



NDA

National
Development
Agency



FREE STATE CSOs FORUM

CLOSE OUT EVALUATION REPORT

SEPTEMBER 2013



CLOSE OUT EVALUATION
REPORT

OF

FREE STATE CIVIL SOCIETY
ORGANIZATION FORUM
(FSCSOF)

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ACCOUNTANTS

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1. Introduction

We have been appointed to conduct close out evaluation for Free State Civil Society Organizations (referred to as FSCSO's) on behalf of National Development Agency (NDA) for the purpose of funding granted to the Project as requested by NDA.

NDA has signed a Service Level Agreement (SLA) with Free State Civil Society Organization Forum. Our responsibility was to carry out close out evaluation. This report is prepared to assist NDA to take the decision on whether to continue assisting the co-operative or not as well as to check if the organisation's objectives or goals have been achieved or not.

1.1 Approved Funding

National development Agency has approved a grant to the tune of R 1, 140,280.00 to assist FSCSOF. The grant was mainly for strengthening capacity building of CSO's and strengthening affiliated CSO's advocacy and lobbying activities at a Provincial ,District and local level in order to enable coalition to prevail.

2. Nature of the evaluation report

2.1 Scope

For the purpose of funding granted to Catholic by NDA, we, Thuto Pele, have been requested to carry out the closeout evaluation.

Our work is limited to scope of work agreed, it does not constitute an audit in terms of international Standards of auditing (ISA`s) and consequently we are not in a position to give audit opinion on our findings. It covers an assessment of the following:

- Project performance
- Project impact on the community and members
- Sustainability of the Project
- Project's relevance, effectiveness and efficiency
- Main achievements and challenges.
- Compliance issues

2.2 Sources of information used during the process

Our evaluation processes included:

- Holding discussions or interviews with members of Free State Civil Society organization Forum
- Review and analysis of the information made available to us by relevant officers.

2.1 Methodology and Rating used

2.1.1 Methodology

The following procedures were performed during the mid-term evaluation process:

- Review of grant application form.
- Review of financing agreement.
- Review of Free State Civil Society organization Forum's progress report to check if they will be able to meet their objectives or goals.
- Review of project's legal documents and constitution for compliance.
- Review of Free State Civil Society organization Forum's corporate governance structure and processes.
- Review of Project implementation reports.

- Review of Development manager progress reports.
- Review of performance assessment report.
- Review of mid-term evaluation report

We have also met with the following people for discussions and interviews:

DATE	NAME OF OFFICIAL	POSITION
13/08/2013	Tshidiso Tau	Project Manager
13/08/2013	Dithebe Makhate	Project Administrator

Venue: 3432 K5, youth Parliament Building, Kutloanong, Odendaalsrus, 9480

Date: 13 August 2013

2.1.2 Rating

The following ratings were used throughout the process:

Met target (Scale: 3)	Address all relevant criteria in full and no deficiencies should be identified
Average (Scale: 2)	Address most of the relevant criteria and the deficiencies identified should be immaterial in nature.
Poor (Scale: 1)	Address only some of the relevant criteria and the deficiencies identified should be material in nature

The contract between NDA and FSCSOF end on the 31st August 2013. From our analysis and observation it shows that the project might not be able to achieve its objectives

3. About the Project:

3.1 Background

Free state civil society organization forum (FSCSOF) was established in October 2009 following the state of civil Society and the sustainability of Projects conference that was held in march 2009 where NDA funded Projects in the free state province indicated the need for the establishment of the provincial CSO's forum that would lobby and advocate on behalf of civil society in the free state. The need arose from consideration that civil society project in the Free State were not represented at high policy formulation levels of government and multilateral development agencies.

3.2 Projectactivities

The main activities of the project are:

- Recruiting new beneficiaries or members
- Setting up FSCSO Regional Structure
- Addressing AGM's of beneficiaries and potentials members
- Identifying Strategic Partners and developing partnership
- Policy and legislative engagement for the benefit of the sector
- Capacity building of FSCSO and its members
- Resource mobilization
- Assisting members with NPO registration, SARS (Tax Exemption, PBO etc)
- Participating forums which requires CSO representations and inputs e.g. African Peer Review mechanism (APRM) and Integrated Development Plans (IDPs)
- Provide mentorship in ensuring sustainability of projects

3.3 Objectives or goals to be achieved

- Development of CSOs and ECDs sites database
- Development of capacity building interventions to assist beneficiaries
- Source or mobilization of resources or funds on behalf of beneficiaries
- Building leadership and governance in order to decentralize, advocacy activities and facilitating capacity building and information session
- Embarking on joint programmes with government, business, labour and other civil society networks

3.4 Board of Directors or Management

Free State Civil Society Organization Forum is under the leadership of the board of directors as follows:

Name	Role	Years on of experience
Mr. T Tau	Chairperson (also a signatory)	02 years
Mr. D Makhate	Secretary	02 years
Mr. I Maruping	Treasury (also a signatory)	02 Year
Ms. L Molete	Director (also a signatory)	02 years

Any two of the above individuals can authorise the bank to make payment on behalf of the Project:

Free State Civil Society Organization Forum has bank accounts with FNB as required by NDA. The bank account is used to hold funds received from NDA and sales generated.

3.5 SWOT analysis

<p>Strengths</p> <ul style="list-style-type: none"> - Committed committee with necessary skills - Well know project within NPO's and CBO's in the province - Availability of resources (vehicle, equipment's, internet facility, etc.) 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Lack of adequate staff members - Poor marketing activities within the project - Lack of compliance knowledge might render the project redundant
<p>Opportunities</p> <ul style="list-style-type: none"> - Support from government department and agencies - Already have beneficiaries registered in the database 	<p>Threats</p> <ul style="list-style-type: none"> - Legislation and by laws - Competitors reactions - Lack of insurance policy for equipment's

4. Project achievements to date

❖ Planning

Planning has been done, so far the organisation has 18 CSO's on their database and they have managed to offer basic trainings to the members (CSO's). They also managed to employ a project manager, Administrator and Bookkeeper. Management and board members held regular meetings to monitor operational progress. The following assets were purchased: vehicle, computer, laptop, printer, camera, overhead projector and video camera.

❖ Technical skills or training

A three day capacity building workshop were held in Bloemfontein.

Topic: Basic proposal development and basic governance and compliance

Beneficiaries: 40 to 50 participants.

This trainings were done in-house and were basics by nature, no formal certificates issued. We have confirmed that this trainings was facilitated through an attendance register that was provided to us by members.

One day networking seminar was held. Participants included National Youth Development Agency (NYDA)

A website was developed and it's up and running

A branding and marketing materials were developed: this include vehicle branding, design and printing of brochures, banners, stationery, etc.

4.1 Reasons for Project failure and challenges

- ❖ The project does not have a sufficient support from both local and district municipalities within the province.
- ❖ Lack of adequate staff members within the project make it more difficult to achieve the targets or objectives
- ❖ Lack of compliance. The project is not registered with SARS as a public benefit project. We believe that this might limit the chances of the project to be funded or receive more sponsors from both private and public sectors.

4.2 Controls Implemented

- ❖ The Project Manager indicated to us that they have engaged district municipalities within the province for their support and partnership.
- ❖ He also highlighted to us that they will engage local people to volunteer in the project

4.3 Lawsuits and disputes

Management have confirmed to us that there are no pending law suits or disputes against the Project or any of its members as a result of association with the Project.

4.4 Compliance requirements with authorities

The Project was established in terms of NPO Act; and it is not an income generating Project, therefor it should not register for tax purposes with SARS. It was noted during our discussion that the Project is not registered as a Public Beneficiary Organisation with SARS. We therefor suspect that even the beneficiaries are not registered as well for compliance.

4.5 Project's performance measurement against predetermined objectives

It was found that the project have achieved some of its predetermined objectives as listed in the table below:

Activities	Comments
Planning	<p>Project planning has been done, but additional planning and strategies are required to reposition the Project in order to achieve objectives.</p> <p>The project has developed a database to register beneficiaries but only 18 has so far being registered.</p> <p>Building sectoral networks, leadership and government. Not yet achieved but ongoing</p>

	Rating: Average
Skills and training	Training on Proposal development and Governance has been conducted. Rating: Average
Project beneficiaries empowered	One of the major objectives of the Project is to establish a database with 25 cso's and ecd's in the province only 15 were registered Rating: Average
Access to finance or sponsor to beneficiaries	The project has not yet able to source financial assistants to any beneficiary Rating: Poor

4.6 Project impact on the participants and community

Primary beneficiaries of the Projects is to have a database of beneficiaries within the offices. So far the project has 15 projects within the database. There is an Administrator, Project Manager and a Bookkeeper who are employed are contracted to the project. This project has participated in our government long run objective of creating sustainable job opportunities. The community will benefit more should the project put more effort on marketing and communications.

5. Sustainability and Growth

The Projects is experiencing a series of challenges with regard to other cso's because there is minimal support from municipality and some government departments. There is also a challenge of raising funds to be able run and support their beneficiaries. As a result little marketing strategies are developed to reach the beneficiaries. Beneficiaries pay R500 annually for membership fees. The members of the project has indicated to us that they have applied for other sponsors such as Lottery funds, Vodacom, etc for financial assistance.

5.1 Project's effectiveness and efficiency

Currently the project is on the last tranche of funds from NDA. It is relevant and is showing potential for success should it receive more funds from NDA and source other sponsors. The contract with NDA comes to end on the 31st August 2013 according to signed service level agreement.

6. Financial controls

6.1 Funds management skills

The Project financial management is overseen by the Bookkeeper and Administrator and through inquiries and review of their books the following was noted:

- The latest financial statements prepared was during the year 2013 and there is an audit report compiled by Strydom Du-Plessis CA (SA)
- Management accounts are prepared by the Bookkeeper and Administrator

6.2 Financial report

The Audit's report of FSCSO for the year ended 2013 have been submitted to us as follows:

Income Statements

The income statement review is based on annual financial statements for the year ended 28 February 2013

Income Statement for the period

	2013
Grant Received	981,252.00
Other Income	0
Less: Operating expenses	(653, 734.10)
Surplus / (deficit) for the year	327 517.90

BALANCE SHEET

The balance sheet review is based on Accounting Officer's report for the year ended 2013

	2013
ASSETS	
Non-Current Assets	
Plant, Property and Equipment	156,729.44
Current Assets	
Cash at Bank	173,788.46
Total Assets	330, 517.90
EQUITIES AND LIABILITIES	
Reserves and Liabilities	
Retained funds	327, 517.90
Current Liabilities	3, 000.00
Total Equity and Liabilities	330, 517.90

The audit report was compiled by Strydom Du-Plessis CA (SA)

7 Compliance and Controls

7.1 Income tax

Frees State Civil Society Organization is not registered for income tax.

7.1 Other taxes

Frees State Civil Society Organization is not registered for other taxes such as PAYE, SDL, and UIF.

7.2 Accounting system

The Project does not use any accounting system and their transactions are recorded on the Office Computer using excel. Manual requisitions, quotation, invoices and bank statement are filed.

7.3 Record keeping

FSCSO keeps its record in the files at the office situated at no **3432 K5, youth Parliament Building, Kutloanong, Odendaalsrus**, As for back-up, the Project Manager keeps the record as well. FSCSO does own a computer, printer and there is an internet facility.

7.4 Internal control

The Board members of the Free State Civil Society Organization Forum oversee governance and control of all Projects activities. There is policies and procedures in place to ensure that the Project runs smoothly and in accordance with its objectives per the business plan and organisation's constitution.

7.5 Monitoring or visit

Development Manager made several visit to the site for monitoring and this was verified by visitor's registry book on site.

7.6 Follow up on challenges raised by Development Manager and during the evaluation process

Challenge	Response
Lack of support from municipality and government departments.	Even after a numerous attempts to meet and schedule a meeting government stakeholder still they failed to honour the meetings. It still ongoing
Lack funds to support our beneficiaries.	The funds collected from beneficiaries upon registration and annual fee renewal cannot be able to support the organization going forward.
Lack of marketing for the beneficiaries.	Lack of funds makes it difficult for the organization to attract more beneficiaries on board

7.7 Areas that need attention and Recommendations

Marketing and Linkage: The project should put more effort on marketing and linkages to both beneficiaries and investors

Adequate staff: The project should increase the staff to assist the project manager and administrator in place in order to provide quality and reliable services to beneficiaries

Compliance issues: If the project can registered as a Public Beneficiary Organization with Sars it will increase its chances of receiving more sponsorship

If the identified challenges can be given attention the project stands a good chance of being sustainable and change the life of many people within Free State Province

8. Conclusion

The following items were noted from evaluations:

- NDA provincial Development Manager visited the site.
- Lack of support from the municipality and other government department.
- Lack of knowledge about compliance issues that make the beneficiaries to be non-compliant as well.
- Available beneficiaries are proactive and they want to see the Project succeed.
- Insurance cover for the available assets needs to be approved.
- Project has to be registered with SARS as a public beneficiary.
- Security services are needed at site to protect the acquired assets.
- Project still need a financial support from NDA and any other sponsor or investor



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