

# PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON ACCOUNTABILITY ARRANGEMENTS IN SOLID WASTE MANAGEMENT

## TABLE OF CONTENTS

	<b>Page</b>
<b>Transmittal letter</b>	i - ii
<b>Executive summary</b>	iii - vii
Introduction	1
Reasons for the audit	1
Problems caused by waste	1
Classification of waste	2
Importance of effective accountability and governance	3
Environmental management accounting	4
Audit of waste management in an African context	5 – 6
Details of audit findings	7 – 8
Accountability strengths	9
Way forward	10 – 11
Background	20
Problems caused by waste	20 – 21
Classification of waste	21 – 23
Importance of effective accountability and governance	23 – 25
Terms of reference	25
Summary of the audit findings	25 – 28
Role and mandate of agencies	28 – 29
Measurement and reporting of performance	30 – 32
Developing people	32 – 36
Reporting on service delivery	36 – 37

# **TRANSVERSAL REPORT ON THE ACCOUNTABILITY ARRANGEMENTS IN SOLID WASTE MANAGEMENT**

## **EXECUTIVE SUMMARY**

Human activities have a significant impact on the environment. Over the last decade, specific emphasis has been placed on the sustainable use of environmental resources. This audit focuses on one such aspect namely, waste management.

2. The audit is a collaboration of five Auditors-Generals and included an environmental theme. This was to follow up on initiatives undertaken by the International Organisation of Supreme Audit Institutions (INTOSAI) Working Group on Environmental Auditing. The working group has provided extensive information on waste management and is providing training on the auditing of environmental issues.

3. The project was for all Supreme Audit Institutions to follow a common methodology to assessing the adequacy of the accountability framework surrounding waste management from National and International policies and declarations through to the basic service delivery. Fifteen key areas of questioning were identified and examined in each of the countries, including the national perspective through to one local council per country.

4. For the purpose of the waste management audit conducted in the five African countries, it was expected that not all accountability arrangements would be in place. The crucial issue is to see improvement over time. Therefore, this audit will be most effective if it is performed on a regular basis to provide ongoing accountability and benchmarking opportunities. At this stage, the issue of waste is the first in the series but hopefully the principles and methodology can be replicated in other key service delivery areas. The research, which was done by auditors from the participating countries, was co-ordinated in South Africa. The research and completion of the audits were undertaken in three months. The audit was conducted by means of electronic working papers.

5. The summary of the audit findings provides an insight into whether adequate accountability arrangements are in place. All negative findings reflect areas where attention should be drawn and corrective action taken to ensure the accountability chain can be completed.

6. The audit findings were discussed with the relevant role-players in the different countries, but the findings have not been made public. As a result, an overall summary, rather than detailed findings is included in this report.

7. The average achievement for the five countries was 70%, with the highest being 82% and the lowest 55%. The criterion was a simple average of each of the fifteen key areas of questions and whether the responses were yes or no.

### **Accountability gaps**

8. The audit revealed a number of limitations or accountability gaps. In four procedures, the achievement was 50% or less. One of the procedures was on National level whereas three were on Management level.

### **National level**

9. The national framework did not provide for measurement and reporting of performance by including provisions for the following:

- Targets (desired level of performance);
- Indicators/measures of performance (for each objective);
- Monitoring the achievement of targets and indicators;
- Defined internal reporting mechanisms (including the format, contents and frequency); and
- Enforcement of laws.

## Management level

10. Performance contracts for employees responsible for solid waste did not exist or did not adequately cover:

- Performance measures and targets;
- Service delivery in the performance contracts is measured on the following principles;
  - Cost (consistent with budget);
  - Quality (in line with the legislation and strategy of the entity); and
  - Timeliness.

11. The service delivery agents are not publicly reporting its performance in achieving the service levels defined above.

Specifically whether:

- Reports are in the public domain;
- Reports are issued frequently (at least annually);
- Reports are audited or validated internally or externally;
- Reports include a plan of action on non-achievement of targets;
- Reports include information against measures, indicators and targets including those in the national framework;
- Reports contain information that is simple, understandable and complete; and

- Reports are linking the cost of service delivery to their effects.

12. Training and education needs have not been assessed and provision has not been made by way of internal education (employees training) and external education (community training and education) regarding solid waste.

### **Accountability strengths**

13. Three procedures were performed where the countries met the accountability requirements of 100%. All three were at management level:

- the relevant authorities approved the documents that constituted the service delivery agent's framework;
- the service delivery agent has defined and documented roles and responsibilities in respect of solid waste and the organisational structures were aligned to meet the national requirement in terms of service delivery; and
- the different types of service delivery within solid waste management have been separately dealt with in the policy and procedural documents.

# **PERFORMANCE AUDIT REPORT OF THE AUDITOR- GENERAL ON THE ACCOUNTABILITY ARRANGEMENTS IN SOLID WASTE MANAGEMENT IN GHANA BY ACCRA METROPOLITAN ASSEMBLY**

## **Background**

At its 2001 meeting in Ottawa, Canada, the Working Group on Environmental Auditing (WGEA) of the International Organisation of Supreme Audit Institutions (INTOSAI) adopted waste management as one of the central themes of its 2002-2004 Work Plan. This resulted in the publication of the WGEA document “*Towards Auditing Waste Management*”.

## **Problems caused by waste**

2. Most countries recognise that environmentally solid waste management is an issue of major concern. For both developing and developed countries, waste management is an important factor in safeguarding human health and environmental protection. Unsatisfactory handling of waste can lead to the contamination of soil, surface water, groundwater and air. Some examples are:

- ◆ Soil can be contaminated with toxic components;
- ◆ Waste can pollute surface water and groundwater;
- ◆ Uncontrolled burning of waste produces toxic and carcinogenic gases; and

- ◆ Leaks of radioactive substances can contaminate the air and soil.
3. Furthermore, insufficient waste handling and emissions can have negative impacts on public health, exemplified by:
- ◆ Transmission of diseases and infections by rodents and vector insects;
  - ◆ Birth defects caused by exposure to polluted drinking water;
  - ◆ Cancer caused by radiation exposure;
  - ◆ Respiratory problems caused by waste sorting;
  - ◆ Uncontrolled burning of waste; and
  - ◆ Odour, littering, unsightliness and noise.

#### **Classification of waste**

4. There are many ways of classifying waste, for example hazardous, radioactive, medical waste and non-hazardous/solid waste. For the purpose of this audit the scope was limited to solid waste.

5. While the majority (62.1%) of the African population is still rural, urban growth rates at nearly 4% a year are the most rapid in the world, and nearly twice the global average (United Nations Population Division, 2001). Growth rates are predicted to average 3.5% per year over the next 15 years, meaning that Africa's share of the world's urban population will increase from

10% to 17% between 2000 and 2015 (United Nations Population Division 2001). Not only are there more people living in cities but the cities themselves are becoming larger, and more numerous. The rapid rate of uncontrolled and unplanned urbanisation in the developing nations of Africa has brought environmental degradation.

6. Urbanisation created a waste management problem for most city authorities, state and federal governments, and professionals alike. A visit to any African city today will reveal aspects of the waste management problem such as heaps of uncontrolled garbage, roadsides littered with refuse, streams blocked with junk, disposal sites constituting a health hazard to residential areas, and inappropriately disposed toxic wastes. The sheer volume of waste does not actually constitute the problem, it is the inability of governments and waste-disposal firms to keep up with it.

7. Solutions to waste management are possible. Communities around the world, large and small in both developed and under-developed countries have proven that this problem can be solved effectively. The benefits of sound waste management to human health and environment outweigh focus on the removal of solid waste in urban settlements.

8. Subsequent to the INTOSAI WGEA developments and to bring the NEPAD Action Plan for the Environment Initiatives (NEPAD: 66) to life, an audit was conducted on the accountability arrangements, with specific focus on the removal of solid waste in urban settlements in six countries, namely.

- ◆ Ethiopia;
- ◆ Fiji;
- ◆ Ghana;
- ◆ Kenya;
- ◆ Mauritius; and
- ◆ South Africa.

9. The main focus was on African countries, but Fiji was included since they expressed an explicit interest towards participating in this project and due to their participation in the previous training course presented by INTOSAI and IDI in Nairobi in 2004.

### **Importance of effective accountability and governance**

10. Across the continent, many people perceive that public services are inadequate or not improving. Accountability in government is a mechanism that could be employed to identify where the problem within the public service is arisen. By looking at the accountability chain from the national policy to the actual

service delivery, officials throughout government can be held accountable for their contribution or lack thereof towards effective waste management.

11. Accountability implies that mechanisms are present and effective for transparency in the operational functions of different tiers of government; responsiveness towards the higher level of the government; population and civic grievances; standards for professional and personal integrity and rule of law and public policies are applied in transparent and predictable manner.

12. Often there is high level commitment even on the international stage (such as being party to UN initiatives). However, it is often difficult to establish how this is reflected in service delivery.

13. We carried out the audit on the premise that not all accountability arrangements in place are always clear or adequate. This audit is conducted in an environment where there is limited and often insufficient funds to deliver services. It is, therefore, crucial that accountability is understood not to be a costly add on but an essential requirement of both service delivery and democracy.

14. We do not expect that all accountability arrangements will be in place. The crucial issue is to see improvements over time, therefore, this audit will be most effective if it is performed on a regular basis and provides on-going accountability and benchmarking opportunities. At this stage, the issue of waste is the first in the series but hopefully the principles and methodology can be replicated to other key service delivery areas.

### **TERMS OF REFERENCE**

15. Following the INTOSAI WGEA training intervention in Nairobi during February 2004, this audit is aimed at trying to implement sustainable development issues into the Supreme Audit Institution's audit practices. The audit is conducted in terms of SAI's mandate, to conduct a value for money auditing from the perspective of efficiency, effectiveness and economy. The intention is to be an introduction to the accountability arrangements on key service delivery aspects of the public sector. The first focus has been decided on in line with INTOSAI initiatives and the topic of solid waste management was selected.

### **Summary of the audit findings we identified**

16. These findings indicate whether adequate accountability is in place. This study will not make recommendations but will highlight negative findings for management's attention for

corrective action to be taken to ensure the accountability chain can be completed.

### **Key audit findings**

#### **National level**

##### **National framework for waste management**

17. A national framework represents the commitment of government to implement effective waste management. It also serves to guide national efforts and to establish an accountability chain. A framework could be in the form of legislation or policy. The national framework is found in the 1992 Constitution and the Environmental Sanitation Policy (ESP) of May 1999.

18. We found that the national framework only partially exists with regards to waste management. The Constitution did not provide for the right of citizens to a clean and safe environment. The ESP on its part seeks to define a systematic approach and framework within which resources can be used most efficiently. Additionally, the ESP has eleven objectives it intends to achieve by the year 2020. We found the planning horizon of 20 years too long for any meaningful evaluation of policy objectives as some of the strategic and even the particular activities may be outdated by technological innovations and creation of awareness. Furthermore, the objectives were not specific and measurable.

19. A national framework only partially exists with regards to waste management.

20. Various international groups and summits have recognised principles of effective waste management, including the 1992 Rio Summit and Agenda 21 and further reinforced by the 2002 World Summit on Sustainable Development held in Johannesburg. Internationally recognised principles of effective waste management include the following aspects:

- ◆ Prevention
- ◆ Generation
- ◆ Recycle, reuse
- ◆ Collection
- ◆ Transport
- ◆ Treatment/disposal

21. We found that the national framework only partially reflected internationally recognised principles of effective waste management as it was silent on prevention. Prevention is the first stage in the waste stream. The motivation behind this stage is the sustainable use of resources in general. We should use not more of the natural resources than necessary, and the manufacture of products that do not have any useful purpose, generates waste. Wanton use of natural resources and the seeming lack of replenishment and the extended regeneration period calls for look to be taken at the usage rates.

22. To address capacity issues in ensuring effective service delivery, it is necessary to provide for training and development of personnel.

23. We found that in terms of training, the national framework included provisions for education and training on waste.

24. The national framework provides for an enforcement agent (Ministry of Local Government and Rural Development).

25. For implementation of any framework the required resources have to be made available. The specific identification of 'waste' in the budget process will facilitate adequate resources to be applied to waste management. We found that there was a separate budget allocation for waste.

### **Role and mandate of agencies**

26. A crucial aspect of accountability is a clear and documented understanding of the respective roles and responsibilities of each of the agencies involved in waste management, from the national to local levels. The roles and responsibilities of agencies included the monitoring function.

27. ESP required the setting up of the National Environmental Sanitation Coordination Council (NESPCC) within the Ministry of Local Government and Rural Development with the objective of coordinating policy and ensuring effective communication and cooperation between the various actors involved in environmental sanitation. According to Chief Director, MLGRD, the NESPCC has not met for four years, and, thus, providing insufficient information to aid delivery of the monitoring function of MLGRD. Therefore, the monitoring function is only partially satisfied.

28. An important aspect of accountability is for timeframes to be set for when key aspects of legislation are to be implemented. In terms of timeliness, timeframes, legislation and other relevant national documentation, we noted that Section 8.2 of NEP reposed the development of Strategic Environmental Sanitation Plans (SESPs) in District Assemblies for the implementation of basic environmental sanitation programmes and services. The policy required District Assemblies to use short planning horizon of between 10 and 15 years

29. We found the planning horizon not clear and specific enough to ensure that adequate project management principles can be employed for implementation of waste management.

## **Measurement and reporting of performance**

30. A primary role of accountability is to facilitate adequate and consistent measurement and reporting. This can be achieved effectively by setting out instructions through national policy documents such as legislation or policy. This requires that the national framework sets out:

- i. targets (desired level of performance);
- ii. indicators/measures of performance (for each objective);
- iii. monitoring the achievement of targets and indicators;
- iv. defined internal reporting mechanisms (eg. the format/contents/frequency); and
- v. defined external (public) reporting mechanisms (eg. the format/contents/frequency).

31. We identified that the national framework only partially included provision for measurement and reporting. The following aspects were not provided for:

- ◆ Indicators/measures of performance (for each objective);
- ◆ Monitoring achievement of targets and indicators;
- ◆ Defined internal reporting mechanisms (eg. the format/contents/frequency);
- ◆ Defined external (public) reporting mechanisms (eg. the format/contents/frequency); and
- ◆ Provisions for the enforcement of law.

## **Management level**

### **Establishing an operational framework**

#### **Budget priorities**

In most public sector organisations the limited funding requires choices between different services and limits to the scale of services provided. It is the responsibility of management to make choices and decide what can be provided from the finite funding available. Such allocation should be made on the basis of priorities and risks.

32. We noted that available resources allocated by the central government were not based on the service delivery agent's priorities and risks.

33. In addition, it is the responsibility of management to identify those services that cannot be addressed within available resources and to make relevant decision makers aware of the shortfall in the budget.

34. We found that the management of the service delivery agent has identified the additional resources required to fully implement its waste management responsibilities.

#### **Operational framework at local level**

35. In order to facilitate accountability and transparency it is necessary that the management of the service delivery agent

establishes a coherent operational framework that captures the requirements for waste management at the local level.

36. This includes legal and policy requirements (including those derived from national framework and internationally recognised principles of effective waste management), measurement and reporting requirements, and day-to-day waste management activities. It is also important that the operational framework be aligned to the national framework, to ensure effective policy implementation. We found that the service delivery agent has established an operational framework that satisfies these requirements.

#### **Approval of operational framework**

37. To create an accountable framework, the documentation should be approved at an appropriate level. We found that Accra Metropolitan Assembly approved the operational framework of its Waste Management Department.

#### **Developing people**

##### **Training**

38. Staff capacity is a major barrier to effective service delivery. Consequently, it is essential that training is provided to address this concern if possible.

39. We noted that:

- ◆ Training was piecemeal, limited by resource availability; and
- ◆ Community training/awareness was provided for.

#### **Roles and responsibilities within the service delivery agent**

40. In addition to documentation (systems), the organisational structure (people) is also essential to provide the necessary capacity for service delivery. This needs to be defined on an organisational level and be broken down in terms of service delivery requirements (including solid waste).

41. We noted that the agency has defined and documented responsibilities relating to the management of solid waste.

#### **Capacity and delegation**

42. A key element in the successful provision of any service is to match peoples' ability and experience to their responsibilities.

We identified the following:

- ◆ AMA profiled each position (in terms of competencies and skills) to ensure appropriate personnel were at post; and
- ◆ Delegations of responsibilities were clear and documented.

#### **Performance contracts of staff**

43. Performance contracts need to exist to provide individual accountability at least for senior management down to the level of

the manager responsible for service delivery. In addition, the contracts need to include requirements regarding timeliness, cost and quality of service delivery in sufficient detail.

44. We noted that the performance contracts or other mechanisms partially covered the requirements of performance for assessment purposes. The following aspects were not covered:

- ◆ Cost
- ◆ Quality

45. It was difficult to identify whether individual performance targets were aligned to organisational targets.

## **Setting standards and reporting on performance**

### **Aspects of service delivery**

46. Accountable public services set their expectations of service delivery before the commencement of the relevant time period. By setting out predefined expectations in respect of service delivery, transparency is enhanced. For the audit we evaluated this in terms of cost, extent, quality and timeliness within policies and procedures.

47. The audit found that, there was pre-defined framework in place for the cost, extent, quality and timeliness of service delivery established by management.

48. The cost of service delivery was not linked to the expected or budgeted levels of service delivery.

### **Engaging the community**

49. Engaging the community in delivery of services is essential. The engagement could take the form of training, education, setting standards and monitoring the activities of service delivery agents. This engagement with the local community should be included in formal documentation.

50. We found that community involvement in service delivery was extensive including setting of standards and review of performance.

### **Systems and processes**

51. A strong measurement and reporting framework are essential for effective accountability. This needs to be at the organisational level and used for internal and external purposes.

52. During the audit we found that the organisation had established and documented the processes and systems enabling the reporting in line with the required reporting framework.

53. The documentation on the processes and systems of reporting obtained from management was not up to date.

54. The documentation on the processes and systems of reporting was communicated to those individuals affected.

### **Reporting on service delivery**

55. As well as setting standards, organisations must report transparently on their activities. We noted that:

- ◆ Reports were available in the public domain;
- ◆ Reports were available at least annually and were audited;
- ◆ Reporting against measures/indicators/targets were included in the report;
- ◆ There was no plan of action for non-achievement of targets; and
- ◆ The information was simple, understandable and complete.

## **Service delivery unit**

### Identification of services for solid waste

56. It is important that solid waste is identified separately in the policy and procedure documentation of the entity.

57. We found that the policy and process documentation of the entity includes clearly identified processes for the service delivery on solid waste.