cogta

Department:
Cooperative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

IMPLEMENTATION EVALUATION OF CAPITAL PROJECTS FUNDED IN 2015/2016 FINANCIAL YEAR

NORTHERN REGION

July-September 2017

The Evaluation Directorate

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1. INTRODUCTION

The Evaluation of capital projects aims to assess the value for money in the capital projects that the Department had invested in over the years. The evaluation of the capital projects within the 2015/2016 financial year will be a two part report, which will cover 2 regions of the Province of KwaZulu-Natal being the Northern region which covers projects within Umkhanyakude, Zululand, King Cetshwayo and Umzinyathi districts.The Southern region cover projects within Ilembe, Uthukela, Ugu and Harry Gwala districts. This evaluation report presents the findings of 2015/2016 funded capital projects of the Northern region.

2. REPORT OUTLINE

This report presents the findings of the evaluations conducted on ten Capital projects within the Northern region. Considering the magnitude of information produced on the analysis of each project, it was deemed fit that the findings include the use of indicators, to enable the reader to obtain as much detail as to the project and factors that influence or inhibit the success of the projects that had been supported. Each project report covers 6 assessment areas as per the Capital projects value chain which are as follows.

Area 1: Project conceptualisation

This area will consider the conceptualisation and design process of the project and aims to establish if this process was conducted. The following indicators will be used to assess this area.

Area of assessment	Indicator	Good	Bad
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100%
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**

Area 2: The support application process

This area assesses the relevance and the efficiency of the support application process and how it influences the projects that are being supported. The following indicators are used to assess this area

Area of assessment	Indicator	Good	Bad
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1
Period of support application	Period of support application process	**N/A**	**N/A**

Area 3: Project inputs and expenditure

This area presents the funds received and establishes if the deliverable costs had deviated and if expenditure challenges had been experienced.

Area of assessment	Indicator	Good	Bad
Funding arrangement	Funding transferred in full or in tranches	N/A	N/A
Funding requested against funding received	Funds received against funds requested	100%	Below 100%
Cost per deliverable	Cost per deliverable	N/A	N/A
	Subsequent changes in the cost per deliverable	0%	1% and above
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure

Area 4: Project implementation

This area considers the implementation of the projects as assess project implementation in terms of time and scope. This area will also consider challenges experienced in project implementation and working relations between project stakeholders. The following indicators are used to assess this area.

Area of assessment	Indicator	Good	Bad
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place
	Meeting frequency	Monthly & quarterly	Not meeting
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1
Challenges experienced	%Challenges are internally focused: % Challenges are externally focused	**N/A**	**N/A**
Working relations internally and externally with stakeholders	%Good working relation internally: %Bad working relation internally ratio	100%:0%	0%:100%
	%Good working relation externally: %Bad working relation externally ratio	100%:0%	0%:100%

Area 5: Project outcomes

The outcomes of the project are measured by project utilisation. This area the functionality of the project utilisation and level of usage by project end users. The following indicators are used to measure this area.

Area of assessment	Indicator	Good	Bad
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%

Area 6: Value for money summary

This provides a summary of the project status according to the value for money elements being Economy, Efficiency and Effectiveness. The findings would assist in establishing which areas needed to be optimised to ensure that the project would be implemented effectively.

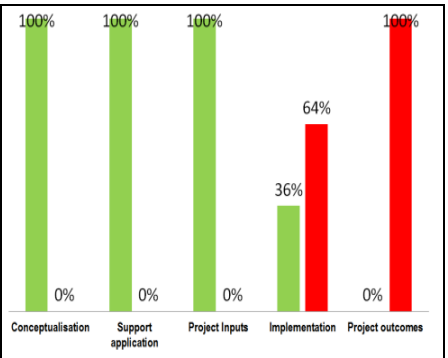
3. SUPPORT PROVIDED PER SUPPORT PROGRAMME IN THE NORTHERN REGION

A brief profile of the projects supported in the Northern region

Support programme	Massification	Disaster Management	Small Town Rehab & Corridor Development	Total
Total investment in the 2015/2016 financial year	R 97 000 000	R 14 100 000	R 10 500 000	R 121 600 000
% of total investment in the 2015/2016 financial year	79%	12%	8%	
Projects supported	5 projects	2 projects	3 projects	10 projects
Projects supported	Abaqulusi connection of 204 HH in Triangle area	Refurbishment of the Gingindlovu Fire and Emergency Services Centre	LED Development: Sibongile Community Green Park-Phase 2	
	Umhlabuyalingana Electrification of 454 households in Mboza and Mvelabusha	Construction of the Umzinyathi Municipality Disaster Management Centre	The Rehabilitaion of KwaMbonambi Town Roads and street lighting	
	Uphongolo electrification: Dwasrand project, 461 HH		Imbube cultural Village project	
	Nquthu Electrification of 667 HH in wards 3& 10			
	Umvoti electrification of 2422 HH in Emakhabeleni, ward 5 and 6			

3.1. THE MASSIFICATION PROGRAMME

Abaqulusi connection of 204 households in Triangle area		
Funding received	R5 000 000.00	
	Planned	**Actual**
Deliverable	204 functional electrified households	0 households with functional connections
Project commencement	March 2016	July 2016
Completion	July 2016	Project on hold
Planned project duration	5 months	Only 2months implementation project on hold
Expenditure	R5 000 000	R3'363'567.23 or 67%
Actual progress	In progress	In progress
Date of visit	28 July 2017	
Need for the project	Noted backlog of 522 households. The Triangle area had not been connected due to lack of funds.	



ELEMENT 1: PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	Project based on community engagements to which ward 5 was prioritised.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	The project is a ward 5 project and the IDP list shows a project in Ward 6.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A consulting engineer RPS Ilangabi prior to the drafting of Business Plan.

ELEMENT 2: SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	0	Funding transferred in March 2016 as in accordance to the commencement month of March in the business plan.
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	Municipality noted that funding was transferred in time to make payments
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	1:0	Funding received was adequate to meet partial backlog and hasten connection to households.
Period of support application	Period of support application process	**N/A**	**N/A**	20 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	N/A	N/A	Full	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	
Cost per deliverable	Cost per deliverable	N/A	N/A	R24'509.8 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	+67%	R3'363'567.23 /R5 000 000 or 67% expenditure
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	4 months	As per the business plan the project was supposed to commence in March 2016, but commenced in July 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	0	Implementation only 2 months out of the planned 5 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	12 months	Project on hold. According to Technical Services, the project is within budget. But according to Finance Department funds were exhausted it was learnt that contractors have not received payment, resulting in the halting of the project.
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Municipality, Cogta, Eskom and Service Provider. The structure worked strictly according to Eskom standards and involved Eskom throughout. Eskom would also ensure that they monitor the meeting of the set standards.
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	The Municipality worked strictly according to Eskom standards and involvement of Eskom. Eskom also ensured that standards were monitored and met.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Installation of Medium Voltage (MV) & Low Voltage (LV) network was completed on time. However later in the project a new Eskom standard on the installation of intermediate poles to households was included in the scope after the MV-LV network had been installed. The new standards came while the municipality was preparing for functional connection. As a result, Eskom would not continue with planned outages if intermediate poles were not installed per household. While address this challenge, it was later understood that the money allocated for the project had been fully spent, but contractors had not been remunerated. This halted the project.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	According to initial standards the project was on scope. However as of February 2017, new standards of intermediate poles had been introduced, to which challenges were experienced.
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	According to Technical Services, the project is within budget with R1 636 433 available. But the Finance Department within the Municipality informed them that funds were exhausted. It was also learnt that the contractors had not received payment from the money spent, halting the project. Risks were faced which included project gaps being unaddressed and the escalation of project costs. It was noted that the Finance Department within the Municipality did not know how to manage funds set for projects.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	N/A	N/A	33%:67 %	• The mismanagement of funds by the Finance Department. • The cost of connecting deep rural areas escalates costs per connection to which it falls out of set parameters. • New residents moving into area after pre-marketing, resulting patched connections.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	0:100%	Not good with internal Finance department. Mismanaged funds internally resulted in the halting of the project
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	0:100%	Partially Good with Eskom. Challenge is last minute change in standards of the inclusion of intermediate polls in the project scope. This is a result of different Eskom offices in the province having different standards eg. Plans approved by Newcastle office but subsequently changed by the Pietermaritzburg office.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	No households electrified and there is still a backlog of 522 HH. Patched planned connections
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Highly dissatisfied as they are demanding answers from the ward councillor and ward committee

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• Department must be able to confirm that project fund are payed to service providers. • Department must communicate with the MM and the Finance Department on payment issues.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	Project experienced 67% expenditure.
Efficiency	Not efficient	Project delayed due to the Municipality's management of funds, the change in scope with the addition of intermediate poles and working relations with Internal and external stakeholders.
Effectiveness	Not effective	Out of the 5 households visited there were no functional connections.

Above: One of the households not connected as they did not form part of the connection map

Above: One of many households which were wired but did not have intermediate poles as per Eskom standards

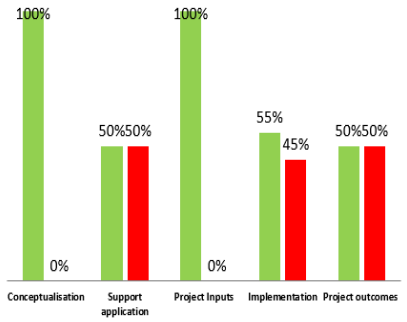
Above: Only 1 household visited had an intermediate pole

Above: The households that were not connected as they were not part of the connection map.

Above: Household wired but does not have a meter box installed

Above: Medium Voltage poles installed but are not supported by intermediate poles, to ensure proper household connections

Umhlabuyalingana Electrification of 454 households in Mboza and Mvelabusha		
Funding received	R10 000 000	
	Planned	**Actual**
Deliverable	**454 functional connections in 2 wards**	Est 227 functional connections
Project commencement	January 2016	June 2016
Completion	June 2016	April 2017
Planned project duration	6 months	10 months
Expenditure	R10 000 000	R10 000 000 or 100%
Actual progress	Complete	Incomplete
Date of visit	31 July 2017	
Need for the project	Connection of households occurring at a slow pace. Municipality had no funds available to augment current connection.	



ELEMENT 1:PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	Municipality engaged with the community as part of the IDP process to which the project was prioritised
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Both wards Mboza and Mvelabusha part of the project list.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A consulting engineer was appointed to conduct a feasibility study and produce the preliminary designs

ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	1	Funding transferred in December 2015, 1 month before planned implementation
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	-2	The project manager noted that the transferred funds only reflected in February 2016 a long time after the adjustment budget, which meant money had to be spent in July 2016
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	R10 million is not enough to electrify the 35 000 household backlog. As a result the Municipality had managed to reduce the backlog by 14%.
Period of support application	Period of support application process	**N/A**	**N/A**	25 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R22 000 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	0%	R10 000 000/R10 000 000 or 0% over expenditure
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	6 months	The project was supposed to commence in January 2016 but it commenced in July 2016.
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-5 months	Implementation was 10 months instead of 5 months. Due delayed appointment of service provider as a result of funds not coming on time.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	10 months	The project was completed in April 2017, 10 months after the planned deliverable.
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	A steering committee was in place consisting of the Municipality and the service providers
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Using the monthly project steering committees, the municipality was able to check the specifications against the actual deliverables.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Delays were experienced in the appointment of a service provider, which took about 6 months.
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	Full connections in Mvelabusha but no full connections in Mboza as planned.
Project implemented/co mpleted in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	This was done through appointing a good project team which ensured that the project was implemented as efficiently as possible.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Challenges experienced	%Challenges are internally focused: % Challenges are externally focused	**N/A**	**N/A**	0%:100%	The only challenge was the stealing of cables and illegal connections
Working relations internally and externally with stakeholders	%Good working relation internally: %Bad working relation internally ratio	100%:0 %	0%:100 %	100:0%	Good internal working relationship
	%Good working relation externally: %Bad working relation externally ratio	100%:0 %	0%:100 %	100:0%	Good external working relationship with stakeholders.

ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	50%:50 %	Households in Mvelabusha have functional connections project. Main infrastructure installed in Mboza, but no connections per household. Electrified households in Mboza were connected through individual efforts not through municipal support.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	50%:50 %	Used by end users in Mvelabusha but not in Mboza.
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	50%:50 %	Households satisfied in Mvelabusha, but households not satisfied in Mboza

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	Department must transfer funds as early as December to ensure that processes are not delayed.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	Project did not experience over expenditure
Efficiency	Not efficient	Implementation did not happen on time, due to funds being available for use late in the Municipal financial year.
Effectiveness	Not effective	Out of 10 houses visited 5 had functional connections

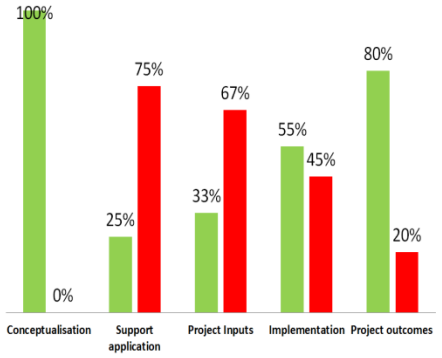
Above: functional connections in Mvelabusha

Above: functional connections in Mvelabusha

Above: Households not connected in Mboza

Above: Even though there is electricity infrastructure in Mboza, the households with electricity in Mboza occurred through resident's own initiative and not through the support of the Municipality

Uphongolo electrification of 461 households in Dwasrand		
Funding received	**R10 000 000**	
	Planned	**Actual**
Deliverable	461 functional electrified households ward 1	Estimated 369 functional connections
Project commencement	January 2016	April 2016
Completion	June2016	July 2017
Planned project duration	6 months	15 months
Expenditure	R10 000 000	R10 800 942.42 or 108% expenditure
Actual progress	Complete	Complete
Date of visit	1 August 2017	
Need for the project	Impatient community as Dwarsrand, (an inherited ward from Abaqulusi Municipality) community have not been connected. Current backlog is 34%. No funds to fund such an initiative.	



ELEMENT 1: PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	Community of Dwarsrand part and parcel of IDP process. Also involved ward councillor and ward committee.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Shown as ward 1 project
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A consulting engineering was appointed to conduct feasibility and development of preliminary designs

ELEMENT 2: SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	-1 month	The project was supposed to commence in January 2016, but funds were transferred in February 2016
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	-4 months	Funding did not come in time as the funding was delayed by 4 months and was supposed to be transferred in September 2015
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	R10 million is not enough, it is below what is needed to meet the backlog. It was that the project incurred an additional R800 000 due unforeseen elements in project implementation.
Period of support application	Period of support application process	**N/A**	**N/A**	44 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	The municipality received the requested R10 million
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R21 692 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	R23 429.37 per connection or 8%	This was due to additional expenditure of R800 000 as a result of unforeseen elements in project implementation.
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	-8%	R10 800 942.42/ R10 000 000 or 8% over expenditure
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	3 month delay	The project was supposed to commence in January 2016 but it commenced in April 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-9 months	Implementation was 15 months instead of 6 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	15 months	The project was completed in July 2017, about 15 months after the planned completion month.
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	A Project Steering Committee was in place consisting of the Municipality, CoGTA, Eskom and the Service Provider
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	The municipality involved Eskom in the development of the specifications and in the monitoring of the scope, in ensuring that the project meets quality specifications.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Not on time due to fact that there were 2 Customer Network centres (CNC) with different connection procedures. The CNCs of uPhongolo and Vryheid have 2 different procedures. Some of the affected households which previously fell under Abaqulusi LM, they were still under the Vryheid CNC, to which the municipality had to comply with the procedures set by the Vryheid CNC. This affected planned outages.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	1:0	The appointment of a competent service provider ensured that the project was completed on scope. Minor changes were noted to requirements of CNCs of the different towns, but they did not affect the scope.
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	The project experienced an over expenditure of R800 000 due to unforeseen project activities. The additional R800 000 was sought from the municipal account. It was to their advantage that the appointed service provider had cash reserves to cover the costs during the wait in the sourcing of the R800 000
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	• The location of the house connections fell under land owned by farmers. It was noted that during the premarketing phase that farmers were excluded from the process. As a result farmers were in protest which they wanted to be included in the connections, to which the municipality complied. • The other being the actual topography for conducting the project was unplanned for resulting in escalated costs of R800 000.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100:0%	Good external working relationship with stakeholders.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	80%:20%	Households electrified, but there are patched connections due to the map issue.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	80%:20%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	80%:20%	Households satisfied, except those that did not fall under the map.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• The Department should consider providing an additional 5% reserve to the funding support, to minimise delays. • The Department must also be readily available, even during engagements.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Not economical	R800 000 over expenditure experienced
Efficiency	Not efficient	R10 800 942.42 expenditure, 100% implementation which was delayed by 9months to achieve 80% of connections.
Effectiveness	Effective	Out of 5 households visited only 4 had functional connections

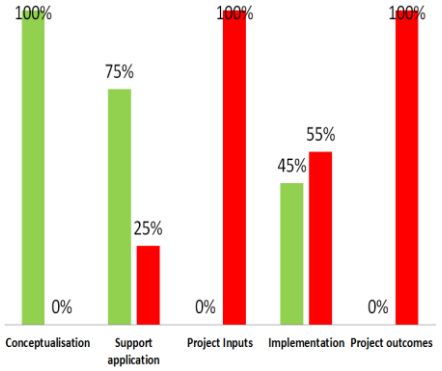
Above: Connected infrastructure is Dwarsrand with main lines and meters. Tubing is conducted at the cost of the beneficiaries

Above: Connected infrastructure in Dwarsrand with meters and intermediate poles

Above: One of the households with not electrified as they were not part of the map.

Above: All functional connections had intermediate poles.

Nquthu Electrification of 667 households in wards 3 and 10		
Funding received	R27 970 000 (over 2 years)	
	Planned	**Actual**
Deliverable	667 functional electrified households wards 3 &10	0 functional connections
Project commencement	October 2015	February 2016
Completion	April 2016	Ongoing
Planned project duration	7 months	19 months
Expenditure	R27 970 000	R44 270 000 or 158% expenditure
Actual progress	Complete	In progress
Date of visit	16 August 2017	
Need for the project	Areas served by Eskom have service backlogs. Lack of budget from Eskom to cover large number of households.	



ELEMENT 1:PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	Engagement with communities as per IDP process. There were also protests as some communities felt they were left out of the process, to an extent the Rapid Response Team got involved in March 2017
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Project funds are shown but project wards are not apparent
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A consulting engineering was appointed to conduct feasibility study and development of preliminary designs

ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	0	Project was to commence in December 2015 and funding was transferred within that month
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	A R14 milllion tranche for the 15/16 FY was received came on time. However there is a delay in the transfer of the R16 million tranche which has still not been received.
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	Funding was not adequate as the Municipality is still awaiting the last tranche of R16 million to fund project completion.
Period of support application	Period of support application process	**N/A**	**N/A**	45 Working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	70%	The municipality initially requested R40 000 000 to which they received R27 970 000.
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R21 000 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	R23 238.85 or 10%	Challenges experienced resulted in escalated cost per connections
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	-158%	Municipality owes service provider R16.3 million for connections, as funds promised by the Department have not been received.
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	2 month delay	Project was supposed to commence in December 2015 but commenced in February 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-12 months	Implementation was 19 months instead of 7 months. This was as a result of the repurchasing of stock due to current materials being damaged as a result of vandalism.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	15 months	The project was supposed to be finished in April 2016, but is still not complete
Structures in place to monitor scope and quality Delays time in commencement of implementation	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	A technical committee was in place which consisted of the Service Provider and Eskom. There is also a Project Steering Committee consisting of the Community, Councillors and the Municipality
	Implementation commencement delay time in months	0	1 and above	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Eskom certified the scope and deliverables. Stakeholders also participated in the certification of scope and deliverables.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	The Department promised to pay the balance of the R30 million, since May 2017, to which it has not been payed to date. This affects the completion of outstanding work.
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	1:0	The Technical Committee monitored the scope and ensured that it was implemented as planned.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	The project is experiencing a shortfall of R16.3 million. This was as a result of the repurchasing of stock due to current materials being damaged as a result of vandalism. There was also the recall of contractors who came back to work on the project beyond its set deadline at an additional cost and escalated material costs were experienced due to the delays. The Department promised to pay the shortfall of R16.3 million to which had been not payed to date. The Department is not being clear to the municipality as to if they are going to keep their promise of paying the shortfall. The contractor however funded to shortfall to which the municipality needs to pay.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	• The R16.3 million shortfalls which is causing delays. It has resulted in 2 lapsed outages and is crippling the relations between the municipality and Eskom. • The purchase of new materials as a result of vandalism
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	0%:100%	Not good with the Department and Eskom. The Department is not keeping its promise and Eskom is frustrated with the delays.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Ward 3 not fully electrified and ward 10 awaiting Eskom outage.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Community not satisfied with the delays

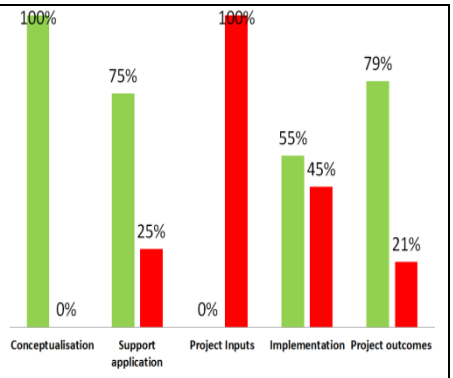
ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• Improve Departmental participation in Task teams and PSCs. The department must even respond and provide feedback. • The level of communication between the municipality and the Department needs to improve. Visibility of the Department needs to be improved

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Not economical	The municipality owes the service provider R16.3 million worth of work
Efficiency	Not efficient	R44 270 000 implementation/0% functional connections with a 17 month delay
Effectiveness	Not Effective	Out of 10 households visited none had functional connections

Above: Connections in ward 3, which have not, being completed. MV-LV infrastructure has been installed, however awaiting finalisation of outages

Above: Households in ward 10 had been connected but were awaiting the outage process for functional electrification. Only low cost houses were connected in Masotsheni.

Umvoti electrification of 2422 households in Emakhabeleni, ward 5 and 6		
Funding received	R58 000 000	
	Planned	**Actual**
Deliverable	2422 functional electrified households wards 5 & 6	Estimated 1913 functional connections
Project commencement	November 2015	November 2015
Completion	March 2016	October 2016
Planned project duration	4 months	11 months
Expenditure	R58 000 000	R68 500 000 or 118%
Actual progress	Complete	In progress
Date of visit	20 September 2017	
Need for the project	Communities of Emakhabeleni protested over lack of electricity. As a result the project was placed a part of the Premier's 100 day target in 2014.	



ELEMENT 1:PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	The Premier engaged with the community on the electricity matter, to which it was promised that households would be connected
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Project on IDP list.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	Prefeasibility study conducted by KZNCoGTA
ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	+1	Funding was transferred 1 month before the November and January commencements.
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	+1	Funding was provided on time
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	The funding is not adequate due to escalating costs brought forward by the Service Provider and the municipality is not sure if the escalation estimations were done correctly.
Period of support application	Period of support application process	**N/A**	**N/A**	15 working days and 14 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	77%	So far the project has received funding of R68 000 000 of the needed R87 871 477.45.
Cost per deliverable	Cost per connection	**N/A**	**N/A**	R27 000 per connection	
	Subsequent Deviation of cost per deliverable	0%	1% and above	R28 282.14 or 4%	Challenges experienced resulted in escalated cost per connections
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	-18%	The project encountered an R10.5 million shortfall or 18% which it owes the service provider. This is explained in the implementation section.
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	0	Project commenced as per schedule in both November 2016 and January 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-6 months	Project was supposed to be 5 months instead was 11 months
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	18 months	The project was supposed to be finished in March 2016, but is still not complete
Structures in place to monitor scope and quality Delays time in commencement of implementation	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	A Project Steering Committee is in place which consists of the municipality, the service provider and KZNCoGTA
	Implementation commencement delay time in months	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	The project was implemented as per Eskom's standards. Since it is a Turn-key project, mandatory random site visits are conducted before during and after the provision of the deliverable.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	The project was not implemented in time. • Delays were experienced in the receipt of memos for the continuation of processes. • Rainy days also affected construction which then resulted in protests and vandalism. • Other reasons were as a result of last minute mentions by Eskom that outage operators were attending trainings on the days planned for outages. As a result planned outages were delayed and resulted in further protests.

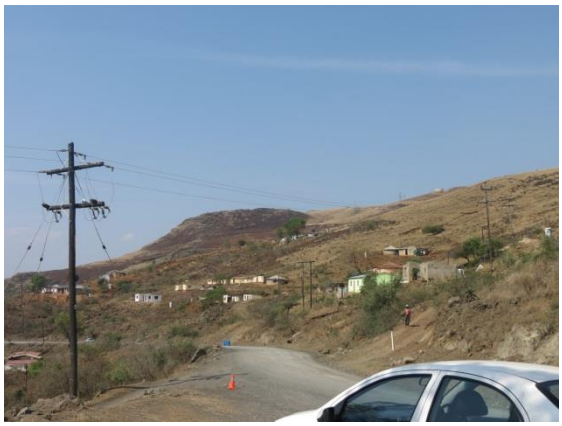
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	1:0	
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	Not within budget as there is a currently as shortfall of R10.5 million. This is as a result of the escalation of costs. More over there is the matter of repurchasing materials which were vandalised as a result of protests
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	N/A	N/A	0%:100%	• Delays were experienced in the receipt of memos for the continuation of processes. • Rainy days also affected construction which then resulted in protests and vandalism. • Other reasons were as a result of last minute reporting mention that outage operators are attending training on the day of the planned outage. As a result planned outages are delayed and results in further protests. • Commitment of funds, the Department promised R90 million but no agreements were signed.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	0%:100%	Not with Eskom as result of delayed outages because of poor communication.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	71%:29%	Households are electrified, there are however uncompleted and patched connections. There is also vandalism of lines.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	71%:29%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	71%:29%	Households with functional connections are satisfied. Households with incomplete connections are not satisfied.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• The Department needs to deploy an Electrical engineer to assess claims made by the service provider. • The Department also needs to be hands on in a sense that they capacitate the municipality and develop new skills. The Department also needs to have a person dedicated to electricity issues in order to address backlogs. • The Department needs to review the cost per connection calculations as they do not consider terrain of project sites. • The Department needs to work in joint ownership with the municipality to ensure proper implementation. The Department also needs to be accurate in its funding commitments to enable the municipality to make proper preparations.

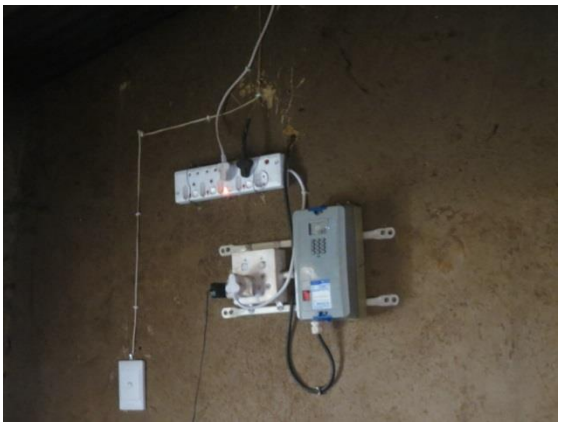
ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Not economical	The project encountered a shortfall of R10.5 million due to repurchase of stock and escalation of project costs.
Efficiency	Not efficient	R68 500 000 with 99.5% implementation and 79% functional connections.
Effectiveness	Effective	Out of 7 households 2 did not have functional connections

Above: Incomplete connection

Above: Vandalism of lines



Above: Installed electricity infrastructure in Makhabaleni



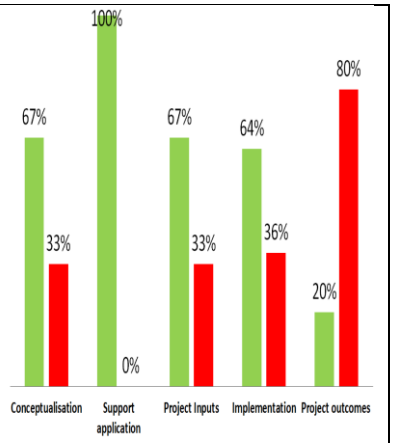
Above: Household with a functional connection

Summary of the Massification Programme support provided in the Northern region

Element	Indicator	Actual Result
Project conceptualisation	**%Project needs based on community engagements & on Government priorities/Legislative prescripts**	100%
	%Feasibility studies and projects designs developed	100%
A question is noted as to why feasibility studies which are outsourced often result in escalated costs of deliverables and outcomes that are far from desired.		
Support application	**% transfer coming ahead/or time (Departmental perspective)**	80%
	% transfer coming ahead/or time (municipal perspective)	60%
	%Process within 25 working days	60%
	%Satisfaction on funding adequacy	20%
The funding adequacy indicator shows that even though the support application process is efficient, the majority of the funds transferred to these projects are not adequate for the proper implementation of the projects. It also questions the intensity of the support application process in conducting activities of interrogating feasibility studies and designs, in a bid to ensure projects are implemented efficiently.		
Project Inputs	**% received requested amount:**	60%
	% of projects without deviated costs per connections	40%
	% of projects not experiencing expenditure challenges during implementation	20%
The deviated costs per connection and expenditure indicators show that even though the majority of projects received requested funds they experienced escalated deviated costs per connections and over expenditure challenges. This raises the question of project management techniques used, the integrity of the studies conducted and respective designs.		
Project implementation	**%project commencing as planned**	20%
	Average delay time in project commencement	3 months
	%Project implemented ahead/within duration	40%
	%Projects implemented within scope	80%
	% structures in place to monitor scope quality and progress	100%
	% of projects with no implementation/completion time challenges	0%
	%Internal focused challenges	9%
	%Good working relation internally	80%
	%Good working relation externally	20%
	% progress accurate	40%
	Average delay time in project implementation	13 months
The implementation findings indicate that even though structures such as Project Steering Committees sit they are not being effective in improving project efficiency and its stakeholders are not able to conduct activities such as improving relations between stakeholders such as Eskom, so as to address implementation bottlenecks. The findings also indicate that the main challenge in project implementation related more to implementation time than scope issues.		
Project outcomes	**%Functional connections**	42%
	% project used by end user	42%
	% Community satisfaction	42%
The noted results indicate that planned results could not be obtained as a result of time management and the expenditure management of project funds		
Value for money	**% projects economical: % project not economical**	20%
	%Efficient: %Not efficient	40%
	% Effective: % Not Effective	42%
The findings indicate a causal situation where economic issues such as deviated costs per connections and expenditure challenges affected efficiency of projects. The inhibited efficiency of project implementation affected the quantity of deliverables resulting in the outcomes shown. The issues indicated that the support application process needs to be enhanced to ensure proper project implementation. The Department's role in project steering committees needs to be expanded to ensure implementation bottlenecks are addressed.		

3.2 DISASTER MANAGEMENT

Refurbishment of the Gingindlovu Fire and Emergency Services Centre		
Funding received	**R9 100 000**	
	Planned	**Actual**
Deliverable	• 1 functional Fire and Emergency Services Centre and emergency equipment • Operational fire fighting vehicle	• Obtained fire engine • Structure not occupied
Project commencement	August 2015	August 2015
Completion	July 2016	August 2016
Planned project duration	11 months	12 months
Expenditure	R9 100 000.00	R7 984 817 or 87%
Actual progress	Complete	In progress
Date of visit	7 August 2017	
Need for the project	Fire is a critical hazard in the Municipal area and the structure in Gingindlovu did not have the necessary infrastructure to respond to emergencies in the most efficient manner. The Infrastructure capacity does not commensurate the large size of the municipality and the Fire-fighting equipment was outdated and inadequate.	



ELEMENT 1:PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	The project was also informed by the legislative disaster management standards to which the Municipality felt it was a priority to meet.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project and allocation of R9.1 million not in the IDP project list
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A service provider FMA Engineers was appointed to conduct Feasibility study and designs of the project.

ELEMENT 2:SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	+2	
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	+2	2 tranches came 6 months and 2 months before implementation. 1 tranche came 1 month behind planned implementation in March 2016
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	1:0	Funding was more than enough, to which the Municipality would like to use the remainder of the funds to for similar future projects such as to augment fund satellite stations
Period of support application	Period of support application process	**N/A**	**N/A**	17, 27 & 28 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	129%	The municipality initially requested R7 077 387.5 but received R9 100 000.
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R7 077 387.50	
	Subsequent changes in the cost per deliverable	0%	1% and above	R7 984 817 or 13%	Additional costs experienced as a result of scope creep
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	87%	The municipality spent R7 984 817 which 87% of the budget.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	0	Project was supposed to commence in February 2016, but commenced in November 2015
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-1 month	The project was supposed to take 11 months but was delayed by 1 month.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	-1 month	The project was supposed to be finished in July 2016, but was completed in August 2016
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Consisting of the Service Provider, the Municipality and the Department
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	The Municipality would look assess the deliverable against the project scope. The Steering Committee would be used to monitor the scope.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Project was supposed to be completed in July 2016, but was completed in March 2017 according to the expenditure report.
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	Parts of scope needed to be amended to ensure that standards are met. Eg It was noted that the septic tank was too small for the new structure and new elements were added as the project commenced. As a lesson learnt it is important that the project design be approved by an Engineer prior to implementation.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	The Municipality had to put in place a service level agreement which included the payment per deliverable clause to ensure over expenditure was avoided. It was also noted that the fire equipment was expensive as it was imported and the service provider covered additional costs
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	100%:0	Challenge was the constant addition to the scope in the bid to meet standards
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationship with external stakeholders
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional Disaster facility:%non- Disaster Facility	70%-100%: 0%-30%	0-50% :50%-100%	20%:80%	• Fire engine operational • Structure not operational as septic tank matter needs to be sorted before occupation. • Sourcing funds for furniture.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	20%:80%	Same as above

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Not sure as it is hard to measure now. However maintenance would be catered for in the Municipal budget.
Recommendations	• CoGTA needs to formulate standards for fire infrastructure so as to enable them to ascertain needs and support accordingly. • CoGTA also need to be more hands on such as asking for designs and conduct readiness/preparedness assessments.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	Project encountered an 87% expenditure on the budget
Efficiency	Not efficient	87% expenditure with 98% implementation a 1 month delay in occupation due to septic tank issue.
Effectiveness	Not Effective	Structure is not occupied due to septic tank issue and a kitted fire truck

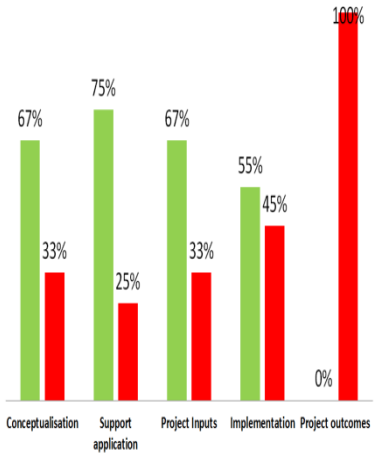
Above: the refurbished Gingindlovu Fire and Emergency Services Centre.

Above: The Fire and Service Centre had not been furnished at the time of the visit. Additions were made to the scope such as the fitting of paving amongst others to meet standards.

Above: The size adequacy of the septic tank is one of the reasons that the fire and emergency centre is not occupied. Even though the Centre is not occupied, paint inside the centre is flacking off in one of the rooms.

Above: Fire engine vehicle procured as part of the project. The vehicle is readily used in emergencies.

Construction of the Umzinyathi Municipality Disaster Management Centre		
Funding received	**R10 000 000 (over 2 years)**	
	Planned	**Actual**
Deliverable	• Foundation construction, • Professional fees, • EIA, Land Surveys, GeoTech assessment • Progress claim, Designs, Quantity Surveyor	• Foundation construction, • Professional fees, • EIA, Land Surveys, GeoTech assessment • Progress claim, Designs, Quantity Surveyor
Project commencement	February 2015	February 2015
Completion	December 2015	May 2017
Planned project duration	10 months	15 months
Expenditure	R10 000 000	R9 4916661.52 or 99%
Actual progress	In progress	In progress
Date of visit	**7 September 2017**	
Need for the project	There was a need to have a shared service DMC that complies with legislation, improves service delivery and improves response to incidents. The current structure does not have adequate parking for its vehicles and cannot house the communication system. The current structure does not have a boardroom and area for firefight training.	



ELEMENT 1:PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	The project was also informed by the legislative disaster management standards to which the Municipality felt it was a priority to meet.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project not in IDP project list.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	A service provider was appointed to conduct a feasibility study and designs of the project.

ELEMENT 2:SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	+6	The funds were transferred 6 months before project implementation in August 2015
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	+6	Funding was provided on time
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	No funding was a drop in the ocean to which R10 million does not cover the R33 million which is needed. The project which includes the addition of furniture would cost R43 million.

ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Period of support application	Period of support application process	**N/A**	**N/A**	25 working days	
ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	26%	The municipality needed R37 million, to which they only obtained R10 million.
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R10 000 000	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	99%	R9 4916661.52 or 99% was spent on the project.
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	0	The project commenced in February as planned
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-5 months	Project was supposed to be 10 months which took 15 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	10 months	The project was supposed to be finished in November 2016 but is still in progress
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Project Steering Committee was in place which consisted of the Municipality the Service provider and the Department
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Since the project is a turn-key project, the municipality agreed to only pay the service provider for the project deliverable, according to the set standards.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	The project was supposed to be completed in April 2017, but faces the following challenges: • Weather factors such as rain • Changes in designs • Community protests on employment of local community. • Sub- contractor delayed in installation of foundation because of lack of experience.
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	The scope was approved without the involvement of Technical Services. Technical services subsequently changed the scope.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	The project is implemented within budget. The Technical Services Unit are project manage this project.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	50%:50%	• Progress has been slow, it took a year to finish constructing the slab, due to the appointment of inexperienced sub-contractors to meet BEE empowerment standards • Weather factors such as rain • Changes in designs • Community protests on employment of local community.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	0:100%	Not good with technical Services Unit. Scope changes with no reasons and changes to specs for no reason There is confusion between the roles and responsibilities of the Disaster management Unit and Technical Services
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationship with external stakeholders
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional Disaster facility:%non- Disaster Facility	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Structure not complete and is still under construction.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Structure not complete and is still under construction.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	The project will be handed over internally to corporate services. They will be able to establish how much the structure will cost to maintain
Recommendations	The Department needs to monitor PSC meetings, their frequency and their resolutions.

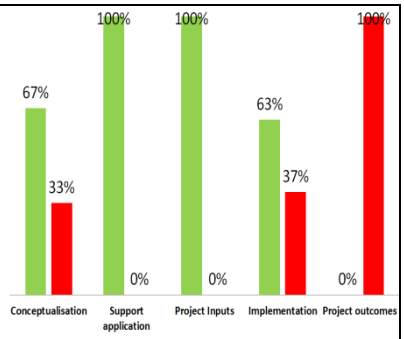
ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	Project encountered an 99% expenditure on the budget.
Efficiency	Not efficient	99% expenditure with delayed slab construction process resulted in the overall project being delayed by 10 months.
Effectiveness	Not Effective	Structure is not complete.

Summary of Disaster Management Support in the Northern region

Element	Indicator	Actual Result
Project conceptualisation	**%Project needs based on community engagements & on Government priorities/Legislative prescripts**	100%
	%Feasibility studies and projects designs developed	100%
A question is raised that if feasibility studies and subsequent designs are conducted according to set standards, why is it that project are facing scope creep to meet Disaster Management standards? Are the service providers appointed by municipalities well equipped to develop and implement designs that are able to meet disaster management standards? This is noted in both cases where designs were amended after being presented, moreover noting as a lesson learnt that professional such as engineers are needed to interrogate the designs to prevent scope creep.		
Support application	**% transfer coming ahead/or in time (Departmental perspective)**	100%
	% transfer coming ahead/or in time (Municipal perspective)	75%
	%Process within 25 working days	50%
	%Satisfaction on funding adequacy	50%
The above indicates that the while funds are transferred in time for most projects, the agreement on funding adequacy still remains an issue of some projects. A suggestion from both projects noted that the support application process needed to be more intense in ensuring that adequate funds are transferred for necessary project designs.		
Project Inputs	**% received requested amount**	50%
	% of projects without deviated costs per deliverable	50%
	% of projects not experiencing expenditure challenges during implementation	100%
While 1 of the 2 projects had not received the full requested amount of support funds, no projects experienced expenditure challenges. It was noted that Umlalazi project experienced deviated costs per deliverable due to scope creep issues.		
Project implementation	**%project commencing as planned**	100%
	Average delay time in project commencement	0 months
	%Project implemented ahead/within duration	0%
	%Projects implemented within scope	0%
	% structures in place to monitor scope quality and progress	100%
	% of projects with no implementation/completion time challenges	0%
	%Internal focused challenges	60%
	%Good working relation internally	50%
	%Good working relation externally	100%
	% progress accurate	50%
	Average delay time in project implementation	3 months
While projects commenced as planned, delays arose as a result of scope creep issues. It is also noted that even though project steering committees sit, their effectiveness is questioned as there were noted scope creep challenges. Do these structures have the proper constituents to ensure that their roles are played effectively? If not how can the department ensure that implementation bottlenecks are addressed in light of the investments made?		
Project outcomes	**%Functional Disaster facility**	10%
	% project used by end user	10%
The noted outcomes indicated that the delays and scoped issues in implementation contributed to the noted outcomes. As a result only 1 out of 3 deliverables are being utilised being the fire truck.		
Value for money	**% projects economical**	100%
	%Efficient: %Not efficient	0%
	% Effective: % Not Effective	10%
While the projects are economical, efficiency issues such as implementation according to scope time delays affected the development of deliverables. These factors as a result led to the noted outcome.		

3.3. SMALL TOWN REHABILITATION AND CORRIDOR DEVELOPMENT

Sibongile Community Green Park-Phase 2		
Funding received	**R3 000 000**	
	Planned	**Actual**
Deliverable	1utilised park	1 park partially used
Project commencement	March 2016	July 2016
Completion	May 2016	March 2017
Planned project duration	2 months	8 months
Expenditure	R3 000 000	R3 000 000 or 100%
Actual progress	Complete	Complete
Date of visit	**6 September 2017**	
Need for the project	The former Premier conducted a door to door campaign in Sibongile in 2014 and noted that the area where the park is now was cattle kraal. The Premier noted that this did not look good as an entrance to the township considering the prominent history of the township.	



ELEMENT 1:PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100:0%	0%:100 %	100%:0%	Project was based on the engagements the former Premier's concern that the entrance to the Sibongile Township
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project shown as "Small Town Rehabilitation Plan" and budget is shown. The title however does not relate to the park. The municipality acknowledged that the process conducted did not enable them to do proper planning that would enable them to ascertain what project is needed by the community.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	Red Landscape architects was appointed to conduct a feasibility study and designs of the project.

ELEMENT 2:SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	100% compliance. (Delayed submission of MOA)
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	0	Project was due to commence in March 2016
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	Funding was provided on time
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	1:0	Funding was adequate for the project and accommodated scope creep.
Period of support application	Period of support application process	**N/A**	**N/A**	30 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full amount	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	The municipality initially received the fully amount of funding support.
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R4 000 000	The municipality initially requested R4 million to which they received R3 million.
	Subsequent changes in the cost per deliverable	0 & -%	1% and above	R3 000 000 or -25%	The project ended up costing the R3 million provided by the Department.
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	100%	R3 000 000 or 100% was spent on the project.
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	-0	
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-6 months	Project was supposed to take 2 but took 8 months
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	10 months	Project was supposed to be completed in May 2016 but was completed in March 2017
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	The Municipality and the service provider
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Verify the profile of the service provider, because if the profile is not good it would affect the quality of the project. The service provider appointed was experienced in developing parks.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Delays were experienced in the procurement processes. However the service was able to perform during this time in which they were able to use their own budget which they were reimbursed.
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	The project had some additions as a result of scope creep
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	Project was completed within budget.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	The major challenge was the drought. The project happened in the time of drought. The service provider was able to bring water through their own sources.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100%:0%	Good working relationship internally
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationship with external stakeholders
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	% fully utilised public facility: %public facility not fully utilised	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Park not used, parking seemed unutilised
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	0:100%	Park not used by intended beneficiaries. Guards deployed to prevent vandalism of the park.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	The park was handed over to the Parks and gardens department. The Municipality is trying to find ways to ensure that the park generates revenue
Recommendations	Proper consultation with municipality on issues such as top down projects, to enable the municipality to conduct proper planning, to ensure that a project needed by the community is developed.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	R3 million budget and 100% expenditure
Efficiency	Not efficient	100% expenditure with a 8 month delayed implementation.
Effectiveness	Not Effective	Park not used by intended beneficiaries. Guards deployed to prevent vandalism of the park.

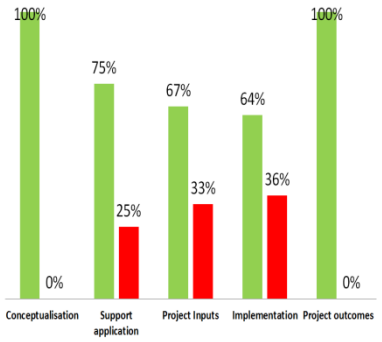
Above: The Majuba Mhlungu Park in Sibongile Township Dundee. Even though there was planting, it was noted that the plans used were well adapted to the hot environment of the Dundee area.

Above: Park facilities for children and public toilet.

Above: The park at around a 12 pm in the day. During the visit we found 2 security guards and EPWP workers. It seems as though the park is guarded to prevent vandalism.

The parking area adjacent to the park, which seems unutilised. The parking area has weed growth which seems had not been removed for some time, indicating poor utilisation.

The Rehabilitation of KwaMbonambi Town Roads and street lighting		
Funding received	R6 000 000 (over 2 years)	
	Planned	**Actual**
Deliverable	Rehabilitated Mbonambi CBD	Rehabilitated Mbonambi CBD
Project commencement	February 2016	July 2016
Completion	July 2016	May 2017
Planned project duration	6 months	10 months
Expenditure	R6 000 000	R5138296.13 or 87%
Actual progress	Complete	Complete
Date of visit	**18 September 2017**	



Need for the project	• Poor storm water within town. • 80% streetlights are not working in town. • Some roads are too narrow and have deteriorated. • Lack of pedestrian walkways. • Accidents experienced due to potholes. • Streetlights as person was murdered while walking at night • Old trees were making the roads bumpy due to their roots

ELEMENT 1:PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100:0%	0%:100 %	100%0%	
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Project apparent but budget not indicated. "To be included once confirmation of grant is received."
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	Use of consultant recommended by the Department.

ELEMENT 2:SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	0	Project was supposed to commence in February 2016 but funds were transferred in March 2016 as municipality asked for a month extension to implementation
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	Project was supposed to commence in February 2016 but funds were transferred in March 2016 as municipality asked for a month extension to implementation
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	Funds were needed to change wooden poles into steel poles for sustainability
Period of support application	Period of support application process	**N/A**	**N/A**	30 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	R 6000 000 or 47%	R12 866 040 was requested and R3 000 000 was received as of the 2015/2016 FY.
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R8 000 000	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	+87%	R5138296.13 or 87% was spent on the project
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	-5	The project was supposed to commence in March 2016 but commenced in July 2016.
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-1 month	Project was supposed to take 5 months but took 6 months
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	8	Project was supposed to be completed in May 2016 but was completed in March 2017
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	The committee consist of the local ward councillor, community members and municipal officials, Cogta and relevant stakeholders
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Monthly meetings occur where progress is presented to Portfolio Committees and inspections of the deliverables are conducted.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Project was supposed to be completed in July 2016bbut was completed in March 2017
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	1:0	Changes were made but did not affect the scope of the project
Project implemented/com pleted in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	Project was completed within budget. The project experienced a 13% saving.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	No challenges

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100%:0%	Good working relationship internally
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationship with external stakeholders
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	% fully utilised public facility: %public facility not fully utilised	70%-100%: 0%-30%	0-50% :50%-100%	100%:0%	The town is beatified and communities are using the sidewalks
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	100%:0%	Used fully by end users

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Currently there are minimal costs due to the rehabilitation being new. The maintenance will be factored in the community service department budget.
Recommendations	The Department must hold Accounting Officers to account for these projects. Accounting Officers should be present at monitoring meetings and should be able to report on progress.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	R6 million budget and 87% expenditure
Efficiency	Not efficient	87% expenditure with 100% implementation, but delayed by 6 months.
Effectiveness	Effective	The town is beatified and communities are using the sidewalks

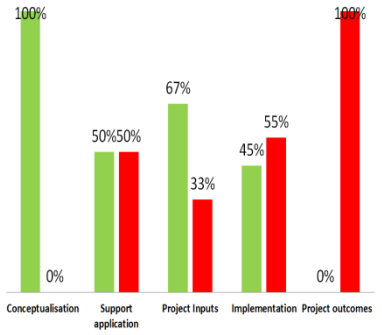
Above: The Central business district of Mbonambi, with the addition of street paving, storm water pipes and streetlights. The upgrade of the roads included the addition of speed humps near the town's school.

Above: Street paving in Mbonambi Central business district

Above: The upgrade of the Central Business District included the installation of concrete ballots to control traffic. The main road in the Central Business District was also upgraded as part of the scope which included speed humps.

Above: Part of the scope included the addition of streetlights. The municipality noted that to ensure durability the poles need to be replaced with steel poles. Part of the funding also contributed to the upgrading of the garage overhead shade.

Imbube cultural Village project		
Funding Received	**R12 500 000 over 3 years**	
	Planned	**Actual**
Deliverable	Completed structure spa and wellness centre	Incomplete structure
Project commencement	March 2016	March 2016
Completion	November 2016	In progress
Planned project duration	8 months	10 months
Expenditure	R4 500 000	R4437321.50 or 98.6%
Actual progress	In progress	Project on hold
Date of visit	**2 August 2017**	
Need for the project	In 2012/2013 Isilo launched the Bulawayo project in Eshowe to conserve the Zulu heritage. It was noted that a replica project was needed near the KwaKhangela Palace.	



ELEMENT 1:PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100:0%	0%:100 %	100%0%	The need was brought forward by the Royal Household Trust
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Yes project is apparent but allocation not apparent for 2015/2016
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	Feasibility study and designs conducted by service provider.

ELEMENT 2:SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	100%	Below 100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	0	Funds transferred March 2016, in the month the project was to commence
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	-3	The municipality noted that the funds were transferred 3 months beyond the adjustment budget to which they had to wait till July to use the funds
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	Not adequate due to escalation of costs As project costs R40 million to which CoGTA committed.
Period of support application	Period of support application process	**N/A**	**N/A**	30 working days	

ELEMENT 3: PROJECT INPUTS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full amount	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	The municipality received the requested amount of R4.5 million
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R4 500 000	
	Subsequent changes in the cost per deliverable	0%	1% and above	R7 million or 55%	This is due to the monies owed for work done in previous phases and outstanding work on the on the conference facility and spa
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	99%	R4437321.50 or 98.6% expenditure
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	-2 months	The project was supposed to commence in March 2016 but commenced in June 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-4 months	Project was supposed to take 6 months but took 10 months
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	9 months	Project was supposed to be completed in November 2016 but is still in progress.
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	In place Project Steering Committee in place, till project ran out of funds
	Meeting frequency	Monthly & quarterly	Not meeting	Quarterly	Meetings on a quarterly basis
	How Quality of the deliverable is ensured	Reduction of scope to ensure deliverables are of quality, as there was a challenge of limited funds.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	Project not implemented in time due to lack of funds
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	The scope had to be reduced to due to escalating costs
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	Not on budget. About R2.5 million was payed to cover outstanding costs of previous phases as a result of tenders of previous phases being awarded at amounts higher than their allocated budgets.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	• Reducing the scope as a result of the escalating costs of the scope. • Project being on hold due unfulfilled commitments by the Department.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100%:0%	Good working relationship internally
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationship with external stakeholders
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	% fully utilised public facility: %public facility not fully utilised	70%-100%: 0%-30%	0-50% :50%-100%	0%:100%	Project on hold. Structure has to be protected from vandalism.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	0%:100%	Not used by end users

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to the beneficiaries being the Imbube Cultural Village Trust.
Recommendations	CoGTA makes too many promises and commitments while there are limited funds. CoGTA must keep the promise of R40 million.

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	R4 500 000 with a 99% expenditure
Efficiency	Not efficient	99% expenditure to attain 75% implementation in a 10 month delay due to the outstanding payments of previous project phases.
Effectiveness	Not Effective	Project on hold. Structure has to be protected from vandalism.

Above: The Imbube Culture village which its implementation is on hold due to lack of funds

Above: Incomplete structure due to lack of funds

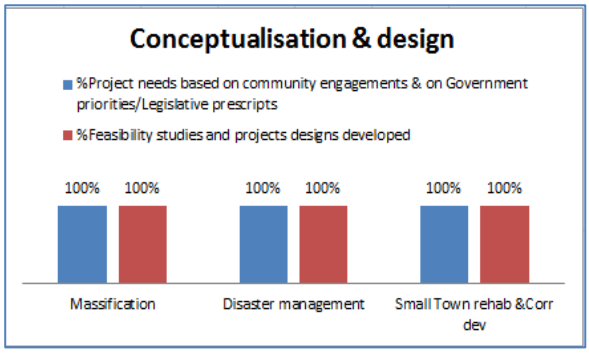
Above: Community members volunteered to guard the structure so as to prevent vandalism. The contractor's infrastructure is still on site awaiting payment and continuation.

Summary of Small Town Rehabilitation and Corridor Development in the Northern region

Element	Indicator	Actual Result
Project conceptualisation	**% of needs based on community engagements, Government priorities/Legislative prescripts**	100%
	%Feasibility studies and projects designs developed	100%
A question arises as to why there are subsequent scope changes after designs are informed by feasibility studies. The aforementioned issues are also a contributing factor to the deviated costs of the deliverable.		
Support application	**% transfer coming ahead/or time (Departmental perspective)**	67%
	% transfer coming ahead/or time (municipal perspective)	0%
	%Process within 25 working days	0%
	%Satisfaction on funding adequacy	0%
The figures above indicate that there is no full agreement on the funding adequacy of projects and timing in the receipt of funds.		
Project Inputs	**% received requested amount**	33%
	% of projects without deviated costs per deliverable	67%
	% of projects not experiencing expenditure challenges during implementation	67%
While the majority of projects did not receive the requested amounts, it noted that only one project faced expenditure challenges. The Imbube Cultural Village faced challenges in the form of moneys owed from previous phases being payed reducing the budget of other phases.		
Project implementation	**%project commencing as planned**	100%
	Average delay time in project commencement	4 months
	%Project implemented ahead/within duration	0%
	%Projects implemented within scope	33%
	% structures in place to monitor scope quality and progress	100%
	% of projects with no implementation/completion time challenges	0%
	%Internal focused challenges	100%
	%Good working relation internally	100%
	%Good working relation externally	100%
	% progress accurate:	100%
	Average delay time in project implementation	11 months
All projects experienced completion time challenges affecting their efficiency as result. It was also noted that even though Project steering committees sat there were still efficiency challenges. It was also noted that the majority of projects were not implemented on scope		
Project outcomes	**% fully utilised public facility**	33%
	% project used by end user	33%
The projects were affected by efficiency issues in relations to expenditure, time and scope management.		
Value for money	**% projects economical**	100%
	%Efficient	0%
	% Effective	33%
Efficiency issues such as implementation duration and scope matters affected the development of deliverables. This as a result contributed to the noted outcomes.		

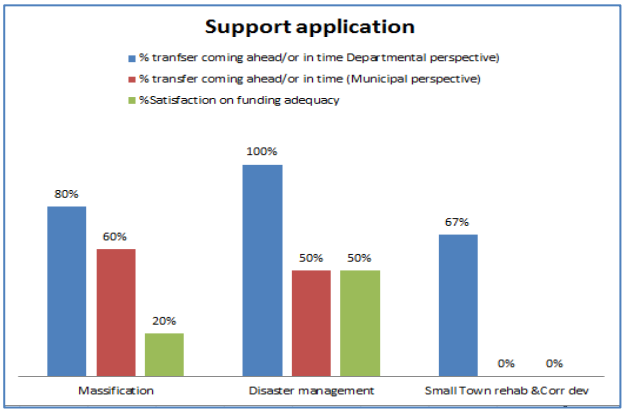
4. OVERALL ASSESSMENT OF THE SUPPORT PROVIDED IN THE NORTHERN REGION

Conceptualisation and design



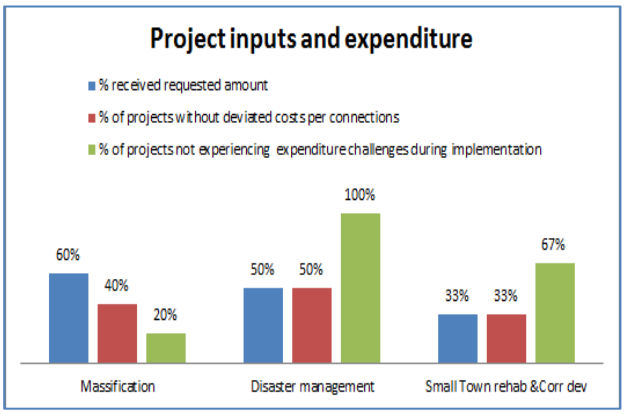
It was good to note that the projects visited were mandated by community engagements and government principles. While it was also good to note that project feasibility studies and designs were conducted, a general question is noted throughout all the support programmes. If feasibility studies are conducted and subsequent designs are developed, why are projects implemented out of budget and out of scope? This is asked as a result of the fact that the function of fact that projects experienced deviated deliverable costs.

Support application



In assessing this section, a trend in noted where there is no correlation between the transfer timings of the Department and those of the municipality. This indicates that there are different perspectives of the support application, with the Department feeling that the process is efficient and the municipalities feeling that the process does not respond to project needs.

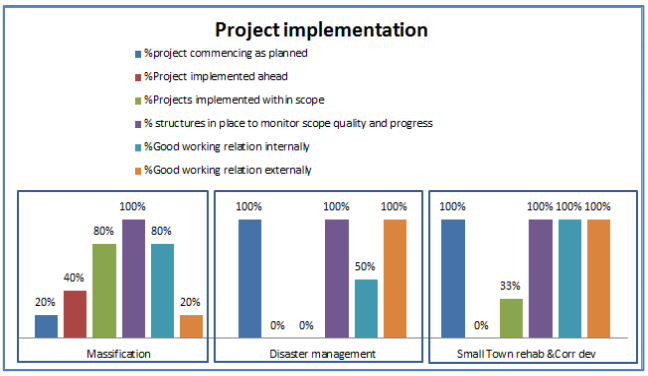
Project inputs and expenditure



It was noted that even though projects received funds a majority of them experienced deviated costs per deliverables. This could be related with transfer timing in which funding is received in times where costs had escalated. The majority of projects which experienced expenditure challenges were projects were found under Massification Support programme.

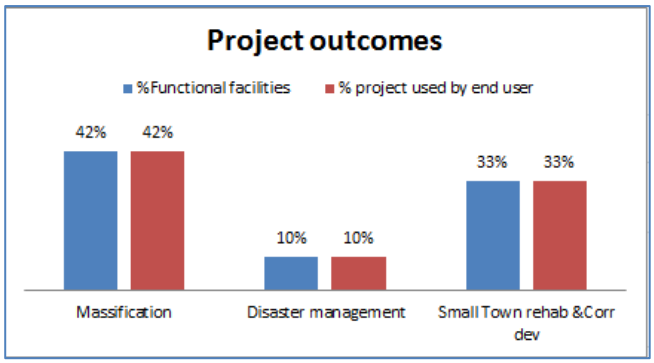
Project implementation

General challenges in this area related to projects not being implemented in time and scope. While it was noted that all projects had project steering committees as question is raised as to how the constituency of these structures ensured smooth implementation of these projects and ensured that implementation bottlenecks were addressed.



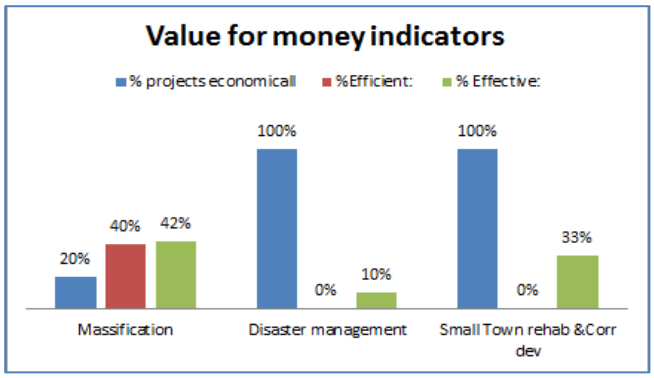
Project outcomes

The lower than expected functional facilities and end user percentages indicate that deliverables were not produced on time due resource and implementation challenges.



Value for money indicators

While the majority of the projects were economical, efficiency challenges such as time and scope management affected the deliverables leading to the noted results.



Project investment vs return of investment

While it is noted that R122 million had been invested into these projects and average of 28% of the anticipated outcomes had been realised, the Department should be able to put controls in place to ensure that ensure that there is smooth implementation that would ensure the realisation of intended outcomes.

	Massification	Disaster Management	Small Town Rehab & Corr Dev	Total
Total investment	R 97 000 000	R 14 100 000	R 10 500 000	R 121 600 000
Projects supported	5 projects	2 projects	3 projects	
Project outcomes	42%	10%	33%	
Return	R 14 550 000	R 1 410 000	R 3 465 000	R 19 425 000