the ownership of the land slated for project implementation. According to JSIF, at the point of implementation of the

project a third party claimed ownership of the related land. JSIF further explained that with the dispute over the ownership, it would not be viable to continue with the project even after incurring cost of \$330,000 for design. JSIF could have avoided this if it had pursued its planning process diligently as one of the conditions to implement projects is that land ownership must be clearly established beforehand. Since then they have reviewed their procedures to include the verification of ownership at the National Land Agency. They indicated further that the \$330,000 would not be lost, as the design would be used to implement other goat rearing projects that are in the pipeline.

2.8 Following Hurricane Gustav a contract was awarded to formulate the design and supervision of contracts for four schools. Under this contract, the Moreland Hill Primary School Sanitation and Fencing Project with a budgeted amount of \$300,000 of the total contract cost of \$2,133,200 was aborted. According to JSIF the consultants work disclosed that the contract to implement the Moreland Hill Primary project was in excess of the donor approved amount hence the project was scrapped to be re-visited later. The budgeted amount of \$300,000 was not paid. Similarly, an assessment done by a consultant at a cost of \$291,720 showed that the cost for the formulation of the Content Rural Feeder Road Rehabilitation Project would exceed the donor allowed amount resulting in the termination. JSIF advised that the project was handed over to the parish council to be implemented through other funding source.

2.9 The Tawes Meadows Community Action Plan that was designed at a cost of \$2,090,861 was not fully implemented. The outstanding aspect of the project which was the training in use of the plan was terminated. The termination was due to insufficient community support and an upsurge of violence in the targeted community. JSIF explained that notwithstanding the challenges faced there had been on-going discussions on the possibility of resuming the work within the community but the response had not been positive. The negative response coupled with the risk of exposure to violence was considered too high for the project team to continue with the project. JSIF further stated that this project should have been classified as “not fully implemented” rather than “terminated” but the data management system had deficiencies that are to be addressed in a revamp exercise.

2.10 JSIF aborted the Tawes Meadows Sewage Pumping Station and Pipeline project and transferred it to the National Water Commission for implementation. JSIF concluded that it would not have been able to complete it within the timeline set by the donor agency had they continued. The project had incurred cost of \$3,373,865.93 in professional fees.

2.11 Review of aide memoires¹ and end of project reports disclosed that the donor agency was fully aware of the situation surrounding the sewage pumping station project in Tawes Meadow. However, there was no indication that the respective donor agencies were informed of the terminations and the alternate arrangements made to complete the other projects.

¹ An aide memoire is a document that presents the findings of the World Bank mission that visited the Project on a semi-annual basis. The Aide Memoire is based on findings of the visits and analysis of data collected during field visits. It also incorporates information from discussion with the officials and experts connected with the Project.

Projects delays and cost overruns

2.12 JSIF regularly varies contracts for both time and cost. Of the 38 projects, nine exceeded the contracted amount by \$26 million (15 per cent over the contracted sum). The additional costs was due to variation in scope. There was one instance where the poor quality in works of an infrastructure resulted in the termination of a contract,that necessitated the engagement of another contractor, which led to cost overrun. We identified that some contractors did not complete constructions within the agreed time and benefits of the works to the beneficiaries were delayed. Further, we were unable to determine the time overrun on sub-projects with any accuracy, as the actual start and completion dates of the respective contracts were not always evident on files presented for review.

Part Three

Project Monitoring, Reporting and Quality Assurance

Overview

There is a need to strengthen the current management information system (Fund Manager). For one, although the system can record time lag between main project milestones, it does not capture the reasons for the time lag. In addition, the system does not include options to reflect the actual start date of projects. Further, JSIF was not able to provide reliable data on the timeliness of all its sub-projects.

JSIF monitors the sub- projects through its own staff and consultants. There is no systematic monitoring of the performance of the consultants' work. Beyond the documentation in the progress reports prepared by the consultants, there was no evidence that the required evaluations were done consistently.

3.1 In this Part of the report, we evaluate the quality and effectiveness of JSIF's monitoring and evaluation systems.

Quality assurance

3.2 JSIF, to a high degree relies on the engaged consultants to carry out the quality assurance on the design and work of its construction projects. From our discussion with senior staff, the design work related to construction projects is in most cases conducted by private consulting firms. Once the designs are completed, the consultants prepare a design report, which should be reviewed by an in-house engineer to ascertain its adequacy.

3.3 With the exception of one case related to construction of community Centres², design problems were not common among sub-projects. In this one instance, the in-house engineers (through the technical review committee) discovered the poor design through its review process. There was none identified among the 38 examined sub-projects.

3.4 JSIF is responsible for the supervision and monitoring functions of all sub-projects. To assist in these functions JSIF engages consultants to supervise construction work. The consultants are expected to oversee the implementation of designs, monitor contractors' activities on site, and performing different tests to check the quality of the works. Additionally, they prepare progress reports and final accounts of the projects. Moreover, consultants are also engaged in final inspections or evaluations. Thus, the effectiveness of the quality assurance is largely determined by how well the consultants have fulfilled their duties. In

² World Bank contracted consultants, over whom JSIF had no control, did the design.

the 20 construction projects examined, the supervision and monitoring activities were carried out by consultants engaged for providing the design service.

3.5 Given that JSIF relies on the consultants for quality assurance, we expected that some evaluation of the consultants' performance would have been conducted in order for JSIF to satisfy itself that it had received quality service. However, there is no systematic monitoring of the satisfactory execution of the consultants' work. JSIF's officials informed us that it is a requirement that an evaluation should be conducted after the completion of a project but this is not routinely carried out. For example, consultants engaged on sub-projects implemented under the Inner City Basic Services for the Poor Project, which ran from June 2006 to December 2013 are just recently (June 2014) being evaluated. The ones being evaluated are those contracted on sub-projects completed at December 2013. The officials could not say how many consultants they had already evaluated but was able to provide us with a copy of a completed evaluation.

3.6 Our scrutiny of the submitted documents disclosed that the evaluation was conducted on June 26, 2014 and the consultant's performance was assessed as acceptable having received a score of 37 out of 50. According to the evaluator's comments: *"The consultant displayed a general knowledge of construction requirements, taking into consideration the time frame for carrying out the prescribed works, adhering to contract budget, provision of engineering services outside scope of contract so as to minimize down-time of project and the continuous monitoring and assessment at each mile stone within the construction process"*. JSIF assured us that they are working on improving their procedures so that evaluations can be completed in a timely manner.

Monitoring and supervising of sub-projects

3.7 In order to serve the interest of the donor agencies, JSIF's technical officers act as general supervisors and advisors throughout the whole construction periods of infrastructure projects. According to JSIF officials, they had no problem with the performance of any of its engaged consultants in the 20 sub-projects studied.

3.8 Based on documents related to the 38 sub-projects sampled and interviews with JSIF's staff, we got an estimation of the types and frequency of supervision, monitoring and inspection activities carried out by consultants and JSIF's staff. Concerning infrastructure projects, inspections are required to be conducted monthly, at substantial completion and at final inspection of the construction. The final two inspections are expected to be conducted jointly by JSIF, the consultant (if engaged) and the contractor.

3.9 There was evidence of weekly/monthly reports, minutes of site meetings and correspondence between JSIF and consultants. **Figure 3** shows estimation of types and frequency of supervision, monitoring and inspection activities.

Figure 3 Estimate of types of supervision, monitoring and inspection activities

Types of supervision and monitoring activities	Frequency
Site visits by consultants	Weekly
Site meetings	At least twice per month
Minutes of site meeting	As per meeting
Progress reports by consultant	Monthly
Site visits/inspection by JSIF staff	At least twice per month
Field visit/inspection reports	Weekly/monthly
Project reviews	Mid-term and end of project

Source: AuGD's compilation of JSIF information

JSIF management information system is incomplete

3.10 JSIF developed a management information system (Fund Manager) that tracks the projects milestones and financial progress. The system is recognized for its ability to support JSIF's management of its complex portfolio. The system computes the average time lags between different milestones from submission of proposal, project development, execution and completion of project. However, it is not configured to capture the reasons for the lag between milestones. Consequently, the system does not provide relevant data on which to base decisions such as a project being put on hold after the development stage because there is no funds to start implementation or retendering for a contractor/consultant to provide civil works or supervision services.

3.11 We requested data for analysis to determine the trend in performance, in terms of the cost and time to complete sub-projects. However, JSIF was unable to provide accurate reports on the timeliness and cost of its sub-projects from the Fund Manager. The Management Information System Unit made two attempts to provide the auditors with the required data but on each occasion, we were advised to use the report with caution as there were system errors and as such, the reports were unreliable. Further, we noted that the figure for 'approved project cost' (JSIF's contribution) in eight of the studied sub-projects files was inconsistent with the one in the dataset provided (**Appendix 2**). The figures for four (50 per cent) of the sub-projects in the dataset differed significantly from the figures shown on the files.

3.12 From an organizations perspective, understanding the status of all projects is a key element of good governance. Having this information readily available to JSIF's senior management, donor agencies and other external stakeholders requires effective management information systems that produce relevant, current and reliable information. Management advised that they were aware of the weaknesses in the system and plans are underway to address it.

JSIF reporting mechanisms

3.13 JSIF has a range of reporting mechanisms in place to provide its own management with information about the status of the projects. These mechanisms focus primarily on individual projects or broader loan/grant portfolio issues. The key reporting mechanism is noted in **Figure 4**.

Figure 4 Types of reports prepared by JSIF

- ***Project team members provide project managers with monthly site/field visit reports.*** These reports indicate status of project to date, issues with the projects and next steps - actions required to resolve concerns (if any) and move project forward.
- ***Monthly project managers' reports.*** A compilation of the most recent monthly project reports received from project teams. Typically they supply information on achievement to date and constraints to achievements.
- ***Monthly general manager's report.*** These provide status of portfolios, such as how close projects were to meeting targets, performance, summary of milestones, recommendations, constraints, and changes in procedure.
- ***Managing director monthly reports to the board of directors.*** These reports are high-level summaries that describe issues around project timelines and progress, financial information, risks and issues, and future events and milestones.
- **Quarterly performance review reports submitted to the Office of the Prime Minister.**
- ***Reports to donor agencies*** - Financial Reports (updated every 3 months), Implementation Completion Report, and Indicators tracking report (updated every 6 months).

Source: AuGD 's compilation of JSIF types of reports

3.14 While JSIF officials state that it holds the meetings outlined in **Figure 5**, it cannot demonstrate this as information obtained through the meetings is undocumented and purportedly resides with individuals. Where meetings are not minuted, there is a risk that key decisions may not be followed up as part of the implementation plan.

Figure 5 Outcome of the following meetings were not documented

Monthly Meetings	Focus of meeting
Project managers and team members	Discuss specific projects and their status, team building.
Project managers and coordinators meetings with the General Manager	Discuss targets, challenges and also significant operational issues, such as performance
Senior management with the Managing Director	JSIF's operations in delivery of its mandate, with some focus on projects

Source: AuGD compilation of meetings reportedly held by JSIF

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Appendices

Appendix 1 List of sub-project receiving retroactive approval by Board Chairman

No	Name of Project	Value of Project (\$)	Date of Chairman's Approval
1	Windward Road Primary & Junior School Equipping & Fencing, Kingston	2,697,480	November 7 2013
2	Allman Town Primary School Equipping & Fencing, Kingston	3,715,480.37	"
3	Melrose Primary & Junior High School Equipping & Fencing, St. Andrew	3,365,680.37	"
4	Central Branch All Age School Equipping, St. Andrew	2,933,859.95	"
5	St. Michael's Primary School Equipping, Kingston	2,670,359.95	"
6	Spanish Town Primary School Expansion & Fencing	35,766,000	February 14 2014
7	Flankers Vietnam Square – Central Avenue Drainage	27,409,689	"
8	Multiple Communities – Installation of Drip Irrigation	107,200,000	"
9	Ebony Park Farmers' Association – Construction of Bathroom, Packing Shed and Storage Facility	15,000,000	"
10	Holy Spirit Foundation c/o St. Elizabeth Meat Processors – Equipping and Capacity Building for the Operationalization of Meat Processing Facility	15,000,000	"
11	Thetford and Fontabelle Farmers Group Shade houses	14,400,000	"
12	RADA – Agro-processing Facility and	240,000,000	"

Capacity Building		
13	Ministry of Tourism and Entertainment – Tourism Demand Study	8,150,000 “
14	RADA Irish Potato Cold Storage Facility Construction	20,256,500 ”
15	Multiple Communities – Greenhouse Projects	160,000,000 “
16	Hanover Bee Farmers’ Co-operative Society Honey Bottling Facility	20,000,000 “
Total		678,565,050

Appendix 2 JSIF's contribution on file is inconsistent with dataset provided by JSIF MIS Unit

Name of Project			Board Approved JSIF contribution as per Project Files (\$)	Board approved JSIF contribution as per Dataset provided by MIS (\$)	Difference (+/-) (over/under) (\$)	JSIF's Comments
Alpart Council	Community		6,630,914.60	7,080,914.60	450,000.00	In Fund Manager the original board approved cost was equivalent to that on file but was revised to the increased cost. (Unable to determine the reason for number adjustments)
Middle Shrimp Association	Quarters Vendors		2,844,500.00	2,472,000.00	(372,500.00)	Board Memo is \$2,844,500 and the fund Manager amount is \$2,472,000 for main component, and Community contribution was increased.
Charles Town Council	Maroon		16,858,656.80	14,670,656.80	(2,188,000.00)	Board Memo for Charles Town is \$17,859,506.80 and the fund Manager amount is \$17,014,463.76 (unable to determine the reason for number adjustments)
Flankers Drain - Phase 2	Storm Water		76,000,000.00	67,238,824.00	(8,761,176.00)	\$74,733,000 in Fund Manager
Shelter Fence Removal	Rock Zinc		\$29,023,966.93	\$27,641,873.27	(1,382,093.66)	\$29,300,385.66 in Fund Manager
Passmore Works	Town Rd		\$23,715,090.00	\$19,940,800.00	(3,774,290.00)	\$20,937,840.00 in Fund Manager
Jones Town Skip			2,230,473.00	2,058,149.00	(172,324.00)	\$2,178,699.05 in Fund Manager
China St. Rd Rehab			\$29,212,820.40	\$29,313,870.40	101,050.00	\$29,723,320.79 in Fund Manager

Source: AuGD's analysis of JSIF's data

Appendix 3 About the audit

Purpose and authority of the audit

Our audit was planned and conducted in accordance with the Government Auditing Standards, which are applicable to Performance Audit and issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The planning process involved gaining a thorough understanding of the operations of JSIF and developing an issue analysis which focuses on the following key areas:

- i. Project planning;
- ii. Project implementation; and
- iii. Project monitoring and evaluation

We conducted this special audit to determine whether JSIF was carrying out its project management role in an efficient, economical and effective manner.

Scope and methodology

The scope of the audit consisted of an examination of the processes, controls and documentation supporting the management of projects during the period 2011-2012 to 2013-2014.

The audit methodology consisted of

- Reviewing of documentation relating to strategies and plans
- reviewing documentation relevant to sub-projects;
- conducting interviews with JSIF senior management and staff;
- identifying and assessing JSIF's management control framework; and
- conducting a detailed file review of the 38 sub-projects managed by the JSIF during the period 2011-2014.

FORMULATOR / SUPERVISOR

EVALUATION

Summary

Formulation (maximum score 50)	
Planning, Scheduling and Timeliness of Delivery	0
Communication with JSIF and Beneficiaries / Stakeholders	0
Quality of Design Deliverables	0
Project Cost Estimating	0
Innovation	0
SUB-TOTAL	0
Supervision (maximum score 50)	
Planning, Scheduling and Timeliness of Delivery	8
General Project Management	7
Cost Management and Documentation	7
Quality Control	4
Environmental Management	3
Health & Safety	3
General Communication & Reporting	5
SUB-TOTAL	37
TOTAL EVALUATED SCORE	37

NAME OF CONSULTANT: **GDM Associates Ltd.**
PROJECT NAME: Flankers Storm water Drainage, Phase 2; Flankers Codac St. Dainage; Flankers Red Dirt Road Pkgs 1&2 (Supervision contracts)
DATE CONTRACT SIGNED: Aug 29, 2013; May 24, 2013 and July 2, 2013 respectively
DATE OF EVALUATION: 26-Jun-14
NAME OF EVALUATOR: Kevin Sinclair, P.E.

EVALUATED SCORE **37** out of **50**

RECOMMENDATION PERFORMANCE ACCEPTABLE, MAINTAIN ON SHORTLIST

PERFORMANCE ACCEPTABLE, MAINTAIN ON SHORTLIST (>40)
PERFORMANCE MEDIOCRE, SUBJECT TO FURTHER REVIEW (25 - 40)
PERFORMANCE NOT ACCEPTABLE, REMOVE FROM SHORTLIST (<25)

EVALUATOR COMMENTS: The consultant displayed a general knowledge of construction requirements, taking into consideration the time frame for carrying out the prescribed works, adhering to contract budget, provision of engineering services outside scope of contract so as to minimize down time of project and the continuous monitoring and assessment at each mile stone within the construction process.

Signature:

Date:

CONSULTANT COMMENTS:

Signature:

Date: