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Application of Government's Monitoring and Evaluation tool in the Non-Profit

Sector: A study of selected Non-Profit Organisations in Mbashe Local



**A dissertation submitted in fulfilment of the requirement for the degree Master
of Social Work (MSW)**

in the

Department of Social Work/Social Development

Faculty of Social Science and Humanities

University of Fort Hare

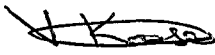
January 2018

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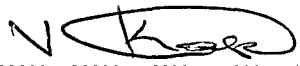
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Dedication

I dedicate this research project to God for strength, grace and favor, my family and my dear friend for inspiration and encouragement.



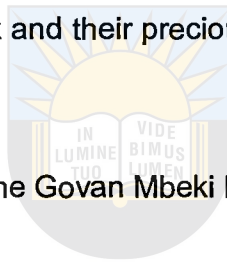
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Lastly, my appreciation goes to the Govan Mbeki Research and Development Centre for enabling my research.



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List of Key concepts used in the study



AO	- Accounting Officer
AGSA	- Auditor General of South Africa
CGP	- Code of Good Practice (CGP)
DSD	- Department of Social Development
GWMES	- Government-Wide Monitoring and Evaluation System
M&E	- Monitoring and Evaluation
NPO	- Non Profit Organisation
PFA	- Policy on Financial Awards
PFMA	- Public Finance Management Act
PGWMES	- Provincial Government - Wide Monitoring and Evaluation System

The next descriptions clarify the terms used throughout the study:

Evaluation: the degree to which an action or NPO can be assessed in a consistent and reliable way.

Indicator: measure that indicates progress over time.

M&E Framework: provides a uniform way of monitoring projects. It provides M&E tools and implementation techniques.

Programme evaluation: an evaluation of on-going programme events. Usually this is more thorough evaluation than the one conducted during project evaluation.

Project evaluation: an assessment of time-limited activities (i.e. funded for a defined period to perform a specific task.

Stakeholders: The people who have an interest in the results of the assessment for example, persons who will use the assessment results for taking decisions and making resolutions.

Abstract

Monitoring and Evaluation (M&E) is an instrument used by established nations to accomplish good governance and an operative service delivery. South Africa adopted a culture of M&E and established a policy on Government-Wide Monitoring and Evaluation System. The National Government accepted the *Policy Framework on Government-Wide M&E System* in 2007. The objective of the GWMES is to develop a good quality of presentation of evidence and service delivery in Government. This development made it compulsory for Government Departments to develop and apply their own M&E systems. The Provincial-Wide Monitoring and Evaluation System are interrelated with the GWMES and it is an outcome-centered system. Key to the application of this system is an effective indicator and data management process. Indicators are necessary to conduct monitoring, evaluation and reporting within the context of PWMES. The Provincial DSD formally implemented their approved policy in 2010 and one of the objectives was to improve performance information and service delivery.

The Auditor General South Africa (AGSA) identified some gaps on the presentation evidence report in the Provincial Department of Social Development (2012/13 report). There have been worries that the monitoring process is conducted on monthly bases in the Department, but NPOs become unsuccessful in complying with the obligations of the NPO Act. The documents of the Department consist of several audit reports that repeatedly stress the lack or non-existence of monitoring.

The research method used is interpretative, using semi-structured interviews and content analysis to establish the relationship between what needs to be done according to legislation and what is done in practice.

The study's main purpose was to discover the application of the monitoring tool that DSD has developed to monitor the NPOs in the Eastern Cape, the case of Mbashe Local Municipality. The study used Agency and Stewardship Theories to discover the reasons for ineffectiveness, as well as the relationship between the DSD and the NPOs. Van Slyke (2007, p.182- 183) advised that the way in which NPOs are managed changes slowly from a Principal-Agent to Principal-Steward relationship.

The references arising from the conclusions of the study will improve the implementation of monitoring relationship between DSD and NPOs.

Implementation of Government- Wide Monitoring and Evaluation call for clear aims and objectives of the M&E system, coordination and integration. There is a need for M&E to be taken more seriously in South Africa in order for government obligations to be met and policy initiatives and programs to be amended.

The findings suggest that the way in which NPOs are managed changes gradually from a principal Agent to a principal Stewardship. The environment in which social services are implemented presents challenges to NPO managers or supervisors who are managing the contract relationships. The findings from the study document those challenges.

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Chapter 1: Introduction and background

1.1. Outline and Background

In line with international practices, the South African Government has acknowledged the need to enter partnership together with NPOs for the distribution of community services. This partnership contributes towards promoting equality and environmental development. Since 1994, the department has come up with a large capital spending on the social development sector. It has delivered an enabling environment for the purposes of change. The poor quality of service delivery has not enabled DSD and its service delivery partners to meet the imperatives of the transformation agenda (Department of Social Development, 2013).

The White paper was a response call to embrace a community welfare structure that was fair, realistic, involved and suitable in meeting the needs of all South Africans (Patel, 2016). The formulation of the Financing Policy for Developmental Welfare Services of 1999 was meant to close the gap that was on the White paper concerning implementation. The objective of this policy was to explain welfare subsidy, to focus on recipients of services, to allocate benefits fairly to ensure that the usage of funding is effective and efficient and to correct the imbalances of the past. With regard to implementation, it became clear that there were also gaps in this policy. In 2001, DSD indicated their concerns about slow pace of transformed service delivery to a developmental approach. A Policy on Financial Awards was developed and approved in October 2004. Implementation became effective from April 2005. During 2007, the Cabinet approved The Policy Framework on Government-Wide Monitoring and Evaluation System. The policy framework is geared towards improving the implementation of GWMES, as well as to provide a

framework for monitoring principles, practices and standards for Government Departments. The policy framework mandated Government Departments to develop and apply monitoring and evaluation (Engela & Ajam, 2010, p.10).

The Provincial Department of Social Development (DSD) assists NPOs with funding that supports initiatives of the NPOs. Access to funding ensures delivery of quality services. The DSD Norms and Standards clearly state that "Sufficient financial resources should be considered as a precondition for the provision of adequate quality of social welfare services" (DSD, Norms & Standards, 2013).

The World Bank (2012) describes NPOs, as "many groups and institutions that are entirely or largely independent of government and that are primarily humanitarian or cooperative rather than commercial objectives." There are Non-Governmental Associations and Community-Based Associations known as Not-for-profit organisations (NPO Act, 1997, p.1). The term NPO is used for the benefit of the study.

In the NPO Act, Section 38(1) (j) of the PFMA, Act 1 of 1999 as revised by Act 29 of 1999, places the Accounting officers under an obligation to ensure that all the NPOs have applied effective, efficient internal controls before the disbursement of funds to organisations. Compliance to effective and efficient internal controls can be realistic through continuous monitoring.

The monitoring framework represents a tool that reinforces monitoring of funded NPOs and improves their efficiency and effectiveness. The study seeks to determine whether the implementation of the DSD monitoring tool is in accordance with the purpose of monitoring, as outlined in the Strategy plan for the GWMES (Presidency, 2007, p.6).

1.2. Declaration of Purpose

The DSD in the Eastern Cape provides different social services that benefit poor communities through Not-for-profit Organisations (NPOs). The sub-division of NPOs within DSD issued Codes of Good Governance in 2001 as part of services that are paid for by the Department for NPOs to encourage self-regulation. The purpose of the Code of Good Governance was to improve control systems within the NPO subsector (DSD, 2009). After a long time, it became evident that the greatest number of NPOs fails to follow these straightforward principles of good financial controls (DSD, 2009). The report on the State of South African NPO Register that was published by the DSD reported poor levels of compliance with financial and performance reporting by NPOs (DSD, 2012, p.10).

To add on the above statement, the Auditor General South Africa (AGSA, 2013), as an institution that is involved in ensuring accountability of the DSD, reported poor levels of compliance, despite the quarterly and monthly monitoring conducted by DSD. DSD implemented monitoring based on outcomes stipulated in key policy documents of government. These policy documents acknowledge the importance of monitoring as a means to improve service delivery, decision-making, learning, accountability and value for money.

Checking and supervision remain the most essential element of any Organisational Theory and they are viewed as basics to Agency and Stewardship theories (Van Slyke, 2007, p.177). The current monitoring practices in DSD are informed by two sets of policies, that is the Eastern Cape DSD M&E Policy Framework of 2010 and the NPO & Community Based Projects M&E Draft Policy of 2012. A decision was taken to implement aspects of the Draft Policy whilst it was still awaiting approval in order to close the gaps that were identified in the 2010 Policy Framework. The

officials that conduct monitoring visit the NPOs with a Provincial M&E tool and complete it during field visits. NPOs do not feel the sense of ownership of the tool, whereas Stewardship theory talks about shared responsibility (Van Slyke, 2007, p.183).

Agreeing to USAID (2009), evaluation of the M&E system generally must be organised at the minimum of every two to three years to guarantee that M&E system remains up to date. Since the implementation of the M&E policy in 2010, it is critical to explore the implementation of DSD monitoring tool.

1.3. Declaration of Purpose

The study focuses on examining some aspects of the DSD's monitoring and evaluation system, its evolution, the processes involved, the challenges of the system and the roles and responsibilities, as outlined in the GWMES. The implementation of effective and efficient Monitoring and Evaluation system and the recommendations stipulated in the last chapter will make the DSD monitoring arrangement stronger and improve the relationship between DSD and the NPO sector.

1.4. Aim and objectives of the Research

The intention of the research study was to check the relevance of the monitoring tool implemented by DSD, to check whether it is in accordance with the Policy Framework for the GWMES. In order to achieve this aim, the study has the following objectives:

- To discover as to what extent does the Provincial Monitoring and Evaluation tool respond to the components set out in the Policy Framework for the Government- wide Monitoring and Evaluation System.

- To investigate the strategies used by NPO members to meet with the Provincial requirements of Monitoring and Evaluation.
- To discover the way in which the strategies influence the day-to-day activities in the organisation.
- To investigate the challenges experienced by Non-Profit Organisations staff with implementation of the monitoring tool.

1.5. Research questions

The research sets out to answer the next study questions concerning some aspects of the DSD's Monitoring and Evaluation System:

- To what degree does the Provincial M&E tool respond to the components that are tabled in the Policy Framework for the Government-Wide Monitoring and Evaluation System for improved service delivery?
- What approaches do NPOs practice to meet the Provincial requests of M&E. and how do these affect their day-to-day activities in the organisation?
- How do the strategies influence the day-to-day activities in the organisation.
- What are the challenges experienced by NPO staff with the application of the M&E tool that prevents them from achieving their own objectives?

1.6. Research Method

Kothari (2004) defines research methodology as a plan that lays out what the scholar will do, starting from the research objectives to the last step of data analysis. The study is considered applied research and the aim is to contribute towards everyday experiences of NPO representatives with monitoring, real matters of resolving

concerns, decision making, policy analysis and community development (Terre Blanche & Durkheim, 2006, p. 44).

An exploratory research seeks to discover a space where small or nothing is known (Kumar, 2014, p.10). The research is also a case study type. De Vos et al. (2011, p.272) referred to a case study as an investigation or detailed examination of a particular case or many cases over a specific period. The benefit of a qualitative method, in the present setting, is that the assumptions that are made specifically by the Principal Agency Theory, the assumption that DSD acts as principal and NPO as agents will be taken into consideration. Rafael and Russell (2014) describe the mixed method design as the experimental chronological design. Interpretivism approach applied in the study is based on the belief of subjectivist epistemology. This approach suggests that individuals cannot be disconnected from their own understanding, hence there is a connection between the investigator and the research participants (Angen, 2000, p.378-395). Interpretivism is “associated with the philosophical position of idealism and is used to group together approaches, including social constructionist, phenomenology and hermeneutics, approaches that reject the objectivist view that meaning resides within the world, independently of consciousness” (Collins, 2010, p.38). In addition, interpretivism studies may possibly engagement different ways and means to reflect different sides of the issue when focusing on meaning. The critiques argue that the approach creates a possibility for bias on side of the investigator. They believe that it will be difficult to generalise raw information collected during interpretivism because data is congested by viewpoints.

Triangulation improves validity and reliability in a qualitative study, as it can reverse the limitations of applying one method (Yeasmin & Rahman, 2012, p.157). In spite

of that, Hammersley (2008) cautions about combining quantitative and qualitative approach because triangulation could include using different qualitative sources of information or different quantitative approaches, instead of bridging the gap between the two (Ward & Gahagan, 2010).

The study used Agency and Stewardship principles to look at the way in which the monitoring relationship between DSD and the NPOs was implemented.

1.7. Data collection methods

Semi-structured interviews were used to evaluate perceptions. Through interviews, priorities for the case study were set. Participants were NPO principals or Management and staff. Archived records were also studied to confirm rationality and trustworthiness of evidence. Consultations were tape recorded, written down and coded based on participant's answers (Ile, Eresia-Eke & Allen-Ile, 2012, p. 140). Semi-structured interviews have their own limits of taking a long time to conduct and to evaluate; however, they were created with the principle of Agent and Stewardship theory in mind that is discussed in detail in Chapter 2.

1.8. Sampling

The population comprised of selected NPOs contracted with DSD in Mbashe Local Municipality for the year 2016/17. A purposive sampling approach was employed and the selection was because the sample has the appropriate information and knowledge that can add value to the study (Flick, 2014). Flick (2009) added that the benefit of this process is that it can provide the investigator with an opportunity for generalisation. He added that the disadvantage is that, irrespective of the method used, it can be prone to researcher bias. A sample of five NPOs is tested and 20 interviews were conducted with the NPO Principals, Supervisor, Management Committee, and Caregivers.

1.9. Data validity analysis

Thematic analysis was used as a means to analyse data. According to Braun & Clarke (2006), this approach offers flexibility when analysing qualitative data. Rafael and Russell (2013) supported the above researcher by pointing out that the process of data analysis involved issuing codes, sorting transcript and classifying the connections between thoughts that were acknowledged in the text (Rafael & Russell, 2013, p.319). The critiques of this analysis argue that it promotes the *"Merging of analysis and interpretation and often by the merging of data collection with analysis"* (Alhojailan, 2012, p.537). This method proves that there is a connection of analysis. The evaluation of internal data is accompanied by a content data analysis of legal documents between the DSD and the NPOs, NPO reports, monitoring tool, audit reports, progress reports and quarterly performance reports. The focus was to summarise what was witnessed or listened to in terms of expressions, words, themes, or patterns that would provide more understanding and clarification of the developing new information.

1.10. Significance of the Research

The paper introduced the status of how the monitoring system is implemented in the DSD. The study highlighted areas for improvement that demand more attention in terms of the monitoring tool, skills, support and technical assistance. The study also provided some recommendations on how to make the DSD's monitoring and evaluation system stronger. It is hoped the study will improve the standard of monitoring activities and ensure that goals are met in an effective and efficient manner. NPOs shall be given feedback on findings of the study so that they can recognize where monitoring is underperforming and plan for monitoring and evaluation capacity development.

1.11. Structure of the Dissertation

The summary of the study is presented in five sections:

Section One: Introduction and background: This chapter positions the study in the wide scope of global and nationwide perspective.

Section Two: Literature review: This section presents a review of literature on M&E and the theories that are applicable and appropriate for the study.

Section Three: Research methodology: This chapter provides research methods, techniques, and procedures used in the study in a detailed manner.

Section Four: Data analysis and results: This section presents an in depth analysis and a presentation of the results.

Section Five: Conclusion and recommendations: This chapter provides conclusions and suggested recommendations on how to make DSD's M&E system stronger based on the findings of the study. More investigation and gaps, which could not be completed, will be discussed as basis for further research.

1.12. Envisaged Ethical issues

The researcher is a qualified and registered Social Worker working with DSD and subscribes to the Professional Council's ethical policy of good conduct. The scholar is familiar with the NPO community and the participants may just respond in a way that reflects what the researcher wishes to listen to. Those issues were addressed by informing participants that the purpose of the study is the implementation of the monitoring tool.

Ethical principles regarding participants were given appropriate consideration during the entire process of the research project: Each participant was issued with an

informed consent form to sign and to allow them to participate in the research. No incentives were given to participants in order to avoid bias and to promote voluntary participation. The duration of the research interviews was 1hr 30 minutes. Participants were isiXhosa speaking, therefore, was a need to translate from English into isiXhosa. There was no risk of harm to the participants in the study.

Before data collection, a meeting was held with the principals and the supervisors involved in the study to reassure them of the confidentiality and/or anonymity of the study. They are referred to as, for example, P1, -P20. The respondents were assured that voice-recorded data will be stored in a safe place and would not be used for the benefit of any presentation that may reveal the voices of the participants. Showing participants, the letter of informed consent and permission granted by DSD to conduct research is proof of adherence to the ethics of research.

Demographic information collected was insufficient to identify individuals. The participation of individuals was tracked (e.g. NPO), but it is impossible for collected data to be linked to individuals. Confidential Researcher(s) know the real identity of participant(s). Findings will be available at the Library of the University of Fort Hare. Feedback sessions will be arranged with the NPOs and give DSD copy of the report.

1.13. Limits to the study

The costs involved in the research process and time constraints affected the study. Participants that were carefully chosen for interviews were somewhat incapable of drawing their own monitoring plans. Documentary analysis complemented this shortcoming.

Working in the DSD presented some limitations to the study. In a situation where answers to the questions are not satisfactory, rephrasing them differently at a later

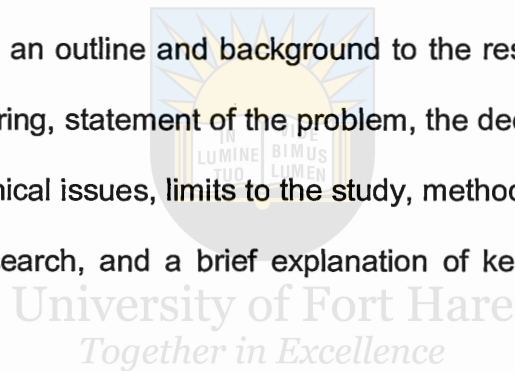
stage is the best solution. Nevertheless, these limitations did not compromise the findings.

1.14. Delimitations of the study

The study was delimited to 20 NPO officers that include programme managers, supervisors and caregivers who manage NPOs that are funded by DSD for 2016/17 financial year and registered with the NPO Directorate.

1.15. Conclusion

This section presented an outline and background to the research study. It covered the evolution of monitoring, statement of the problem, the declaration of purpose, the research questions, ethical issues, limits to the study, methods used in the study, the significance of the research, and a brief explanation of key concepts used in the study.



Chapter 2: Review of Literature

2.1. Introduction

Monitoring and evaluation systems remain in presence for a very long time (Kusek & Rist, 2004), still today, the requests for monitoring and evaluation systems as a controlling tool has grown with the demand for responsibility and clarity (Gorgens & Kusek, 2009).

Section 2 provides the theoretical framework for the study and observes the evolution, purposes and uses of monitoring in the DSD, the experiences of beneficiaries within monitoring and challenges in implementing the M&E system. The literature review by Neuman (2010) provided a theoretical background to the study. Agency and Stewardship theories explore the implementation of the DSD monitoring tool. The acceptance of these two theories, even though there is no proof, claims that using them in combination can contribute to the study of principal-agent relationships.

The South African Constitution of (1996) section 195 demands that the public sector should be effective and efficient, development-oriented, accountable and transparent. Government departments must improve the monitoring and evaluation system to achieve their legal and constitutional responsibility. Introducing GWMES became beneficial for the correction of the department's operation and good governance.

The understandings of Gorgens and Kusek (2009) stressed that the developed and developing countries implement monitoring and evaluation systems in their governments. Some of the countries that have implemented M&E systems in their governments are Chile (Mackay, 2006; Zaltsman, 2006), Australia (Mackay, 1998; Mackay, 2004), and Uganda (Hauge, 2001). According to Guijt and Woodhill (2002),

monitoring and evaluation system is acknowledged as a set of tools, plans and approaches for the collection, checking, analysis, storage and reporting of data on programme performance.

This section consists of a short conversation on the nine sub-sections that link to each other. Sub-section one focuses on policy and legislative framework, theoretical framework and significance of M&E. Sub-section two deliberates on the elements of an M&E system to give a clear understanding of monitoring. Sub-section three discusses the conditions for an effective monitoring and evaluation system. Sub-section four pays more attention on the challenges and coping strategies with the implementation of an operational monitoring system. Sub-section five presents an international viewpoint of monitoring. Subsection six discusses the South African context of monitoring and the growth of GWM&E system in South Africa. Subsection seven gives a picture of partnership between DSD and the NPOs based on Agency and Stewardship theories. Sub- section eight highlights monitoring as a requirement of Agency Theory. Sub-section nine highlights the critiques of Agency and Stewardship Theory. The final section gives assumptions of the theories.

The outcomes-based approach comes with limitations, as measuring influence and consequences can only be at the end of the project. DSD project funding is for a period of 12 months, however, the influence can only be measured a couple of years after the implementation of such a project.

PFMA (2009) highlighted the fact that NPO funding aims to apply social welfare programmes as part of transformation. The problem with the present subsidy and the pushing of achievement of goals such as quantity instead of quality by funded NPOs is not referring to an impact assessment.

The study focused on what shapes an operational monitoring system and its key elements. There is a need to evaluate the monitoring and evaluation system of the Department against such key elements.

2.2. Policy and Legislative Framework

Control systems that are good in an organisation are necessary for the growth, legalisation and sustainability of NPOs in any state (DSD, 2012).

The relevant policy papers and laws that guide the GWMES include, but are not restricted to, the Policy Framework for the GWMES (2007), Policy of Financial Awards, 2011, the Constitution (1996), Public Finance Management Act (1999), Code of Good Practice (CGP), and National Evaluation Policy Framework (2011), Welfare financing policy (1999) and White paper for Social Welfare. These fragments of legislation shape the key elements of the monitoring approach. The NPO Act, No.71 of 1997 was presented with the purpose of creating an environment that would empower and allow NPOs and the public organisations to uphold good standards of governance, clarity and being answerable to the public, while, at the same time, enjoying freedom and independence (DSD, 2012). The Act allowed the sector to be self-regulated. The Policy of Financial Awards (2011) provides an administrative plan for the funding of “service providers” and the transformation of social development services to suite the previously disadvantaged communities and underserved communities.

The NPO Act, in its present form, it is quiet about monitoring as a requirement that should be conducted by DSD or any other organisation. Chapter 2 of the Act (Section 3) highlights that within the restrictions that are stipulated by the regulation, every organisation must establish and organise the implementation of its policies and measures in a way that is intended to uphold, support and improve the capacity of

NPOs to perform their functions (NPO ACT, 1997, Section 3). The Act fails to clarify the meaning of the next key ideas: Uphold, Support, and Improve.

Section 38(j) of the PFMA as amendment by Act No. 29 of 1999 controls the management of public funds. This section requires the Accounting Officer (AO) to confirm that before shifting any funds to an organisation within or outside the department, he or she must get a written declaration from the organisation that states that the organisation applies effective and efficient internal control systems. If the declaration letter cannot be given, the Accounting officer should decide to transfer the funds subject to conditions and corrective measures to ensure that internal control systems are in place. (NPO Act No.29 of 1999).

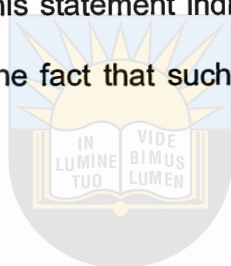
To add on that, Section 3(3) of the PMFA speaks, "In the event of any inconsistency between this Act and any other legislation, this Act prevails." This obviously specifies that PFMA could disallow the provision from any Act if such a provision contradicts it. The NPO Act and the PFMA do not mention the monitoring of NPOs. One may have reservations as to how important is M&E in the public sector? It would be difficult to answer this question, as this falls outside the scope of this study.

The revision of the two Acts appears to be reducing the importance of monitoring and evaluation to a less important process. The question to ask is can DSD enforces monitoring as a funding condition. If that is the current situation in DSD, will that be outside of what is suggested by the provision of the law or will it be within such law? The study will not be able to discuss some of these legal questions as they are outside the scope of this study.

The legislative framework fails to support monitoring for evaluation. The PFMA, NPO Act and Code of Good Practice fail to emphasize M&E and to enforce implementation by all departments. The lack of capacity building builds a gap in the

implementation of monitoring and evaluation and could shrink M&E as a good governance tool to just a business process.

The presence of policies plays a major role in an effective monitoring and evaluation system as they guide its implementation. The lack of guiding frameworks delays the achievement of any monitoring and evaluation objectives. DSD established a Code of Good Practice (CGP) for NPOs. With reference to DSD (2009), accepting and applying the policy is not compulsory, meaning that NPOs cannot support the standards set out in the CGP. This statement indicates that funding in the years to come will be available, despite the fact that such an NPO fails to comply with the Code of Good Practice.



2.3. Theoretical framework

Amidst other social work theories, the study adopted Agency theory and Stewardship theory as they are more relevant to the relationship that exist between DSD and the NPO sector (Van Slyke, 2007, p.159-182). For the purpose of the study, DSD is the principal and the NPOs are agents. Van Puyvelde, Caers, Du Bois and Jegers (2012b) applied principal agency theory to NPOs then concluded that there is a need to balance agency theory with other theoretical viewpoints. Stewardship complements the Agency theory and the usage of them can add value to the study of a principal –agent relationship.

The methodology of this study refers to the implementation of two main theories: Agency theory accepts that the Principal (DSD) and Agent (NPO) interests and objectives are not the same, there is short-term approach and there is risk shifting. By offering incentives to agents (NPO) that they would not be able to receive on their own, the agents are more likely to align their goals with those of the principal (DSD). This is true within the department because NPOs need to align their objectives with

those of the department for them to get funding. The agency theory proposes that Management or Institutions and NPOs have different objectives, interests, and motives. M&E is just an agreement that requires to be approved and endorsed by the principal and the agent (NPO) (Van Slyke, 2007, p.159-182).

The DSD and the NPO agree on the terms of contract that includes monitoring, reporting and reimbursement for doing the work for the Department. The Stewardship theory assumes that the DSD and NPO have the same interest and goals and there is partnership for high performance (Van Slyke, 2007, p.159-182). Stewardship theory suggests that NPO representatives act in the public interest because they believe this holds more advantage than acting in self-interest. Lastly, by working towards organizational objectives, NPO representatives trust that their personal needs will be taken into consideration.



2.3.1. The Agency Theory

Jensen and Meckling (1976) define an Agency theory as a contract relationship under which one or more persons (the principal(s)) engage another person (the agent) to carry out some service on their behalf, which involves delegating some decision-making powers to the agent. The theorists believe that managers will seek to maximize their own benefit at the expense of corporate shareholders (opportunistic behavior); a good reason exists to believe that the agent will not always act in the best interests of the principal.

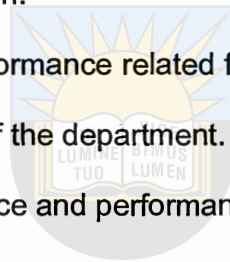
Within this principal-agent relationship, owners have an interest in maximizing the value of their profits, whereas managers are more interested in 'private consumption of resources and organisational growth.

The design underlying the Agency Theory is that of a rational actor who attempt to

maximize his or her utility with the least possible expenditure. Both agents and principals attempt to receive as much possible utility with the least possible expenditure. Thus, given the choice between two alternatives, the rational agent or principal will choose the option that increases his or her individual utility (Davis, Schoorman & Donaldson, 1997).

In the NPO sector, shareholders should be subjected to agency costs e.g. monitoring to control activities of managers and track implementation of different activities that are in line with service specification.

Agency contracts provide for performance related financial rewards to motivate NPO managers to act in the interests of the department. The government is also subjected to costs to ensure good governance and performance.



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2.3.2. Stewardship Theory

According to Donaldson and Davis (1991), Stewardship theory believes that the project manager under this theory is not being opportunistic but wants to do a good job of being a good steward of the Department's assets. Donaldson and Davis (1991) present that Stewardship theory does not only focus on motivation of the NPO director but on facilitative and empowering structures. Contrary to the Agency theory, Stewardship theory believes that combining the roles of the Director and chair of the board of directors will improve effectiveness and produce superior returns to the Department rather than separation of the roles of the Director and chairperson. In Stewardship theory, the model of man is based on a steward whose behavior is ordered such that behaviors of the group have higher utility than individual behavior. Stewardship theorists assume a strong relationship between the success of the organization and the principal's satisfaction. A steward protects and

maximizes shareholders' wealth through organisational performance, because, by so doing, the steward's utility functions are maximized (Davis et al., 1997).

In the NPO sector, Stewardship theory provides that NPO managers and Social Workers as implementers should use a lot of effort when applying resources to ensure that the Department achieve maximum returns. The theory argues that managers are not only self-interested but are also capable of positive actions, they have a need for achievement and internal satisfaction and will improve their performance in their role as stewards of organizational resources to meet these needs. To improve the level of efficiency, checks and balances needs to be put in place.

In order to reach the objectives that are suitable for both parties in a contract relationship, theories underscore the need to focus on using tools, such as monitoring, belief, reputation, incentives and sanctions in contract relationships (Van Slyke, 2007, p.158). Martynov (2009) claims that Agency and Stewardship theory depend on each other, as they cannot work independently and Agents/Stewards will respond in a different way.

Van Slyke (2007) maintained that the real identification of an Agent or a Steward is someone who shows character or displays behaviours from both theories. The study method is explained in the following paragraphs.

2.4. Monitoring and Evaluation

Monitoring is beneficial to all projects and Van Slyke (2007) regards it as an open organisation contract exercise that supervisors implement to supervise NPO contractors. It helps in identifying project areas that are on target and those that

need to be adjusted or replaced. Different types of projects require different types of monitoring systems (Shapiro 2011). However, according to IFRC (2011), the most popular M&E systems with project managers are the ones developed on Monitoring and Evaluation Matrix, based on the Logical Framework Approach to M&E. The following definitions are based on IFRC (2011).

Most of the time, monitoring and evaluation are frequently used jointly as if they have the similar interpretation. The two are different concepts but complement each other. What is common between monitoring and evaluation is that they focus on competence, usefulness and influence. Competence tells you that the contribution into the work is suitable in terms of the productivity. Usefulness is a measure of the degree to which a project reaches the specific objectives. Influence reports change to the condition you are trying to address. From this, it should be clear that M&E need proper planning in order to assess progress and achievements.

Hunter (2009) differentiates monitoring from evaluation and specifies that evaluation includes the measurement of tangible results compared to set goals and it measures the influence of the service. Evaluation happens at the end of the project or at specific intervals whereas monitoring is continuous (Hunter, 2009, p.7).

Monitoring is the continuous gathering and inspection of data to check new development against set plans and to check adherence to policies (IFRC 2011, p.11). Kusek and Rist (2004) argued that M&E is an influential controlling tool that can be used to get the results of an organisation in an effective and efficient manner. This argument is supported by the UNAIDS (2008) but they further indicate that M&E promotes transparency and accountability.

Mackay (2006) warns against dependency on M&E to solve all the challenges facing an organisation. He argues that M&E is one of the various management tools that

improve organisational performance but it cannot replace good management. The following are the different types of monitoring as illustrated by IFRC, 2011, p.12).

2.5. Types of Monitoring

2.5.1. Results Monitoring

It tracks the effects and impacts of services provided. This is where monitoring amalgamates with evaluation to conclude if the programme is achieving its intended results (contributions, consequences, influence).

2.5.2. Activity monitoring

Activity monitoring is applied together with compliance checking and leads to the evaluation of influence. It looks at the delivery of actions.

2.5.3. Monitoring Compliance

This type of monitoring safeguards compliance with expected results in terms of service delivery, compliance with contract requirements and norms and standards.

2.5.4. Situation monitoring

Situation monitoring checks the situation in which the project functions, identified dangers and expectations, as well as any unforeseen thoughts that may come up.

2.5.5. Beneficiary monitoring

Beneficiary monitoring looks at beneficiary views, what makes them happy or grievances with the implementation of the programme, their participation, treatment, access to assets of the organisation and their general experience of transformation. It includes stakeholder complaints and feedback mechanisms from different population groups.

2.5.6. Financial monitoring

The purpose here is to safeguard state funds against mismanagement. It checks on expenditure and assess financial and management systems. It helps to identify potential audit issues and training needs and follow up on issues that need corrections (Bonnie, 2008).

2.5.7. Organizational monitoring

This monitoring keeps track on other means of support, organisational growth and capacity building in the NPO and for beneficiaries.

2.5.8. Participatory monitoring

The effects of Participatory monitoring have enabled the government to improve on service delivery (Muriungi, 2015, p.1). This method involves preparation and the setting of understandable and quantifiable goals. The goals may well consist of internal monitoring and skills development. Naidoo (2009) confirms the benefit of participatory monitoring and evaluation when she indicates that it empowers the marginalised, promotes project ownership, and improves sustainability and transparency.

The new idea to Monitoring and Evaluation called “the Socio-Cultural Participatory M&E”. was introduced by Tana, Onyango, Ochola and Omolo (2011, p.114). This type of monitoring system happens when affected participants get an opportunity to debate and discuss new concerns that affect day-to-day activities. The socio cultural monitoring method was put into action when dealing with socio-cultural differences amongst different ethnic groups in Kenya. The research established that M&E pointers were guided by the societal position of participants, levels of education, income, and status in society. When the implementation of this method is effective, it

will minimize conflict between NPOs and communities that benefit from services provided by NPOs.

2.5.9. Positive bias M&E

Clements, Chianca and Sasaki (2008, p.199) presented another theory to Monitoring and Evaluation, named positive bias monitoring. The idea behind this process recommends that Monitoring and Evaluation need to be a specialist field and be named “Monitoring and Evaluation for cost effectiveness”. Positive bias proposes that Government uses an incorrect assessment instrument that focuses on inputs and outputs as a replacement for impact when measuring performance. Reports on monitoring show a good image, while evidence on the organisation presents noncompliance.

This statement indicates that if supervisors in an organisation benefit for compromising the success of Monitoring and Evaluation and politics influence the way funding is allocated; there is a possibility to produce positive bias reports. It is believed that this method will generate political stability (Clements et al., 2008, p.196). The accomplishments will be directed at pleasing both the funder and the beneficiaries. This process affects the usefulness of M&E and the standard of reports produced.

Monitoring and Evaluation requires the formation of an effective system in an organisation or a government. However, what are the components of an effective Monitoring and Evaluation system? The following paragraphs answer this question.

2.6. Components of an effective monitoring and evaluation system

Gorgens and Kusek (2009) argue that M&E system contains elements that complement each other. They provide detailed information of what is an M&E

system. The following sub headings summarise those elements as they are in line with the IFRC (2011).

2.6.1. Monitoring organisational structure

Monitoring and Evaluation system should be located within or outside an NPO to ensure that implementation and evaluation of plans is effective. Mackay (2007) has backed this view but stated that when deciding on the location of Monitoring and Evaluation, factors that can influence an M&E system in a positive way need to be taken into consideration. Before deciding on the place to situate monitoring, one needs to check the objectives of an M&E system, the resources that are available for implementation, the advocates for monitoring, and whether stakeholders accept it.

2.6.2. Monitoring capacity

Adequate skills development is the important factor when applying an effective monitoring system. Staff involved in monitoring should get trainings on new advancements in the field of M&E because monitoring is an emerging tradition (Gorgens & Kusek, 2009, p.94).

2.6.3. Collection and verification of data

This element contributes to the quality of monitoring data, decision-making and planning process. (Gorgens & Kusek, 2009). Guijt and Woodhill (2002) concur with this statement, but they warn that if the implementation of this element is not correct, it can result in wrong performance information on service delivery. They proposed that the availability of resources, description of data to be collected, identification of data drawbacks and information requirements of the implementers might assist in the implementation process. The thoughts by Gorgens and Kusek (2009), Guijt and Woodhill (2002) suggest that effective monitoring involves the structures and

processes that make up an M&E system and the right people to manage the system. In addressing the challenges of poor quality performance data, one needs to address underperformance of the whole M&E system.

2.6.4. Monitoring data for decision-making

According to Gorgens & Kusek (2009), people who make decisions and policy developers will find it difficult to use monitoring information if they view it as of unacceptable standards. To improve the quality of information collected during monitoring, strict controls need to be implemented. The USAID (2009) proposed three strategies to improve the quality of monitoring data. Policy makers need to verify the quality of reported data, the ability of the system to gather information of good standards and the development of action plans to improve strategies and implement them. Gorgens & Kusek (2009) and Guijt & Woodhill (2002) support these strategies. Kusek and Rist (2004) introduced a new concept on M&E called the “Results-Based Monitoring and Evaluation”. This method supports the 10 steps to results-based effective M&E that are summarised in the next paragraphs.

2.7. Ten stages to designing, building and sustaining a results-based M&E system

The main difference amongst results based monitoring and traditional monitoring is that results-based Monitoring and Evaluation concentrates on endings and influences, instead of contributions and productions and the government receives feedback on services rendered in an organisation.

Kusek and Rist (2004, p. 24) established the following 10 stages for outcomes based monitoring, which are:

- Stage 1: This stage involves meeting with interested parties to shape M&E

system and developing pointers and making plan for the results.

- Stage 2: Drafting a plan for monitoring.
- Stage 3: Developing performance indicators that will help track the progress.
- Stage 4: Establishing performance baselines where monitoring process should start.
- Stage 5: This step is shaped by the prior stages and selecting targets is by examining baseline indicators.
- Stage 6: Implementation and monitoring of outcomes includes the following implementation and assessing the results.
- Stage 7: This stage focuses on the types and the time to conduct evaluations.
- Stage 8: This stage focuses on the breakdown and clarification of information for decision-making process and improvements to the programme under evaluation.
- Stage 9: Sharing knowledge with other stakeholders through information sharing sessions.
- Step 10: Addresses challenges associated with accountability and capacity building.

These ten stages will be able to help NPO reach their objectives and goals. One can agree with Kusek & Rist when they claim that during implementation of the 10-stage model, implementers can exchange the stages as they provide direction more than being a policy (Kusek and Rist, 2004, p.24). The ten-stage model allows for responsibility in NPOs, and on performing implementation. The model affects the organisation's culture and that brings transformation (Kusek and Rist 2004, p.24). Apart from being a good model, results based M&E can be challenging in circumstances where NPOs avoid the presentation of their performance. There is

fear between organisations about the likelihood of having their information being analysed by other organisation that provide the same service (Kusek and Rist 2004, p.21).

2.8. Monitoring in global context

Monitoring is an essential exercise if countries want to accomplish good control systems. States like Chile, Uganda and Australia have a functioning Monitoring and Evaluation system that is not the same as any other country. According to Mackay's, Chile established Monitoring and Evaluation system for the first time in 1974, Colombia in 1991, whereas Australia established its official plan for evaluations from 1987 to 1991(Mackay, 2007, p.23-37). A number of Latin American states have a high regard for and even wish to copy Chile's strong Monitoring and Evaluation structure (Mackay, 2007, p.23).

Comparing countries that have an effective Monitoring and Evaluation structure allows other countries to realise that duplication may or may not produce the desired outcomes for them. Mackay specifies the use of findings provided by monitoring data and the standard of work involved as the main reason for Chile's outstanding monitoring structure. (Mackay, 2007, p.3).

Mackay (2007) regards Chile as the best practice country for M&E. The major step in the improvement of Chile's M&E structure consists of cost analysis, the collection of data and the provision of information for various types of evaluation that are conducted (Mackay, 2006). Each step had specific objectives to achieve. The four objectives of Chile's Monitoring and Evaluation system were to re-enforce government's capacity to undertake effective planning, to align government's policies

and national strategic planning, to assess the ministries and agencies' compliance with the President's Policy priorities and to serve as an accountability tool.

Chile's M&E structure was introduced based on various national Acts and Decrees including Law 18.993 of 1990, Decree 7 of 1991 and the Budget Law of 1995 (Zaltsman, 2006). Chile's M & E structure is located in the Department of Economics, which is a very powerful portfolio in the government of Chile. The negative side effects of this arrangement was the lack of ownership and the use of monitoring information by sub section departments and their organisations who viewed monitoring as a financial compliance issue rather than a service delivery improvement issue (Mackay, 2006).

Australia's Monitoring and Evaluation system was implemented in two phases referred to as the first generation of 1987 to 1997 and the second generation of 1997 to present (Mackay, 2004). Each generation was characterised by certain developments, as indicated below:

- The first generation of 1987 to 1997 was characterised by priority public sector reforms, which saw the decentralization of powers to supervisors, the introduction of the principle of programme supervision and costing, with an emphasis on effectiveness and efficiency of departmental programmes.
- The second generation of 1997 to present is characterised by the development of formal strategy for evaluations, which, amongst others, requires that every government programme should be evaluated every 3 – 5 years.

Australia's Monitoring and Evaluation system's objectives were to encourage programme managers to use evaluation to improve their performance, to aid the Cabinet's decision-making process and to strengthen accountability (Mackay, 2007).

These objectives focussed on supporting government's policy development, internal management and external reporting for accountability purposes (Mackay, 2004). Australia's Monitoring and Evaluation system is supported by the introduction of Cabinet agreements, which had the force of law. The Cabinet agreements included the Cabinet agreement of 1987, Cabinet agreement of 1988 and Cabinet agreement of 1995 (Mackay, 1998).

Uganda's monitoring structure is different from the one from Chile and Australia. Three different structures of the country, namely the Department of Economics, Planning and Economic Development, the Office of the President and the Office of the Prime Minister, advocated for Monitoring. Funders were involved in the Uganda's Monitoring and Evaluation system. This might be because the donors financed some of the public investment projects of Uganda. Stakeholders who are involved in monitoring came up with a different method to M&E (Hauge, 2001).

The presence of two different elements of monitoring in Uganda's, for example, one for economic resources and the other for poverty monitoring, might be the consequences of this arrangement. The problem is repeated by Kusek and Risk (2004, p. 32) who argued that lack of cooperation and coordination from government delays the implementation of an effective Monitoring and Evaluation system.

The Monitoring and Evaluation structures of Australia, Chile and Uganda delivered an exciting viewpoint and practices of Monitoring and Evaluation system in established and emerging countries. The assumption is that there is no best method to an M&E system. Every method depends on various influences within and outside a state. The following paragraphs present development and application of an M&E system in the South African government.

2.9. The South African Government - Wide Monitoring and Evaluation System

National Government participated in the institutionalisation of M&E in South Africa. In 1998, the Public Service Commission (PSC) proposed monitoring and they evaluated public service delivery and administration performance (Naidoo, 2009). Mr Thabo Mbeki, who was the President of the Republic of South Africa in 2005, pronounced on the country's public ceremony that government would ensure that more attention is given to M&E and its performance in service delivery (State of the Nation Address, 2005).

The implementation plan to develop the Monitoring and Evaluation system was approved by Cabinet to be used by all Government Departments. It is then that the policy Framework for the Government-Wide M&E system was accepted (GWM&E) in 2007. The next step was the approval of *A Proposal and Implementation Plan for Government-Wide Monitoring and Evaluation System* (GWM&E system) by the South African Cabinet.

The implementation plan assumes that the GWM&E system included functions such as monitoring and evaluation, data collection, data verifications, analysis and reporting. The proposal and implementation plan laid the basis and provided a conceptual framework for GWM&E system in the South African public sector. The implementation was behind schedule because there was a need to clarifying roles and responsibilities (Engela & Ajam, 2010). The delays encouraged the Cabinet to get involved by passing *The Policy Framework on Government-Wide Monitoring and Evaluation System* in 2007.

The monitoring policy was meant to fast track the implementation of GWM&E system as well as to clarify the implementation challenges. There were principles that were guiding the process and those were the key monitoring ideas, GWM&E objectives,

the role of monitoring sub directorates and government employees as implementers of monitoring and the departmental preparations and legal obligations supporting GWM&E system (Engela & Ajam, 2010).

As the National Government was arranging the foundations for GWM&E system through policy frameworks and guidelines, other departments established and implemented their own Monitoring and Evaluation systems. The policy delegated the departments to improve performance information and service delivery. DSD developed and implemented its monitoring system in 2007. A summary of the DSD's Monitoring and Evaluation system is provided in the following sub-sections.

2.10. The Monitoring and Evaluation Policy Framework

There is a need for an M&E framework when one is developing an M&E system. The policy framework influences all the processes and activities that occur in the M&E system and acts as a planning tool for M&E processes (Ille, Eresia & Allen-Ille, 2012, p.95). There are different types of M&E frameworks. For the purpose of the study, the logical framework approach is relevant. The M&E policy framework (2014) is a guiding document for the implementation of effective M&E in the departments. The framework represents a formal tool that emphasises the monitoring of funded NPOs. The framework was developed for NPO staff responsible for day-to-day management of the organisation, NPO Managers and those responsible for the relationship between NPOs and DSD. The framework is supposed to be translated into a reality by all reporting levels to make certain that monitoring is implemented properly.

The data collected through M&E from all reporting levels is supposed to be checked for quality and be endorsed by the responsible manager. Once the data gets to the M&E Directorate, it is processed, analysed and interpreted to generate Department-

Wide performance reports. These reports include reports to the Auditor General, National Departments, and the Office of the Presidency, the Provincial Legislature, Oversight Bodies and the public. It is essential that the Head of the Department (HOD) and the Member of the Executive Council (MEC) endorse the reports to confirm their approval before dissemination to the stakeholders.

The DSD monitoring system functioned under the Strategic Support and Planning Unit (Strategic planning) for a very long time. The focus was mainly on reporting, which is one of the six components of monitoring. The reporting was more results-driven. The Department failed to trace concerns and influences made by M&E and there was no monitoring schedule and systems in place. The Department did not have committed employees focused on monitoring and there was no budget for implementation. The approval of the *Policy Framework on Government-Wide Monitoring and Evaluation System* in 2007 made it necessary for DSD to establish its Monitoring and Evaluation system. The DSD Monitoring and Evaluation framework was signed off by the then Head of Welfare Services Mr Maxegwana in 2010.

The current M&E practices in DSD are informed by two sets of policies, Eastern Cape DSD M&E Policy Framework of 2010 and the NPO & Community Based Projects M&E Draft Policy of 2012. A decision was taken to implement aspects of the Draft Policy whilst it was still awaiting approval in order to close the gaps that were identified in the 2010 M&E Policy Framework.

The department uses Funding Policy (PFMA) as a replacement for monitoring policy, as the latest policy was approved in 2010 and has gaps. According to Lahey (2009), a recognised policy document should have role clarification and responsibilities for policy implementers. The PFMA calls for the involvement of stakeholders in the monitoring process. Agreeing to the funding policy, NPOs must conduct internal

monitoring in order to track performance and make sure that it provides good quality services. Internal monitoring is an important tool for NPOs in order to improve their accountability. Monitoring and Evaluation generates a space for norms and standards to develop, where they were not available. The funding policy includes the submission of monthly reports on non-financial data, financial data, minutes of meetings, and project monitoring visits by department officials. Does the department have a Monitoring and Evaluation Unit? The answer to this question is below.

2.11. Department of Social Development Monitoring Directorate

The Provincial office of the Department has a new NPO Directorate. The Unit is in control for the general coordination and management of M&E and the development of standardized data collection tools and the compilation of Provincial monitoring reports. The NPO Management Unit's main purpose is to conduct site visits of NPOs on a monthly basis, to check and confirm that organisations comply with the requirements stipulated in the Service Level Agreement. The aims and objectives of M&E are also specified in the NPO Act 71 of 1997, policy of financial Awards, 2011 and Public Finance Management Act 1 of 1999 as revised by Act 29 of 1999. Section 3 of the NPO Act No 71 of 1997, points out that "Within the restrictions that are approved by the law, all structures of government must establish and co-ordinate the implementation of its policies. The implementation should be in a manner that is aimed to promote, support and increase the capacity of NPOs to perform their functions" (Non-Profit Organisation Act, 71 of 1997, Sec.3).

The Non-profit Organisation Act does not specify monitoring as an obligation, nevertheless, in order for the department to comply with the above requirement, NPOs must be monitored to evaluate their ability to function effectively and to provide the necessary support required to build monitoring capacity.

The monitoring data moves through three reporting points before it reaches the Monitoring Directorate at the Provincial Head Office. The four reporting points are the Provincial Office, District offices, Service office and the NPOs.

- **Provincial Office:** Data is managed, stored and analysed at the Province Office. Feedback sessions on the findings should influence decision-making.

- **The District offices:** The Amathole District office is the submission point below the monitoring Directorate in terms of reporting points. Data collation and analysis happens at this level. The District office plays the main role in the monitoring system, as it is responsible for confirming the quality of data from Local Area Service offices before it reaches the Provincial NPO Unit Directorate.

- **The Local Area offices:** The Area offices are the second reporting point below the M&E directorate. Amathole District has a total of five Area offices and 17 Local service offices that are accountable for the gathering, checking and analysis of information from NPOs. This task is the duty of office Managers that received training by DSD at Amathole District on Accessing, analysis, and interpretation of data (DSD Attendance Register 11.03.2014).

- **The NPOs**

The NPOs are the sources of data. They submit monthly and quarterly reports to service offices, as specified in the NPO Act. The reports are checked for quality and approved by the responsible NPO manager.

The gap recognised with the DSD M&E system was that it failed to generate good quality performance information since its policy implementation in 2007. The question to ask would be what is good quality information? Vannan provides the answer when he reports that the quality of the information collected does not have to be spotless, but must be just truthful and thorough. Information should be consistent,

timely and flexible enough to meet the needs of the organisation (Vannan 2001, p.56).

2.12. The Role of NPOs at Amathole District

Non-profit organizations depend on public and or private support and they have to demonstrate their effectiveness in relation to their stated outcomes in order to continue securing monetary support for their projects. As a consequence, they have to undergo increased monitoring and evaluation (Department of Social Development National Financing Policy, 2011, p.2).

The department has made a large investment in the social development sector. In addition, it has provided an enabling environment for the purposes of transformation. The work performed by NPOs lately has been acknowledged. The public and other Institutions regard NPOs as good providers because they their services reach the poorest of the poor and provide value for money (Meyer, 1992, Sollis, 1992 & Vivian, 1994).

The National Department issued the Code of Good Governance in 2001 as part of its constitutional mandate for NPOs to encourage self-regulation. These good governance practices intend to improve governance within the sector (DSD, 2009). Despite that, it is clear that most NPOs do not conform to these simple standards of good governance (DSD, 2009). The NPO database obtained from the Eastern Cape DSD indicated that 469 NPOs were funded at Amathole District by 31st March 2016 (DSD NPO database, 2016). Funded NPOs include a representation of ECDC, HIV projects, Older Person's programmes, Victim support centres and Family Preservation organisation (DSD Database, 2015). The distribution of registered NPOs per Municipal Area is indicated below:

Table 1: Distribution of registered NPO per Municipal Area

Area	Number of NPOs
Amahlathi	72
Peddrie/Kei	63
Mbashe	97
Mnquma	78
Raymond Mhlaba	111
Total	469

Source: DSD (2015/16)

2.13. Social Development Funding System

The Department is responsible for the administration of Funding policy. The mandate and responsibility of the DSD is to ensure that social welfare services are available and accessible to all communities. The revised DSD Sector funding policy encourages the funding of NPOs that are registered in terms of the NPO Act. The registration status of NPOs is crucial to fast track funding, as it is the only way to confirm the existence of the organisation.

Earlier on, the funding process in the Department was based on Treasury. The Treasury would budget for NPOs. DSD was used as a channel for NPOs and a connection between National Treasury and the NPOs. NPOs would implement services and claim for the services provided. Before funding agreement is reached with an NPO, the assumption is that the NPO is registered with the DSD's NPO Chief Directorate under the NPO Act (no.71 of 1997). All NPOs need to ensure that their compliance status with the Act is good .During early 2000, NPOs were expected to apply for funding.

Depending on the type of funding options that are provided by the department, funding is offered with the assumption that all NPOs will find ways to fundraise for other organisational needs (NPO Sector Funding Guidelines, 2016, p.23), Applications are submitted annually, and there is no multi-year funding. NPOs apply for 100% funding and DSD funds a portion of the NPO's requested amount, depending on the availability of financial plans. NPOs should be able to justify the services bought by DSD.

The issue of subsidy reduction on some NPOs is a challenge. The Department blames NPOs for under spending as that affects Treasury's financial plan allocations for the following financial year report (DSD NPO forum Quarterly report, 2016).

2.14. Monitoring tools recommended for NPOs

The following are some of the M&E tools suggested for NPO, as highlighted in the DSD M&E framework (2014) and directed by the intentions of the NPO Act No.71 of 1997.

1. Development of Monitoring indicators
2. Log Frame
3. Data quality Management
4. Field Visits/Compliance monitoring tool
5. Policy on Financial Awards

2.14.1. Development of monitoring indicators

Indicators is a measurement of an activity and it gives direction as to whether you are achieving or not. Indicators can be quantitative or narrative observation. Some steps need to be followed when developing indicators. This tool emphasizes that NPO managers need to come with a list of indicators that are related to DSD's indicators, international standards or that are used by other partners. They must

select the best indicator. They must draft indicator protocol for each indicator. They must collect baseline data and modify indicators and those indicators need to be monitored.

2.14.2. Log Frame

The Log frame is used extensively by NPOs. The log frame is responsible for the development of a monitoring structure and a plan for evaluation. According to Chaplowe (2008), theoretical background for monitoring is built upon log frame. Once indicators have been developed and populated in the indicator matrix, the next step for NPOs is to populate the information on the logical framework.

2.14.1.1. Advantages of Log frames

- Puts together all the key components of a project, programme or policy;
- The key elements are presented in a clear systematic way that clarifies the way the project is supposed to work.
- It helps to ensure that inputs and outputs are not confused with each other or with objectives.
- It highlights the major factors that contribute to the success of the programme or policy, making it easy to influence these factors;
- It enables the monitoring and evaluation process to have a starting point as it shows the indicators of success and ways to conduct assessment.

2.14.1.2. Limitations of Log frames

- With log frames, it is difficult to represent relationship between multiple events at the same level of a logical framework such as how different programme or policy outputs feed into each other.
- It covers the conflict of interests that exist amongst stakeholders and disregard intentionally the differences that might hinder the successes of the programme or policy.

Chaplowe (2008,p.10) observes that the lack of coordination and the breakdown of log frame by the National Treasury in South Africa led to the duplication of log frame.

DSD uses Service Specification as a monitoring tool for this purpose as NPOs need to align their indicators with those of the Department. The poor implementation of monitoring is not restricted by capacity in the NPOs but a lack of transparency in the implementation process. The implementation of unreliable methods provides different monitoring results.

2.14.3. Data Quality Management

NPO Managers are obliged to submit reports four times a year to the Department and one annual report to the NPO directorate. To the NPOs, this reporting system generates misunderstanding as they assume that submitting reports to the department is the same as submitting compliance reports to the NPO directorate. Other NPOs are emerging and others are fully established, therefore, the reporting template should not be standardised, as NPOs are not operating in the same level. DSD is not creating an enabling environment when treating NPOs on a one size fits all basis.

2.14.4. Field visits/compliance tool

Social workers conduct field visits to monitor and complete the tool on governance issues and other social workers monitor norms and standards. The disadvantage is that there is less information provided and not all data needed by AGSA is on the tool. For example, in terms of safety measures, Auditor General would require the NPO to have insurance for their assets and have a second exit point in the building.

2.14.5. Policy on Financial Awards

Monitoring is guided by PFA perspective. NPOs are forced to request before they spend on other requirements on financial management. The Auditor General is guided by this policy when auditing NPOs. The weakness on the NPO Act is that there is a general lack of governance capacity and poor standards in financial reporting within NPOs, which has an influence on their ability to manage their affairs.

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2.15. Requirements for an effective monitoring system

To ensure that information provided by NPOs is correct and trustworthy, monitoring processes and data collection methods need to be implemented. Monitoring information is gathered during the project planning and implementation stage. The following stages should be taken into consideration as they are fundamental to each other and they should be planned at the same time (IFRC, 2011, p.25).

Stage 1: To identify the capacity of monitoring structure

This stage provides guidance as to why monitoring is necessary, methods to be undertaken, allocation of resources and capacity building needs. Monitoring is based on Log frame (IFRC, 2011, p.27). Stakeholder needs and expectations must be taken into consideration.

Stage2: Plan for collecting and information management

The effective implementation of the first stage makes way for collection and management of data. A monitoring plan with strict guidelines is necessary. It is essential to check the use of secondary records and determine whether there is stability amongst quantitative and qualitative data. Once data is collected, its management starts IFRC (2011, p.32- 35).

Stage 3: Plan for analysing information

Plan for analysing information draws meanings from data that has been gathered. Analysing data is an ongoing process and it happens during the course of the project in order to get a clear understanding of the collected data IFRC (2011, p.48).

Stage 4: Plan for Feedback sessions

The successful implementation of the earlier stages will determine how the information is presented and used for the benefit of the NPOs. Reporting is the serious stage in which the information that was collected is presented to the stakeholders for decision making IFRC (2011, p.57). Even if information gathering and analysis is done appropriately, if the presentation is poor, the information will be viewed as a fruitless expenditure and a waste of time (IFRC, 2011, p.57).

Stage 5: Plan for Skills development

Effective M&E arrangement needs people who are dedicated to the Unit and are skilled enough to define the success or failure of the process IFRC (2011, p.69). There is a need for skills development analysis to identify training needs.

Stage 6: Formulating the monitoring financial plan

The implementation process requires a financial plan that will provide for the resources that are going to be required in order to carry out the monitoring process (IFRC, 2011, p.74).

Mackay (2006, p.9) cautions that the value of monitoring does not come from implementing M&E or from having such information available, but it comes from using the information to help improve government performance. Guijt & Woodhill(2012) support this idea. It is important for NPOs to keep an eye on these six stages in operating a successful M&E arrangement. Following these steps above, NPOs in the Mbashe would be able to understand their aims and goals. Implementing effective M&E might present some challenges and a summary of those challenges is presented below:

2.16. Challenges of implementing an effective monitoring arrangement

Melchor (2008, p.21) states that when implementing a new approach, budget, resources and skilled workforce are necessary for the operation process to be a success. Melchor (2008, p. 17) emphasises that people fight transformation if the improvement is not clearly explained by managers and understood by all relevant stakeholders. During the application of monitoring arrangement, different sections of South African government have experienced challenges that are discussed below. Hollard and Ruedin (2012, p.9) believe that while criticism is directed against funders, the process of monitoring empowerment can be disempowering for people living in poverty. For the implementers to plan and address problems that arise during the execution of their duties there is a need to acknowledge challenges of implementation. (Patton, 1997, p. 201).

2.16.1. The function of Principals

The Bosses are in control of the NPO's day-to-day activities and the team includes project supervisor, and project staff. To ensure the success of the Monitoring and Evaluation system, project management is in charge for policymaking and strategic planning in the project. Bosses manage the M&E system by tracking indicators,

producing quarterly reports and annual strategic reports (IFRC, 2011). The project manager checks that project staff members carry out their jobs successfully (Guijt, 2002). Staff members conduct monitoring when they collect monitoring information from households and present it in their weekly and quarterly reports (IFRC, 2011). Project staff finds it difficult to adhere to monitoring processes if management fails to prioritise Monitoring and Evaluation.

2.16.2. Street Level Bureaucracy

Policy makers should take into consideration that there should be a connection between public policies and their outcomes. Policies are developed by the Chief Directors of government and are applied at Local Service Office point by Social Workers who enjoy independence and freedom of choice in the execution of their duties (Lipsky, 1980, p.465). The concept of discretion is the ability and obligation to choose what actions are suitable as well as the capability to take those actions (Boote, 2006, p.465). Another concept is autonomy that highlights real life expectations and has revealed that there is always a mistake between instructions and how they are carried out according to expectations. Lipsky, (1980, p.17) notes that this can have serious consequences for policy outcomes.

Lipsky describes street level bureaucrats as *“public service workers who interact directly with citizens and have substantial discretion in the execution of their work”* (Lipsky, 1980, p.13). Lipsky (1980) speaks of educators, police department officers, social workers, adjudicators and other court officials as having characteristics of street-level bureaucrats. This draws on Michael Lipsky's (1980) principle regarding Social Workers as street level bureaucrats.

The different channels of communication and supervision could produce *“possible contradictory action imperatives and street level bureaucrats constantly weigh out*

how to act" (Hill & Hupe, 2002, p.296). Situations that force Social Workers to practice their own freedom of choice stem from lack of approved Monitoring and Evaluation policy, poorly defined goals and inadequate resources.

Parsons agree that policymaking does not end once the policy is approved. Parsons argues that bureaucrats are not just neutral civil servants, but also have their own ideas, values, beliefs and interests that they also use to shape the policy (Parsons, 1995, p.462). To concur with Lipsky, street-level bureaucrats influence policy in two related ways, i.e. freedom of choice and independence. The exercise of freedom of choice and independence in public policy by street-level bureaucrats can affect the policy outcomes (Lipsky, 1980, p.13).

2.16.3. NPO Act

The objectives of the NPO Act No.71 of 1997 pose some challenges within the NPO sector. NPOs are unable to write good quality financial reports; which affects their ability to manage their own funding, and this is caused by lack of capacity development on governance issues. The Act applies a one size fits all method when dealing with NPOs, whereas there are emerging and established NPOs. The NPO regulatory framework is fragmented.

2.16.4. Monitoring Tool

The collection of monitoring information comes from the service office and is given to programme managers at the District office. Programme Managers were supposed to seat with the NPO Unit Management, discuss the NPO challenges at District level, and come up with an intervention plan for closing the gaps identified. Annexure B of Service Level Agreement (SLA) shifts the responsibility to the Department not NPOs. There is less information written on the tool and not all the data required by the Auditor General is on the tool. The conclusion is that M&E challenges are both

internal (within an organisation or a government) and external (outside an organisation or a government). What is important is for an organisation or a government is to be able to identify these challenges and address them.

2.17. Coping Strategies in the implementation of monitoring.

Coping strategies can be behavioral and cognitive tactics that NPO staff use to manage crises conditions and demands that are distressing. According to Catherina (2015), there are nine coping strategies that the individual has and can use successfully. Coping strategies can be taught or be done through modelling. The nine approaches are (1) remembering undesirable occasions, (2) feeling sorry for self, (3) examining data, (4) difference with others, (5) preparation, (6) escape tendency, (7) control via evidence (8) expectation of undesirable events and (9) control of circumstances.

According to Van Slyke (2007), formal and informal approaches are available for monitoring the engagements of NPO staff and assessing the type of service they provide. These formal strategies include, but are not limited to, using programme staff to conduct performance audits, performing site visits regularly, requesting quarterly reports, reinforcing corrective measures on compliance issues and getting feedback from fieldworkers and other providers. The informal monitoring strategies include relying on the reputation of NPOs and their experience with the department. Each of these formal and informal monitoring systems is in line with the requirements for oversight that are suggested by Agency theory. Regular monitoring, giving back information and periodic reporting would be in accordance with the practices suggested by Stewardship theory for achieving goal congruence.

Different officials in an organisation conduct the department's monitoring, others monitor compliance and others would come and monitor norms and standards. This

case of multiple levels of monitoring exists to guard against opportunism and provide a good standard of service.

The argument is that monitoring is happening and there are approaches that NPOs use to handle the requirements of monitoring.

2.18. Partnership between DSD and NPOs based on Agency and Stewardship theories.

The DSD Partnership Model (2016) acknowledges that the interaction between DSD officials and NPO representatives has at its foundation the acknowledgement of the complementary nature of their different but related roles. This is happening at community, local, provincial and national levels of governance. Through this interaction, partners have come to acknowledge their separate concerns. They have come to appreciate the importance of their different roles and commitment to poverty reduction, human development and good governance.

A suitable framework for analysing the relationship between DSD and NPOs is the Principal-Agent framework. A Principal Agent relationship can be defined as “*a contract under which one or more persons (the principal) engage another person (the agent) to perform some services on their behalf, which involves delegating some decision making authority to the agent*” (Jensen & Meckling, 1976, p. 308). For the purpose of the study, DSD is the principal and NPO are agents. Van Puyvelde, Caers, Du Bois and Jegers (2012) applied Principal agency Theory to NPOs then concluded that there is a need to balance the agency Theory with other academic viewpoints in order to answer questions of NPO accountability. Stewardship theory complements Agency theory and the use of both of them can contribute to the study of principal-agent relationship.

Two philosophies have begun to describe principal-agent relationship in a governmental environment: agency theory and stewardship theory (Van Puyvelde, Caers, Du Bois & Jegers, 2012, p .433-441). Principal-Agent Theory explains how best to organize relationships. One party, the DSD, determines the work through service specifications and another party, the NPO, undertakes the work with the belief that the NPO will make choices that are in the best interest of the principal (Jensen & Meckling, 1976; Eisenhardt, 1989).

Agency theory has its roots in economics and accepts the fact that the principal and the agent do not share the same goals. Now that DSD and the NPOs are in a relationship, they both want to take full advantage of their function and there is a reason beyond doubt to believe that the NPOs will not always perform in the interest of the DSD (Jensen & Meckling, 1976). When the behaviour of the NPO is not restrained, the goal of DSD is not likely to be reached. In relation to this bad behaviour, the relationship will include organisation costs. Jensen & Meckling (1976, p.308-309) describe organisation costs as the amount of monitoring costs, bonding costs and residual costs. Monitoring costs refer to paying for officials, vehicles and stationery costs that DSD become subjected to as an exercise to restrict and control the activities of the NPOs.

An agency-based method accepts that bookkeeping and the inspecting of documents against policy requirements can be perceived as bonding cost from the NPO's point of view. The welfare loss of the DSD is called the residual costs. To cut down costs, the NPO and the DSD make an agreement through contract (SLA) on how much payment or resources will be given to the NPO for the effort necessary to complete the task. The agreement is the unit of analysis present for a principal-agent relationship to exist.

Firstly, the DSD may attempt to support the NPO interest with own objectives by proposing a contract where reimbursement is changed from financing the hard work to result-based pay to enable DSD and NPO to share the same interests in the performance of the organisation. Secondly, The DSD can improve the monitoring of the NPO for the betterment of the information it owns, but needs to consider the likelihood that harsher monitoring may decrease work efforts (Jensen & Meckling, 1976).

Although agency theory appears to be leading the literature on control measures, scholars have put forward theoretical restrictions of the Agency and recommended Stewardship as a substitute theory (Donaldson & Davis, 1991). Stewardship theory evolved in psychology and sociology. Both philosophies pay more attention to the relationship between principals and agents, but they start from different traditions and prescriptions. The graph below illustrates the difference between Stewardship and Agency theory, as taken from Van Puyvelde et al (2012).

Table 2: Difference between Stewardship theory and Agency theory

Measurement	Agency Theory	Stewardship Theory
Theoretical foundation	Economics	Psychology and Sociology
Method	Control	Partnership (trust)
Principal-agent relationship	Goals are at war	Aligned objectives
Agent's drive	Mainly extrinsic	Fundamental
Governmental identification	Low identification	High identification
Human Conduct	Individual	Joint
Governance tools	Monitoring and Incentives	Empowering structures

Source: Based on Davis et al. (1997) and Sundaramurthy (2003)

Agency theory accepts that agents have a low identification with the government and may voice out organisational problems to avoid blame. Stewardship theory differs as

it accepts that agents have high identification with the mission of the organisation. A Stewardship-based approach assumes that NPOs are motivated to act in the interest of their funders. This idea is in conflict with Agency Theory; the theory of Stewardship suggests that NPOs and DSD share same objectives; they have the same interests, and an intrinsic drive for working together. From this viewpoint, Monitoring and Evaluation are exchange tools for improving performance and efficiency of DSD and the NPOs. The evidence that comes from monitoring can improve the information of good practice and may bring an opportunity for long-term relationship with high performance (Van Slyke, 2007; Davis, Schoorman, & Donaldson, 1997). For that reason, the principle of Stewardship can be understood as a viewpoint for what Monitoring and Evaluation can be of benefit for the NPO sector.

Agency and Stewardship theories explain the nature of the relationships in organizations, how these relationships are managed and how to achieve the intended goals and objectives. In this regard, financial monitoring is emphasised in agency theory (Jensen & Meckling, 1976) and stewardship theory (Donaldson & Davis, 1991). The partnerships between the social welfare sector and stakeholders are set up to establish joint plans for service delivery and achievement of goals. The norms and standards provide for the establishment, support and governance of information sharing among service partners (DSD, 2013, p.16).

The partnership between DSD and NPOs is a relationship that is based on the approval by both parties that they share the same vision, principles and responsibilities for the delivery of services within the approved legal document. The binding relationship permits discussion and debates that would confirm that service is rendered. Partnership will make sure that there is significance, correctness of

services, allocation of risks, resources, reimbursements and responsibilities (DSD Diagnostic Report on NPO challenges, 2013).

Partnership is an obligation by both parties to take further the shared vision. SLA is an officially binding agreement between funded NPOs and DSD. DSD conducts monitoring for compliance, as per requirements contained in the Policy of Financial Awards (PFA).

The working relationship between DSD and the NPO sector is in a memorandum of agreement that was endorsed in August 2013. Both parties agreed that the committee is going to engage in the planning, budgeting, monitoring and feedback that were linked to the Department's annual cycle, commencing in April 2014 (Reference, DSD Funding Process Document). The following two responsibilities were in their contract relationship:

- DSD has the responsibility to decide on priorities for funding, development of guiding principle and related policies, make sure that the monitoring and evaluation of services is provided, ensure compliance to guidelines and buy services in line with the government priorities or in line with political pronouncements.
- The NPOs who plan to be in partnership with DSD have a duty to ensure that they are registered as a legal body, according to the NPO Act, deliver services according to set norms and standards and stick to the DSDs guidelines, and put into practice DSD policy (DSD Diagnostic report of 2013, p.18).

If we observe the DSD relationship with the NPOs from the Agency theory viewpoint, we discover that DSD does not have faith in the NPOs and the relationship is more professional and based on control. However, over time, DSD seems to progress to a

relationship that is comfortable, which is a form of a principal-agent relationship. Trust is compensated in creative methods and it is used as a way to monitor the actions of the NPOs. The following paragraph will discuss monitoring as a requirement of Agency theory.

2.18.1. Monitoring as a requirement of Agency Theory

Agency relationship is a binding agreement whereby DSD arranges with the NPOs to execute services for the department (Jensen & Meckling, 1976). This involves assigning decision-making powers to the NPOs. During this process, the stipend becomes a kickback and a condition from the DSD to NPO representatives to reinforce behaviours that are acceptable to the principal. There is a challenge with the payment that is based on performance because of the *"dysfunctional behavioural responses where agents emphasize only those aspects of performance that are rewarded"* (Prendergast, 1999, p. 8). The DSD might pick up which motivations work best, the NPOs learn which parts of performance DSD is interested in and improve them (Shapiro, 2005; Brickley & Van Horn, 2002). The outcomes become a condition where the whole thing goes in the direction of reaching the targets and not towards producing impact.

2.18.2. Critiques of Agency and Stewardship Theory

The relationship amongst DSD and NPOs that is based on contract is at the center of Agency theory. Stewardship philosophy is against the assumptions of the Agency philosophy in which supervisors notice that satisfying goals of the funder is also in their personal interest. Agency theory overlooks social life and views the relationship as a top-down approach (Shapiro, 2005, Perrow, 1986, Walsh et al. 2003; Donaldson & Davis, 1990). Friedman (1970) is against this disapproval, arguing that the only social responsibility of the NPO is to increase the number of beneficiaries

whilst sticking to the rules of society, as this will in turn contribute to better service delivery.

Shapiro (2005) continues by arguing that the lack of trust that is present in agency theory has led to the humiliating of the DSD. This happens where the intrinsic motivations are replaced with calculation of the value of consequences and they reduce the firm to a contract between individuals. The development of a system that is based on formal rules that have created little room for norms and moral principles that are found in a relational society seems to be the norm (Hall, Massey & Rustin, 2013). Whether agency theory makes people not to accept norms and standards, is hard to prove, even though the nature of the theory may make this possible. The lack of ethics that agency theory was supposed to promote should be seen as a reason for managers to become cruel.

Stewardship theory focuses on reasons behind causes for encouragement and it suggests that different preferences and motivations drive people (Martynov, 2009). The Stewardship assumptions are different to those of Agency theory, for example, having faith that supervisors can perform duties in the best interest of the organisation, and will not mismanage funds even if there is an opportunity to do so because his/her interests are in line with those of the principal. For that reason, the idea of opportunistic behaviour does not exist in Stewardship theory (Donaldson & Davis, 1990; Martynov, 2009; Davis et al., 1997).

Stewards can be reliable and monitoring arrangements may weaken the Steward's interest to work in the direction of the organizational goals. Martynov reasons that both Agency and Stewardship cannot work independently and different Agents/Stewards will not respond the same way (Martynov, 2009, p.90). Moreover,

Martynov (2009) said the Agent or a Steward is someone who shows behaviours from both reasoning.

NPOs should be treated as individual organisations and be compensated according to their individual preferences. Agency theory has low levels of trust and risks involved, whereas Stewardship theory has high levels of trust and risk, but good results in terms of service delivery. Based on the fact that NPO and DSD distrust each other, the way out becomes an Agency approach. Agency and Stewardship ideas say little about the extent to which governmental, background and ecological situations can build or weaken monitoring as a control tool (Van Slyke 2007, p. 181).

2.19. Assumptions of the study

The study assumes that ever since monitoring became part of transformation in the South African Government (Engela & Ajam, 2010); the DSD is still struggling with the issues of developing and implementing an operational monitoring arrangement that can generate good data collection tools. This is the reason why Auditor general always finds non-compliance in this regard. DSD uses monitoring tools in their work for governance and norms and standards. The role of monitoring has turned out to be important. NPOs have developed approaches to deal with monitoring requests. Monitoring tools used by DSD for Norms and Standards do not provide the same evidence from NPOs, as they are sub programme related. DSD intends to be successful in reaching their goals, for NPOs, this means their views have been taken away.

2.20. Conclusion

The chapter reviewed M&E literature internationally and compared it with South African situations. Literature provides lessons on the development and implementation of monitoring and evaluation arrangements. A Monitoring system is

not one size fits all process, but differs from one country to another as it takes into consideration the uniqueness of each country or organisation. Literature review presents some basic common steps that are applicable to everyone for implementing an effective M&E system.

Proper planning and monitoring is fundamental to Monitoring and Evaluation arrangements. The preparation for M&E needs to measure the projects achievement against its objectives. Stakeholder participation plays an important role in the whole Monitoring and Evaluation process and stakeholders are largely responsible for the quality and reliability of the outcomes. A number of Monitoring and Evaluation approaches also endorse the fact that stakeholders are crucial to a successful and effective M&E system. The most suitable system that involves all key interested parties from planning implementation is Participatory Monitoring and Evaluation.

Interested parties decide on what must be monitored, when to monitor, how to monitor and who must conduct monitoring. This process capacitates stakeholders by means of information on the objectives of Monitoring and Evaluation process and monitoring. Evaluation, Performance Monitoring and Internal Audit are tools to verify that results are achieved as planned, NPOs spend responsibly, there is clarity and there is a person who is answerable in an organisation (Lahey, 2009).

The main element that connects monitoring to accountability is that, during Monitoring and Evaluation, stakeholders have a chance to take part in the decisions on how project monies are used and whether set objectives are achieved.

Positive bias is the threat to monitoring as information is manipulated to reveal encouraging outcomes. Evidence on actual performance information is not the same as reported results. Social workers, as implementing agents, influence the

information to reveal on inputs and outputs, instead of results and influence. Literature highlighted issues that might influence results, truthfulness and the success of the Monitoring and Evaluation process. The absence of strong links between the project and the organisation's main concern, absence of capacity on supervision and leadership and lack of stakeholder participation might render this joint venture a failure. By combining Agency and Stewardship theory, a principal-agent theory of NPOs becomes active. The Stewardship perspective indications are that in circumstances whereby NPOs and DSD have similar interests, this requires consideration. The debates on literature around agency problems in the NPOs give motivation for an advance exploration on this subject. In the meantime, the writings on control of NPOs are found in different scholastic papers; this chapter adds to the formation of a principal-agent theory of NPOs.

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Chapter 3: Research design and methodology

3.1. Introduction

This chapter explains methodology used for the study and justifies the research methods and choices. The nature of the study requires the use of mixed methods model, which is based on the philosophy of pragmatism.

This chapter covers the research plan and method that includes target group, participants, gathering of information, ethical considerations and analysis of information. The achievement on any research assignment in Social Science is determined by the research methods. The purpose of the study is to look at whether effective M&E is applied in NPOs. During the review of literature, effectiveness was well defined as the achievement of a detailed, measurable, clear goal (IFRC, 2011). Effectiveness measures whether set goals were understood.

The research intention and approach that was used in conducting this study is outlined in this chapter. It describes the study plan, participants of the study, section identified for study population, methods to collect information and examination of data and its presentation. Semi-structured questionnaires were distributed to programme managers, supervisors, programme coordinators and fieldworkers of NPOs in the Mbashe Local Municipality. This study used Agency and Stewardship theories to look at the way in which the DSD Monitoring tool is implemented.

3.2. Study approach

As a qualitative case study, it answers the "how and why" questions (Yin, 1993). The study was considered applied research as it seeks to solve practical problems and find solutions to NPOs' everyday implementation of DSD monitoring. Applied research permitted the researcher to discover fresh thoughts and problems that were

not seen during the study plan. It is stated that, practical research contributes to problem solving of everyday issues, decision-making, studying policy and bringing change to communities (Terre Blanche & Durkheim, 2006).

Study on monitoring can use quantitative or qualitative methods or mix them (Tonkin-Crine et al., 2015). In this study, the focus was on result-based monitoring, which uses both methods to collect data. The benefit of a qualitative approach is that the best presumption made by the principal Agent Theory, in particular, can be treated, as the assumption that DSD act as principal and NPOs as agents. Qualitative method approach allows the investigator understands to be added into the enquiry (Merriam, 2002, p.41).

Quantitative research allows the investigator to measure and examine the data. It is numerical; therefore, it cannot be interpreted wrong. This allows the researcher to investigate the same situation using the same method and compare the results. Disadvantages of quantitative method is that data analysis collect a narrower and artificial information and results are limited as they provide a numerical explanation rather than a narrative report. The study used quantitative research method and the data was presented in the form of graphs.

There is a recognition of the idea that monitoring is crucial to good developmental practice as evaluation. Evaluation tells us how an organisation is performing and monitoring provides feedback and allow the organisation to learn by doing. The two methods can be combined in conducting a study to constitute a mixed method. The type of mixed method chosen is the concurrent triangulation method as it suggests that two or more methods are used to check and verify findings within a study (Alwin 2001).

The following are advantages of using a concurrent mixed method:

- Mixed method includes analysis using qualitative techniques such as participant observation, key informant interviews and focus groups.
- Mixed method is useful and provides flexibility to integrate good monitoring practices within evaluation design.
- It can contribute to a set of different qualitative indicators as well as generating case studies and in-depth interviews to help understand the meaning of the statistical indicators. These indicators can be combined into quantitative measures and be analysed statistically.
- There are many mixed method techniques that can help to address issues whereby quantitative method is not appropriate for collecting data on sensitive issues such as domestic violence.
- Mixed method help provide a detailed contextual analysis. A monitoring system that is well designed can document differences in the quality of implementation in different organisations.
- In most circumstances, mixed methods can strengthen sample chosen through a number of techniques such as surveys in selected small areas to help identify participants.

It is argued that the strengths of using both methods highlight areas of difference of opinion that need additional explanation than to be analysed separately. (Tonkin-Crine et al., 2015).

The interpretivism paradigm is called phenomenological approach. During this process, the researcher reads between the lines and finds elements of the study; as a result, interpretivism fits in human interest into the study. According to De Vos

(2011b, p.8) and Neuman (2010, p.101), Explanatory Social Science can be traced back to the days of Max Weber (1864-1920). The interpretivism approach applied in the study is based on the belief of subjectivist epistemology. Epistemology looks at how people develop knowledge in general and in this case, it will be knowledge on Monitoring and Evaluation. The researcher builds knowledge through reading literature relating to monitoring. This approach suggests that individuals cannot distance themselves from what they know, for that reason, there is a strong connection between the investigator and the participants to such an extent that who they are and how they know all God's creatures is a fundamental part of how they recognize others and the world (Angen, 2000, p. 378-395).

In social science, for the reason that positivism was criticised, interpretivist model was developed. Positivism assumes that social science is identical in its thinking to natural science and that reality is independent of the observer. Verified data received from participants is known as empirical evidence. Interpretivists share the next views about the nature of meaning and truth. Relativist ontology - undertakes that truth, as we know it, is through meaning and understanding that developed on a social basis and through experience. According to Bhattacharjee, ontology refers to our assumptions about how we see the world. For example, does the world consist mostly of social order or constant change? Ontology is the science or theory of being. It concerns the question of how the world is built: "is there a 'real' world 'out there' that is independent of our knowledge of it?" (Bhattacharjee 2012, p.18).

Claims from research findings are created as the investigation proceeds. To encourage the flow of information between the researcher and participants is essential, as this is the stage where knowledge and understanding of the shared

world can be generated. Everything that is interpreted is only for here and now and it is open to further translation and compromise through discussion.

The researcher chose triangulation, as it is generally the best way to improve legitimacy and trustworthiness in qualitative research and it can overcome the limitations of using one method (Yeasmin & Rahman, 2012, p.157).

Research Questions, Data Source and Justification

Research Question	Data Source	Justification
To what degree does the Provincial M&E tool respond to the components that are tabled in the Policy Framework for the Government- Wide Monitoring and Evaluation System for improved service delivery?	Legal Documents, Monitoring and Evaluation Policy Framework Government-Wide Monitoring and Evaluation System NPO ACT	Principle of Agency Theory Document Analysis of policies and the Act (gaps will be identified)
What approaches do NPOs practice to meet the Provincial requests of M&E and how do these disturb their day-to-day activities in the organisation?	Theories of agency and Stewardship will shape the academic context that planned for case studies. In depth interviews with Programme Principals/ Supervisors, Caregivers and Coordinators.	Questionnaires Interview Schedule. Case studies will imply qualitative interviews with NPOs.

What are the challenges experienced by NPO staff with the application of the M&E tool that prevent them from achieving their own objectives?	Auditor General report on findings Statement is grounded on Agency and Stewardship theory. 	Different types of monitoring tools used by DSD will be registered. (the register will be made after studying the DSD's Monitoring policy) Questionnaire should provide evidence on the use and the quality of the tool) Interview Schedule (Data will be analysed manually)
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3.3. Research Design

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The research design is the theoretical plan in which research is directed and it refers to how, when and where data are to be gathered and analysed. Polit and Beck, (2010, p. 167) describes a research plan as “the researcher’s overall design for answering the research question or testing the research hypothesis.” As such, the design consists of an outline of what the researcher will do, from writing aims and objectives to data analysis.

Various authors (Pearson et al., 2015; Sandelowski & Leeman, 2012; 2006. Dixon-Woods et al., 2005) have identified mixed method approach as enabling social science research questions to be answered more relevantly and to use both approaches within the same analysis, if data is similar enough to do so. However, these approaches have their own strengths and weaknesses. Quantitative research fails to understand the environment in which information is collected from, bias is

likely to happen and it does not offer itself to analysis that is based on numbers and generalisation. Quantitative research allows the investigator to measure and examine the data. It is numerical; therefore, it cannot be interpreted wrong. This allows the researcher to investigate the same situation using the same method and compare the results. Disadvantages of quantitative method is that data analysis collect a narrower and artificial information and results are limited as they provide a numerical explanation rather than a narrative report

3.4. Case Study

A case study of mixed methodology was used. The case study approach was appropriate to know the organizational situation of the Eastern Cape Department of Social Development. It helped in unfolding the processes and activity outputs that influence the running of the NPO sector. Fouché (2005b, p.105) states that a case study may refer to a strategy that investigates a phenomenon within its real life context and occurs through detailed data collection methods such as interviews, documents, observations or archival records. Reports from the case study contain information from five NPOs representing the following sectors: Children and Families, Elderly, Victim Empowerment and HIV/AIDs and Family preservation.

Respondents were approached with an open mind that allowed them to respond to questions in detail. Despite these strengths of a case study, Campbell and Stanley (1963) have criticized the case study for being too subjective, biased and allowing some prejudices to crop in, which might compromise the integrity and quality of the study.

Yin (1994) proposes six stages for conducting and organising case studies.

- Stage 1: Research questions are described.

- Stage 2: Choose the circumstances and decide on the methods to use for collecting information and its analysis.
- Stage 3: Getting ready to gather information
- Stage 4: Site visits to gather information.
- Stage 5: Data is evaluated and analysed.
- Stage 6: Report writing.

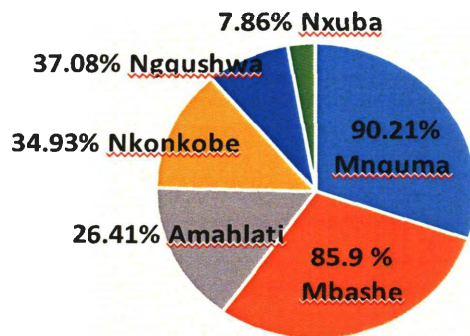
The investigator accepted the above stages as they provided a process that allows the investigation to be conducted in a structured way. The figure below shows six municipalities under Amathole District.



3.5. Target population from Mbashe Local Municipality of Amathole District

Population refers to a collection of objects who possess specific characteristics and from which a sample is drawn to determine the characteristics (Crestwell & Plano-Clark, 2007, p. 112; Maree et al., 2007, p.172; Singh, 2007, p.8). This statement is supported by Babbie & Mouton (2010, p.164) when they say a population is a cluster of persons, things or substances from which testers are taken for measurements. Mbashe has the second highest population at Amathole District.

Population Distributions in ADM



■ Mnauma Local Municipality
 ■ Mbashe Local Municipality
 ■ Amahlati Local Municipality
■ Nkonkobe Local Municipality
 ■ Ngqushwa Local Municipality
 ■ Nxuba Local Municipality
Population from census (2011)

The population comprised of selected NPOs funded by DSD in the 2016/17 financial year and registered according to the NPO Act No. 71 of 1997. NPOs that were not funded and were not registered according to the NPO Act were excluded from the sample. The study aimed to reach 20 participants from five (5) NPOs in the Mbashe Local Municipality. Project Coordinators, Project Manager, supervisors from the five NPOs contributed in the study. Five organisations were chosen for the reason that they were representing all NPOs that have a contracting relationship with the department.

A Sample is “a smaller set of cases a researcher selects from larger pool and generalizes to the population” (Neuman, 2002, p.211). Strydom (2011, p.230) proposes a number of reasons for using samples, some of which are the possibility of being unable to reach the entire population, the lack of resources (time and money), the purpose of the study and the suggestion that a sample may provide even more accurate and in-depth information about the problem under investigation than the entire population.

Flick (2014) argue that a purposive sampling strategy is best employed when the group has the appropriate information and knowledge that will bring value to the research. A sample of five NPOs was tested and interviews were conducted with the NPO Principals, Supervisor, Management Committee, and Caregivers.

Project Name	Facility Number	Ward No.	No. of Beneficiaries
Day Care Centre	1129	6	40
Home Community Based Care	1187	10	102
White Door Centre of Hope	11106	12	900
Service Centre	9327	2	40
Family Preservation	11079	9	290

3.6. Data collection instrument for interviews

The study used a questionnaire as a feedback form. Interviews were conducted within 1-week. An interview plan guided the interview process. Probing questions were used to get more details and clarity. Greeff (2005, p.287-288) states that after having thoughts about the overall issues to be tackled in an interview, there is a need to think about a broad range of themes to be covered in the interview.

Five key themes and sub-themes were developed. The themes were developed based on the main elements of effective M & E arrangement, as proposed in Gorgens & Kusek (2009). The pre-determined themes are indicated below:

Theme 1: The components of effective M&E, as documented in GWMES.

Theme 2: The DSD's M&E Framework.

Theme 3: The strategies used to meet with M&E requirements and their influence.

Theme 4: Challenges experienced with implementation of the tool.

Appropriate questions were formulated under each theme and subthemes.

For example, under Theme 1: The extent in which Monitoring respond to components set in the policy framework, the researcher asked the following questions, amongst others,

- Does NPO staff understand the roles and responsibilities of M &E?

The Questionnaire contained questions from mixed method that required a simple yes or no as they provide uniformity in responses. Their limitation is that they may well overlook some other important responses that were not included in the choice (Babbie & Mouton, 2010). Questions that require explanation enabled the participants to express their views regarding the DSD's monitoring tool and provided answers for the questions under investigation. Open-ended questions can also be disadvantageous because "responses may be irrelevant or buried in useless details" (Neuman, 2010, p.287). The study used both types of questions so that the advantage of one type can complement the disadvantage of another.

The interview schedule is attached, as Annexure A. Benefits of an interview schedule are that it offers consistency in the nature of information that has been collected from participants and prevents research bias.

3.7. Data collection methods

The decision for the chosen data collection method was because the study is a mixed method (Creswell, 2007, p. 119; Singh, 2007, p.68). Semi- structured interview was created with the principle of Agent and Stewardship theory in mind. Semi -structured interview was used to evaluate perceptions and experiences from

NPOs. Through in-depth interviews, priorities for the case study were set. Validity and reliability of information was checked through reading secondary data. Conversations from participant's responses were recorded, written down and coded.

- **The interview settings**

The selected NPOs were requested to attend an information-sharing meeting at Idutywa during April 2017. Interviews were conducted during August-September 2017. Before the beginning of each session, participants were notified of the objectives, reason and ethical considerations. Interviews were conducted in participant's organisations (NPOs) as they were suitable for both the researcher and the interviewee.

- **The interviews**

In the field of social science research, the usefulness of interviews has long been recognized. An interview is a "purposeful conversation in which one person asks prepared questions (interviewer) and another person answers them (interviewee)" (Frey & Oishi, 1995, p.1). Neuman (2010) agrees with Frey (1993) when he said the purpose of an interview is to get evidence on a specific subject matter or a specific area under study. When using approaches like observation and experiments, interviews become a tool that can contribute to further probing (Neuman, 2010).

In face-to-face interviews, there is a high rate of return, but some of their biggest weaknesses are that they are very expensive and the possibility of interviewer bias is the greatest (Neuman, 2010, p. 237).

Qualitative interviews can be either structured or unstructured. The benefit of unstructured interviews is that they allow for an understanding of other people's experiences and the meaning they make of that experience. It determines individuals' perceptions, opinions and facts. Babbie and Mouton (2010) have

criticised these interviews as lacking in objectivity. In semi-structured interviews, the purpose is to get a full picture of the participants' views or insights of a specific subject. This interview method provides flexibility to the interviewer and the interviewee.

Twenty participants from five NPOs were interviewed using a 21-question tool. The tool provided participants with an opportunity to express their views, opinions and experiences on the subject of the use of the monitoring tool. 1 hour and 30 minute interviews provided an opportunity to follow-up new ideas that came up during interviews.



3.8. Documentary analysis

The sampled documents were read thoroughly with the purpose of identifying answers and complementing them with interview answers. Answers were organised into themes and subthemes. The data was then analysed against the data from the analysis of interview responses. Examination of organisational information was complimented by a rich data from Audit findings, attendance registers, NPO Act, Monitoring and Evaluation policy framework and Monitoring tools. Merriam (1998) points out that the strength of documents is that they already exist and do not alter the settings in the way that the presence of the researcher does. Glaser & Straus (1967) agree with Merriam (1998) but further argue that documents are easily accessible and the content of documents does not change. Mason (2002, p.2-3) warns against the use of documents by saying that documents are written in a particular context by particular people with a particular purpose.

Thomas and Harden (2008) advise that to guard against the liberal use of documents, the researcher needs to select documents that are authentic and credible. Burgess (1982) supports the advice by Thomas and Harden (2008), but states that documents should not be used in isolation but be used with other sources of data.

The UN and WHO assisted many countries in terms of how to establish and strengthen their M&E systems. The documents from these countries provide benchmarks on how to implement an effective monitoring arrangement in the South African Administration. Documents from South Africa showed views of government, guiding principle and expectations of monitoring with reference to GWMES. The documents from the DSD provided a department's standpoint and served as points of reference of what is happening and what is supposed to happen. The study analysed the following documents:

- Government–Wide Monitoring & Evaluation Policy Framework.
- NPO Act.
- Auditor General Reports for years before and after 2016/17.
- National evaluation policy framework, The Presidency, 2011.
- Organisational structure of the DSD.
- DSD Policy Framework on monitoring.
- Data Collection tool.
- NPO quarterly and progress reports

Generalisation on the subject of the application of the tool was based on the documents that were reviewed in chapter two. Documentary analysis was used to verify results from the interviews. Richie and Lewis (2013, p.465) are of the view that

documents can be complementary to or contrasted with other research, in order to confirm or reject previous findings.

3.9. Data management

Data management refers to the processes and systems for how a programme will systematically and reliably store, manage and access M &E data (IFRC 2011, p .23). Once information has been collected, it becomes important to have systems in place that will make access to the information convenient, as well as easy to interpret. The failure to adequately manage data leads to wastage of resources and depreciation in the quality and reliability of the data (IFRC 2011, p.23).

The purpose of the study is to explore whether there is uniformity in the forms used for data collection, reporting timelines and how the data flows. Data management is one of the important steps in analysing data. Cresswell (1998) suggests that during data management, either data is organised into records, memory cards or computer files and the files are converted to appropriate text by hand or by computer. Voice recorded data was listened to a number of times and key issues were written down under each theme and sub-theme. Recorded data was saved on voice recorder. Transcriptions were made of all recordings. At the end of the study, draft papers were destroyed and original records kept in a safe place.

3.10. Data analysis methods

The analysis from documents and literature review were compared and analysed against interview responses. This process enabled the study to describe some aspects of the DSD's M &E system. The purpose for analysis is to go over the main points of what was heard during interviews for further understanding and interpretation of data. During this step, information captured data from qualitative and

quantitative study is presented, analysed, described and interpreted in a systematic way. The process of data analysis involved coding, classification of text and checking similarities between concepts that were found in the text (Rafael & Russell, 2013, p.319). Content data analysis of Service level Agreement, organisation documents, monitoring tool, audit reports, progress reports and quarterly performance reports was complemented by analysis of internal data.

Elements of the study were interpreted through interpretivism as it integrates human interest into a study (Meyers, 2008, p.38). The interpretivism approach applied in the study was based on the belief of subjectivist epistemology. This approach advocates that people cannot be taken away from their understanding, for that reason there is a connection between the investigator and participants.

Interpretivism is “associated with the philosophical position of idealism and is used to group together approaches, including social constructionist, phenomenology and hermeneutics, approaches that reject the objectivist view that meaning resides within the world, independently of consciousness” (Collins, 2010, p.38). In addition, interpretivism studies may possibly engagement different ways and means to reflect different sides of the issue when focusing on meaning. The critiques argue that the approach creates a possibility for bias on side of the investigator. They believe that it will be difficult to generalise raw information collected during interpretivism because data is congested by viewpoints. Data analysis technique used is described below:

- **The Interview response analysis**

Interview responses were listened to several times in relation to the research questions and were categorised into topics and sub-topics. Patterns and tendencies were recognised for each response. De Vos (2005) states that the processes of categorising data involve sifting and sorting data, reducing it into arguments that will

lead to a final story. Data referring to one theme was shortened. Connections and differences were acknowledged. Topics and sub-topics that were decided earlier on were used to investigate and to present results of interviews.

3.11. Data Quality

Organization needs to develop and document its means to check the following five key principles of data quality.

1. Timeliness

Data should be collected frequently and reports be sent to the next level at the agreed time.



2. Validity

Programme data should adequately represent performance for it to be considered valid. Delport & Fouche (2011, p. 434) described data validity as having two main aspects which are ideas and concepts. Data interpretation ensured validity. Criteria for data validation by Silverman (2000) were implemented, as indicated below, based on these principles:

- The refutability principle: The principle avoids the use of selected examples from the data, rather than the critical investigation of all the data. The data collected was all analysed.
- The constant comparative method: All the data fragments that arose from the study were inspected, compared and analysed.
- Comprehensive data treatment: The data was analysed several times.
- Deviant case analysis: The data that did not fit into themes was stored separately.

3. Data reliability

The tools to collect data should be consistent from collecting period to reporting period. Programme teams should also check the data to ensure that it is correct and follow up on problems reported. Reliability means that the same measurement presents similar findings when used repeatedly in similar circumstances (Neuman, 2010, p.70). Although there is no perfect reliability, Delport (2005) reported that there are ways to make sure that there is reliability. Study adopted the following procedures, as explained by Neuman (2002, p.211), to ensure some data reliability:

- Used two or more questions to measure the same aspect.
- Avoided ambiguity: Clarified all the concepts and questions.
- Made phone call follow-ups for issues raised during interviews that needed further clarity.

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4. Precision

Programme data should have an acceptable margin of error for it to be considered precise. The margin of error should be less than the expected change being measured.

5. Integrity

The concept of data integrity is crucial in programme management. Data should be free from bias or manipulation. There should be clear procedures to ensure that data is not manipulated for political or personal reasons.

3.12. Envisage Ethical Considerations

The researcher is a qualified and registered Social Worker working with DSD and subscribe to the South African Council for Service professions' ethical code of conduct. The researcher is familiar with the NPO community and the participants may just say what they think the researcher wants to hear. Those issues were

addressed by informing participants that the purpose of the study is to find out their experiences and challenges with the M&E conducted by DSD. The following ethical principles regarding Human participants guided the study:

Voluntary participation and trust

- Participants were given informed consent letters addressed to them to sign and allowing them to participate in the research. The informed consent letters stated that all the participants have the right to withdraw from the study and the researcher explained their rights to withdraw from the study if their rights are violated. The one and a half hour interviews took place in their NPO environment and as such, there was no captive audience involved in the research.
- No incentives were used to avoid bias and to promote voluntary participation.
- The participants were asked to look at the questions to ensure correct interpretation. Where there were questions that needed clarification or rephrasing, participants were given a chance to get involved.
- The informed consent letters that each participant received stated clearly that they are free to discontinue from the research, should they feel uncomfortable to continue.

Informed consent

- The aims of the research were clearly indicated in all the informed consent letters.
- Duration of the study was explained.
- Group consent was not required in this study
- No participants were mentally ill or compromised.
- Participants were Xhosa speaking and at times, there was a need to interpret from English into Xhosa.

Safety in participation

- The findings from this research process would inform suggestions and/or recommendations for monitoring implemented between the Department and NPOs. To see which strategies, tactics, and methods they could use to cope with the demands of Monitoring.

- There is no potential risk and harm that would affect the participants.
- No safeguarding measures were taken in this study.

Privacy, confidentiality and anonymity

- Participants were reassured that their names will not be mentioned in the course of writing the report and no video recording only audio recordings of the semi-structured interviews.
- Before data collection, NPOs were visited to meet with the principals and the supervisors who will be involved in the study to reassure them of the confidentiality and/or anonymity of the study.
- They were assured that their names will not appear in the dissertation or any other publication and that no information disclosed will be used against them, now or in the future.
- They were shown the letter of informed consent and permission granted by the respective Departments of Social Development to allow the researcher to conduct research which is proof that they could not have been granted if any unethical practices are involved.
- The names of the five NPOs involved in the research were not mentioned in the dissertation. They will be referred to as, e.g. as 2340- NPO.
- The voice-recorded data would also not be used in any presentation of some sort that may reveal the voices of the participants.

Confidentiality of results or findings

- Demographic information collected was insufficient to identify individuals.
- Anonymous results, but can identify who participated
- The participation of individuals could be tracked (e.g. NPO no.) but it would be impossible for collected data to be linked to individuals.
- Data collected was linked to an individual who would only be identified by a fictitious code. The researcher(s) would not know the identity of the participant.
- Confidential Researcher(s) would know the identity of participant(s), but identity will not be disclosed.
- Disclosed Researcher(s) would know and reveal identity of participants in results/published material.

Institutional approval

Permission to conduct this research from the relevant authority such as provincial Department of Social Development, Eastern Cape was received.

Data dissemination

The findings will be available at the Library of The University of Fort Hare and seminar papers, be read based on this study after which they will not be published as the permission was for academic purposes only.

Data access and storage

A copy of the dissertation will be given to the Department of Social Development that took part in the research and a summary of the findings and recommendations be discussed with the NPOs that took part in the research. The dissertation will also be available at the library at the University of Fort Hare.

3.13. Study Limitations

The study was restricted by the following factors:

- Limited understanding of the purpose of monitoring by NPO sector: monitoring is relatively new in public sector as a result; there was some degree of understanding of monitoring amongst NPO representatives that were chosen for interviews. Documentary analysis was used to complement this shortcoming.
- Working in the DSD: Working in the department posed some challenges, as some participants would think that negative answers would affect their funding applications. Participants were promised that the study is for research purpose only.
- Data Analysis tool: The SPSS data analysis method that was identified but could not be used due to challenges with technology and time constraints. Statistician and analyst were not available for support through data analysis.

This shortcoming was complemented by analysing data manually based on De Vos et al. (2011b, p.5).

3.14. Delimitations of the study

The study was delimited to 20 NPO officers that include programme managers, supervisors and caregivers who manage NPOs that are funded by DSD for 2016/17 financial year and registered with the NPO Directorate.

3.15. Conclusion

This conclusion summarises study approach used in the study that included DSD's M&E system as case study. Various steps of research as identified by many authors in research methodology and literature review were followed. The mixed method research was adopted, thereby providing deeper understanding of the research experience (Bergman, 2008, p.53; Ivankova, Creswell & Plano-Clark, 2007, p.255; Delport, De Vos, Fouche & Strydom, 2005, p.133). Benefits of this method are that participants are able to be specific about their opinions, perceptions and involvements regarding how the tool is implemented. Documentary analysis and literature reviewed were used to complement and contrast the interview responses where necessary. This provided detailed and in-depth information about some aspects of the DSD's Monitoring and Evaluation system. A comprehensive framework on information was collected, managed, evaluated and given meaning was provided. Mixing these methods, even though it is expensive and time consuming complemented each other very well. Based on the research methodology adopted, the next chapter documents the experiences rather than theory of the study.

Chapter 4: Data analysis, results and discussions

4.1. Introduction

The purpose of the research study is to verify whether the DSD applied operational Monitoring and Evaluation arrangements. The fact that NPOs fail to act in accordance with governance and service delivery requests, as stipulated in the NPO Act, motivated the researcher to undertake the study. Lack of obedience continued even though DSD officials conduct the monitoring in a minimum of four times a year. Information from different sources contributed to a better understanding of the monitoring experience (Terre Blanche & Durrheim, 1999; Terre Blanche & Durrheim, 2006).

This chapter presents analysis of findings based on research objectives found in chapter one. Literature on realistic evaluation cited that the goal of this chapter is to present a confirmed model about what works for whom in what situations and in what way (Pawson & Tilley, 1997, p.15). The findings were developed from the semi-structured interviews conducted on the selected NPOs that were funded by DSD in the 2016/17 financial year. Data gathered from this study was both qualitative and quantitative, but mainly qualitatively analysed. Qualitative data was presented by way of explanation. Presentation was done using tables, charts and graphs for easy and effective communication.

Participants' responses to the research objectives led to the identification of four themes. Objectives are; the extent to which the tool responds to the components set in GWME, strategies used by NPOs to cope with monitoring requirements, M&E influence on day-to-day activities and challenges experienced by NPO staff within implementation of Monitoring. Addition B provides interview questions that were asked to participants.

4.2. Sampling: Population Distribution in Amathole District Municipality

A stratified purposive sampling technique was implemented. Polit and Beck (2010) refer to it as “a non-probability sampling method in which the researcher selects participants based on personal judgement about who will be most informative” (Polit & Beck, 2010, p.565). NPO members contributed meaningfully in accordance with the study’s research question.

A sample of five NPOs was tested and interviews were conducted with the NPO Principals, Supervisor, Management Committee, and Caregivers.

Table 3: NPOs tested during interviews and their compliance status report.

Project Name	NPO Number	Status	Outstanding NPO compliance reports
Day Care Centre	104-201 NPO	Registered	2016/17
Home Community Based Care	158-223 NPO	Registered	2016/17
White Door Centre of Hope	119-290 NPO	Registered	2016/17
Service Centre	104-199 NPO	Registered	2014/15 &16/17
Family Preservation	147-731 NPO	Registered	2016/17

Table 4: Number of participants who participated in the interviews.

No.	Number of Officials	Position held
1	8	Board members
2	1	Admin Officer
3	1	Supervisor
4	1	Principal
5	9	Care Giver
Total	20	

4.3. Methodology

The methodology applied was mostly in the form of an expressive explanation of triangulated results from previously collected works. Triangulation of data sources is supported by the principles of Monitoring and Evaluation, whereby it emphasise that M&E should be methodologically sound by using multiple sources in order to build more credible findings (GWMES, 2007, p.3). Bogdan and Biklen supports the above statement when he points out that triangulation talks about using many methods to explore research question and to improve confidence in following results (Bogdan & Biklen, 2006, p.56).

Information management skills are important to make sure that M & E is methodologically sound. The raw data was tape-recorded and word for word, transcriptions were prepared, as well as qualitative analysis made from raw data to preserve the productivity of information, instead of being dependent on transcripts.

4.4. Response Rate

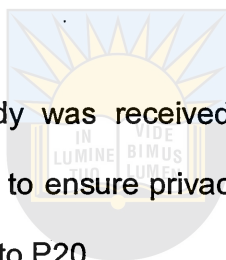
The target was to reach 20 participants and they all availed themselves for that reason, a 100% response rate made it sufficient to proceed with data analysis.

Participants comprised of Chairperson, Secretary, Practitioner, Project manager and Care givers/field workers. The response rate was a result of the researcher's direct completion of the questionnaire and visit to the respective NPOs.

4.5. Interview process

Participants were informed in advance, telephonically, about the interview dates. Twenty-five semi-structured questions and consent forms were developed. Participants signed forms and were asked about any barriers that would prevent them from participating.

Authorisation to conduct the study was received. Participant's names were not mentioned in the put pen to paper to ensure privacy and responses are revealed in the report using codes such as P1 to P20.



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4.6. Recording Data

One-on-one interviews were recorded. Recordings were all transcribed. Tapes were put in safekeeping.

4.7. Transcribing data

Notes that were taken during interviews were used in the real transcription process. The responses were written down word for word, as the aim was to get an understanding into the participant's perception of the application of a monitoring tool.

4.8. Data Analysis

The interpretive paradigm was applied in the analysis. Pattern matching judgment was used to "compare an empirically- based pattern with a predicted one" (Yin, 2003, p.116). Quantitative analysis presented information in a format that will be able to support further qualitative analysis, instead on numbers than are

complicated. This exercise enabled the researcher to look for common themes and pattern elements. The questionnaire was written in English; however, questions were translated into Xhosa in the course of interviews. Some participants required questions to be translated.

Shared codes and answers were calculated to check control.

RATE OF RECURRENCE	EXPLANATION
1.	Answer emerging once for each question
2.	Answer emerging twice for each question
3.	Answer emerging three times for each question
4.	Answer emerging four times for each question
5.	Answer emerging five times for each question

Graph 4.3. Frequency of common responses

4.9. Data interpretation and discussion

The researcher interpreted findings and made convincing argument about the factors that are around implementation of a monitoring tool and there was mainly focus on the practicality of qualitative research in an explanatory model. Approaches set out by Mason allowed the researcher to amalgamate, interpret, argue and draw assumptions (Mason, 2002, p.176). Major findings from the study are as follows:

4.9.1. Background information

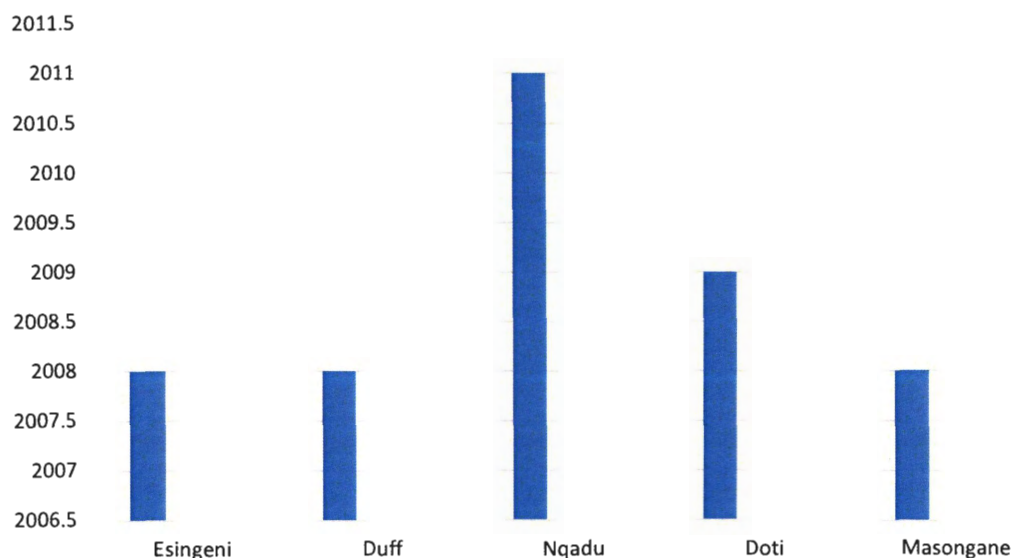
Research question No.	Research question
1.1	In which year was the organisation funded by DSD for the first time?
1.2.	What is your post level?
1.3.	How many years have you been in the present job?

4.9.1.1. NPOs Biographical data

Research questions 1.1, 1.2 and 1.3, as indicated above, were answered below. The organisational Bio-data was found to be important for the study as was the duration of when the NPO was funded by DSD. The duration was used to determine the years an NPO has been funded and monitored by the Department. The participants were asked to state the year the NPO was funded for the first time by DSD.

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4.9.1.2. Distribution of time the NPO had been funded by DSD



Source: Primary Data

The researcher sought to obtain information on how long the NPO had been funded. The results above show that all the selected NPOs had been funded and operational

for more than 5 years. Three NPO had been funded for 9 years, 1 funded for 8 years and 1 NPO funded for 6 years. A scale of between 5 and 9 years was provided. This indicates an adequate level of experience with DSDs funding system, which should enable the provision of better quality information.

4.9.1.3. Post level

Post level enabled the researcher to check vacant posts within the organisation and who is responsible for monitoring. The service Centre does not have a project manager, the Chairperson acts as a project manager. Committee members perform duties that should be for admin staff e.g. replacing practitioner when she is off sick.

4.9.1.4. How many years in present job?

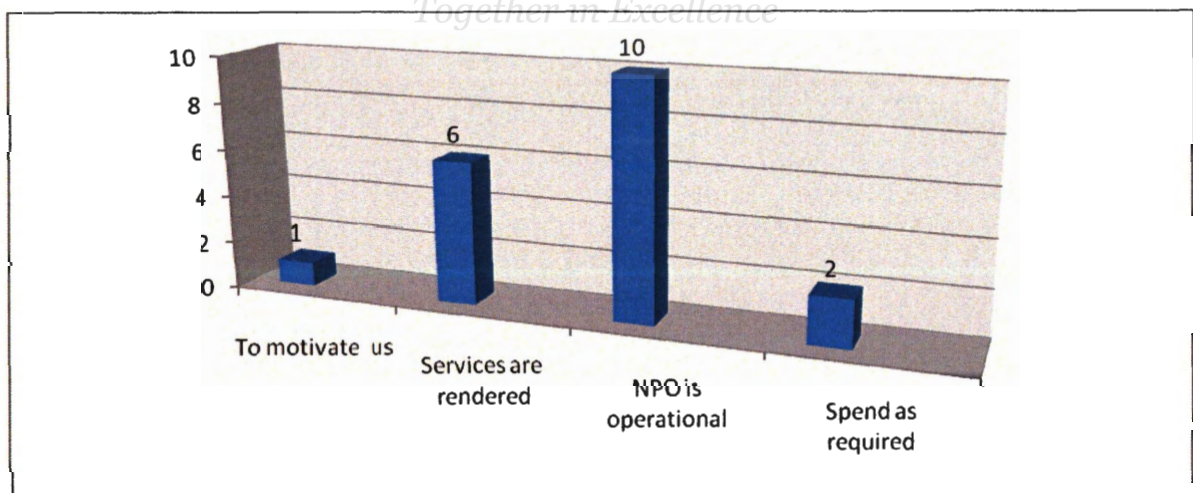
The number of years in present job determined whether the participant has received training on monitoring. Participant 7 and P8, are in the management committee and the P 4 are new to the organisation. They started working on 1 April 2017. It was difficult for them to answer questions on monitoring, as they never had an opportunity to meet with the DSD monitoring officials. The NPO was never monitored in this financial year. P17 is a new caregiver who had been with the organisation for two weeks and she could not respond properly to some questions, as she had not been exposed to monitoring.

People with low levels of education manage some NPOs and it becomes difficult for them to implement internal monitoring and to compile a proper Business plan when applying for funding. DSD officials assist NPOs to fast track funding process by compiling Business plans for NPOs. NPOs find it difficult to train their staff due to lack of financial resources. NPOs depend only on the DSD to provide training and they responded that only two representatives per organisation are required to attend trainings.

4.9.2. Components of Monitoring and Evaluation

This question was designed to understand whether NPOs understand what is involved in Monitoring, their role and their involvement. Agreeing to Lansdown and O'Kane (2014, p.20), the monitoring and evaluation strategy consists of objectives and indicators that help to identify approaches and details of information to be collected. For that reason, if there is no monitoring strategy, NPOs of Mbashe Local Municipality will experience problems with identifying indicators, details of evidence, ways and means that will be used to gather and organise information, information gathering instruments, rate of recurrence of data gathering and officials in charge for data gathering.

4.9.2.1. What in your understanding is the purpose of Monitoring and Evaluation?



The above findings reflect that most NPOs have a general understanding of monitoring depending on their level of education. None of the participants linked monitoring to the legislation as per NPO Act 71 of 1997. They were able to give details in some degree of the monitoring process.

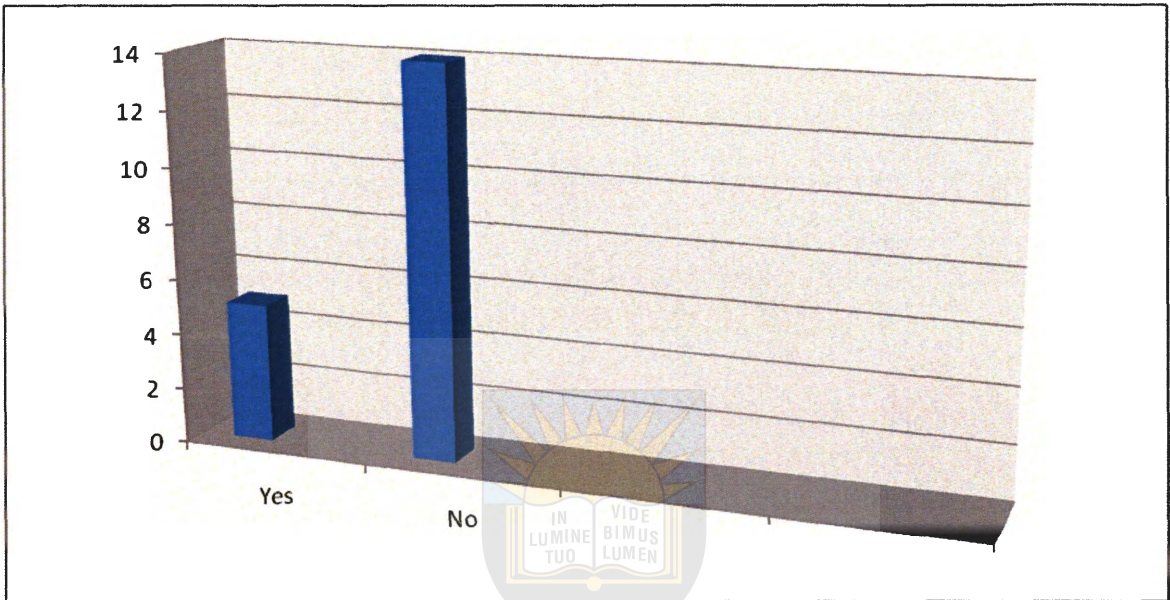
However, few participants attended two-day training on Governance &

Leadership that was conducted by NDA. The skill and capability of participants to apply information from training was not confirmed, as there were no certificates of attendance. According to Ille, Eresia and Allen-Ille (2012, p.21), the policy on Monitoring and Evaluation assured that activities and programmes achieve the desired results. Policy Framework on Evaluation (2011) highlighted four purposes of monitoring NPOs.

- Clarifies programme objectives: ensuring that planned results are achieved. NPO monitoring involves translating objectives into performance indicators and goals. Thereafter, it gathers information on indicators and compares outcomes with objectives. Warning signs identified on monitoring information are referred to supervisors for problem solving.
- Lesson learning: evaluations allow NPOs and stakeholders to learn from experience.
- Empowerment: enhances capacity of project staff and project beneficiaries to use evaluations as an instrument of learning and control.
- Accountability: evaluations allow NPOs to account to funders on the use of funds.

Internal monitoring and verifications conducted by Auditor General are the essential elements of any organisation model as well as necessary to Agency and Stewardship theories (Van Slyke 2007, p.177).

4.9.2.2. Are you aware of the Department’s approved Monitoring and Evaluation policy ?



Majority of participants were not aware of the DSDs approved M & E policy. The current M & E practices in DSD are informed by two sets of policies, Eastern Cape DSD M&E Policy Framework of 2010 and the NPO & Community Based Projects valuation Draft Policy of 2012. A decision was taken to implement aspects of the Draft Policy whilst it was still awaiting approval in order to close gaps that were identified in the 2010 Monitoring and Evaluation Policy Framework. The Department does not have a Monitoring and Evaluation plan; Funding Policy is used in its place. The funding strategy involves the giving in of Monthly Reports, Audited Financial Statements, minutes and monitoring through department officials.

4.9.2.3. What is your understanding of your role(s) in the Monitoring and Evaluation process?

In defining their roles in the Monitoring process, all participants agreed that their role was to bring all the required documents and make corrections when necessary. One participant said:

"My specific role is to ensure that I provide the social worker with the documents as requested – not hide or refuse to give..." P3.

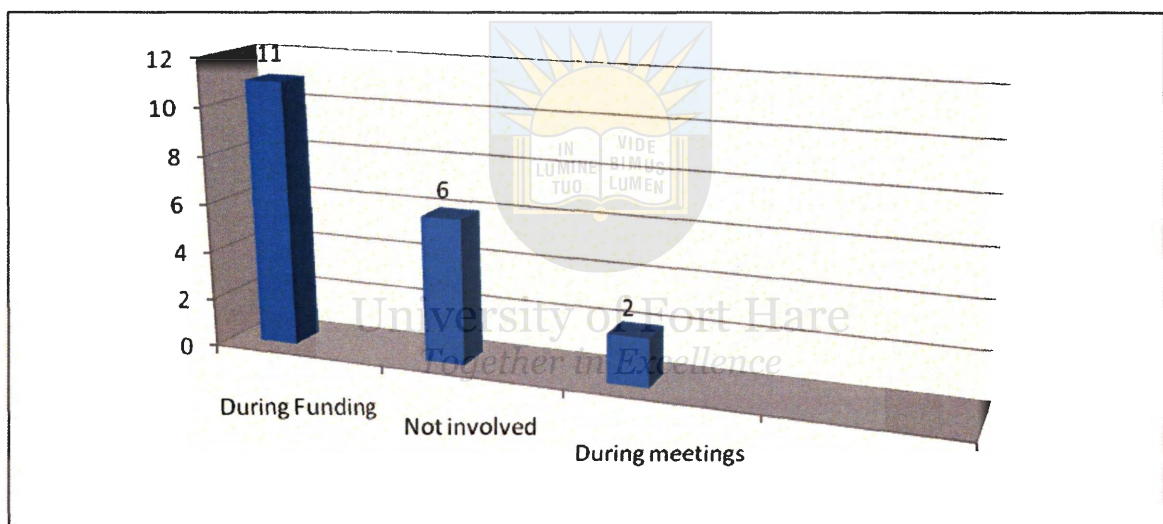
Another finding is that there is no staff member responsible for Monitoring and Evaluation in the organisations. These responses show that participants do not understand the concept of Monitoring and are not sure where they fit into the Monitoring and Evaluation process. NPOs need to identify the need for a monitoring plan, how to collect and manage information, how to evaluate, report writing, capacity development and organise funding for monitoring plan (GWME, 2007, p 17). NPOs of Mbashe will become conscious of their role in the M & E process if they follow the steps to effective M & E system. There is a link between data gathering and management for the reason that, once data is gathered, its management begins (IFRC, 2011, p.32).

4.9.2.4. What is the frequency of monitoring?

Average Monitoring in 2016/17	
3 NPOs	Monthly
1NPO	Two to three times a month
1 NPO	Not visited in 5 months
5 NPOs	Yearly

According to the table above, three NPOs are visited monthly, one visited more than once and 1 not visited at all as of 1 April 2017. However, it should be noted that DSD officials conduct on-site visits to all NPOS during funding application process. All participants agreed that onsite financial monitoring visit (once a year monitoring) is conducted. Reports from onsite financial monitoring lack detail on the implementation of recommendations (Onsite visit tool, 2016/17).

4.9.2.5. To what extent do you participate in monitoring planning process?



Stakeholder involvement is crucial when designing an M&E plan. 11 out of 20 participants agreed that they are involved during funding process. 6 participants reported that they are not involved at all. 2 participants reported that they are involved during meetings. This shows that only 11 of the participants were aware of the importance of participating in the M&E plan. According to Kusek and Rist (2004, p.24), it is important to generate and share knowledge with other organisations to enhance knowledge learning.

The involvement of program staff in designing the M&E plan is also critical as all 20 participants agreed that programme staff should be involved in designing M&E plan as this gives them a good understanding of how the plan works and the importance of having the M&E plan.

Other stakeholders that should be involved in designing M&E plans

The participants were also asked if there are any other stakeholders that should be involved in designing the M&E plan. They noted that the following stakeholders should be involved in designing the M&E plan, namely:

Board of Directors: These are the decision makers for the NPOs. They should be involved in designing the M&E plan for them to be committed in M&E related activities.

All staff members, including volunteers: Staff members and volunteers are the implementers of the M&E plan. Therefore, their involvement enhances their understanding of what is required when implementing the M&E plan.

According to the UNAIDS (2009, p.93), stakeholder involvement in M&E can produce effective communication for various other objectives. All these stakeholders should be part of the team that designs and monitors an effective and efficient M&E plan as discussed above. The results show that most of NGOs understand the importance of involving stakeholders in the process of designing M&E plans. However, not all these organisations have an M&E plan as discussed above.

The diagram above indicates level of participants who reported that they are involved only during application for funding process. The participants indicated low levels of monitoring after funding. The only period NPOs get involved in monitoring is when

they complete funding application forms using service specification. The term Stakeholder talks to NPOs and beneficiaries of services. With reference to the principles of Monitoring and Evaluation, principle no.1 emphasizes that monitoring should play a role to improve control and involvement and serve as a voice to historically marginalised people. (GWMES, 2007, p.3).

Analysis from the results finds that DSD missed the mark to acknowledge the role played by stakeholders. This resulted in NPOs not being part of all the identified steps for effective Monitoring and Evaluation process and this remains in conflict with the views of Chaplowe (2008). Stakeholder participation during preparation phase assists when choosing indicators, deciding on monitoring frequency and reporting guidelines.

The purpose of the partnership between DSD and the NPO sector is to plan together for the accomplishment of objectives. The norms and standards are responsible for setting up, funding and control of information that is distributed between partners in service delivery (DSD, 2013, p.16). The lack of involvement of NPOs in planning is contrary to the memorandum of agreement on working relations between DSD and NPOs that was endorsed in 2013.

In addition, monitoring will be recognised when stakeholders are aware of the accepted targets, duration of monitoring and the criteria used to monitor (James, 2010, p.4).

4.9.2.6. How do the requirements of M&E influence your day-to-day activities in the organisation?

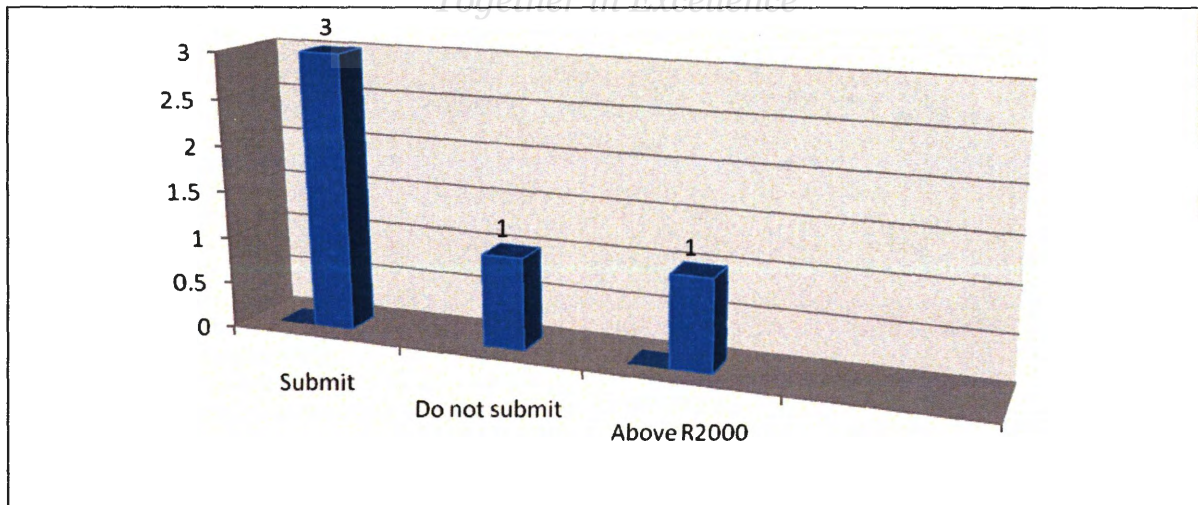
Participants reported that changes advised during monitoring are implemented but, at times, they conflict with the recommendations from NPO social workers. Others reported that M&E helps them improve their performance.

4.9.2.7. Which problems relate to monitoring process and procedures?

The management committee in the center comprises of very old people; they need to introduce youth in order to implement policies. P14 reported that the agreement with DSD is, at times, inconvenient in a sense that there are late payments resulting to less expenditure.

In the principal-agent relationship, DSD will be able to strengthen monitoring on NPOs for the betterment of data collection, but should take into consideration that harsher monitoring may well decrease NPO member's determination (Frey, 1993; Lai, Chan, Tse, & So, 1999); Dickinson & Villeval, 2008).

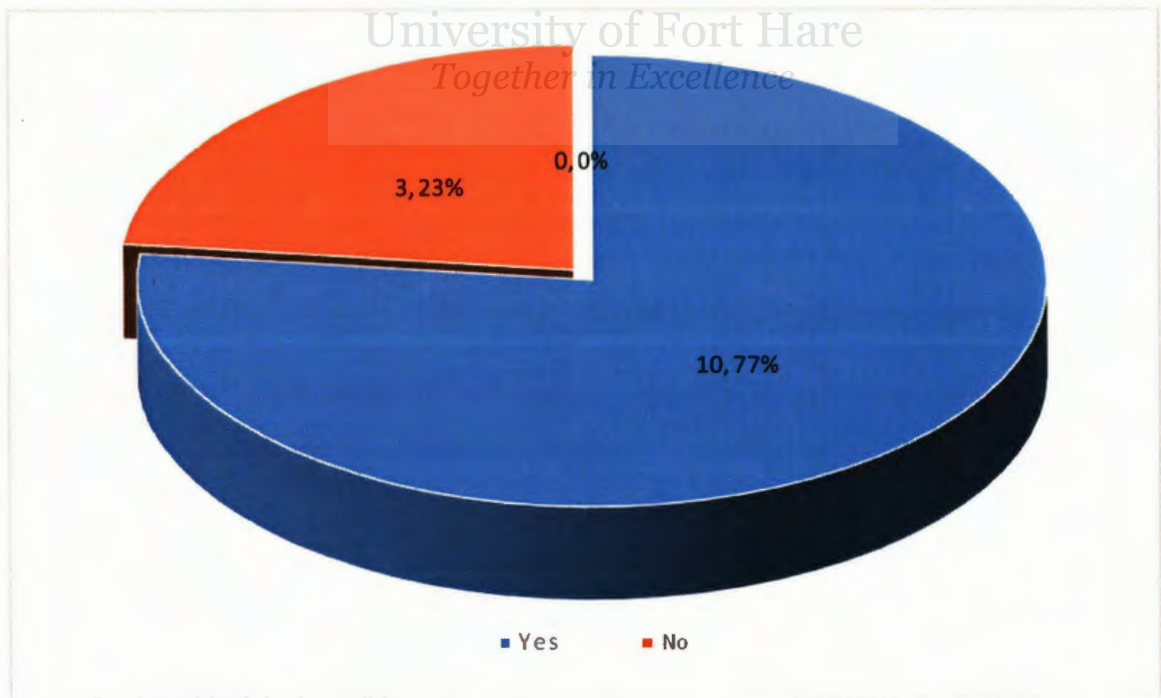
4.9.2.8. What is your understanding of the contractual agreement with DSD with regard to M& E report submissions and to financial expenditure requirements?



In terms of report submissions, P 5 reported that she compiles reports but does not submit them to DSD officials. P15 reported that they spend without requesting if the quotation is less than R2000.00. He stated that this was a directive from the Department. Financial expenditure requirements are followed by other NPOs whilst others do not.

With regard to financial expenditures, the principal demands that all its agents submit audited financial statements, even though the Act stated that an accounting officer should sign them. In accordance with section 1 of NPO Act, an “accounting officer” means independent registered financial accounting professional, not a “registered auditor.” Therefore, the NPO Act does not require NPOs to have their annual reports audited. Sector 17, NPO Act requires every registered NPO to maintain accounting records and have its annual financial statements signed by a bookkeeper in eight months after end of NPOs financial year.

4.9.2.9. Do you know that on the contract that you signed with DSD, you agreed to be monitored, to submit monthly reports and submit requests before you spend?



About 16 participants agreed that they were informed during 2016/17 funding preparation that took place towards the end of 2016. Four participants joined their NPOs during April 2017 and they were unable to respond to the requirements of

Section B of the SLA. SLA is a lawfully mandatory agreement between subsidized NPOs and DSD.

Section 38(1) (J) Act 1 of 1999 of PFMA states that in cases whereby written assurance cannot be obtained from the entity, that effective, efficient and transparent management and internal control systems exist, the following conditions and remedial measures will apply:

- NPOs must obtain written consent in advance before they use moneys allocated by the DSD.
- Board members will go and subject themselves to training on Governance conducted by DSD.
- Board members will obey and stick to financial control systems recommended by DSD.
- DSD officials or its agents on a monthly basis will conduct Monitoring and check-up of financial registers.
- Spending and progress reports as required by DSD will be submitted by board members once a month.

According to Van Slyke (2007), Stewardship theory suggests that the funder and the beneficiary's goals are identical; interests are alike and motivated to be in partnership. Starting from this viewpoint, monitoring is an exchange tool for strengthening the performance and effectiveness of DSD and the NPOs.

4.9.2.10. How do you deal with the DSD funding that decreases every year?

The decrease in funding affected their stipend, whilst others reported that they decreased the number of caregivers, leaving other villages with no caregivers.

"The management committee, agreed to cut services to their beneficiaries (food parcels)". The relationship between DSD and NPOs is the one of Agency theory

whereby Patton (1997) indicates that staff of NPOs is prepared to receive lower remunerations in return for the chance to deliver services with social value.

According to PFMA (1997), DSD subsidy is on condition that NPO will request funds from other sources like donor organisations, foundations and the proceeds from lotteries.

4.9.3. Strategies to meet with requirements of M&E

This question was designed to understand strategies used by NPOs to meet the requirements of M&E. Agreeing to Lansdown and O'Kane (2014, p.20), the monitoring and evaluation strategy consists of objectives and indicators that help to identify approaches and details of information to be collected. For that reason, if there is no monitoring strategy, NPOs of Mbashe Local Municipality will experience problems with identifying indicators, details of evidence, ways and means that will be used to gather and organise information, information gathering instruments, rate of recurrence of data gathering and officials in charge for data gathering.

4.9.3.1. Implementation of the tool

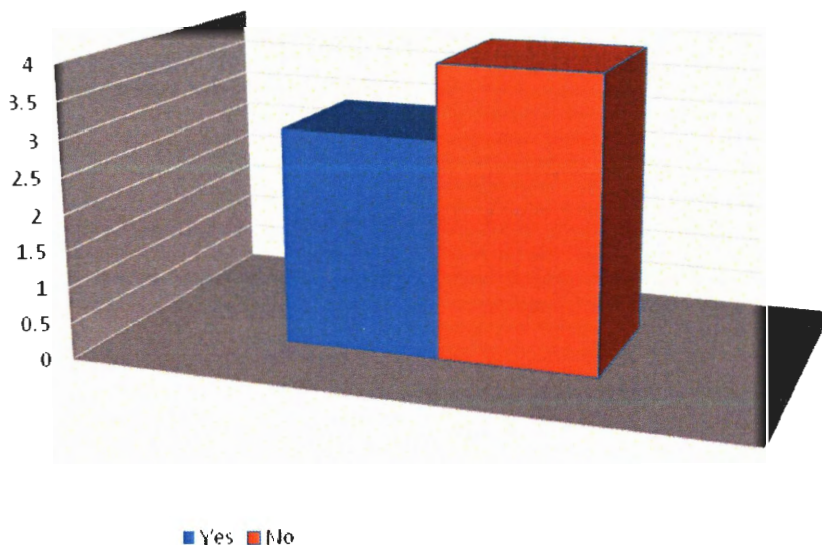
As soon as participants were asked the way in which monitoring is handled, they confirmed existence of the monitoring tools that is completed by DSD officials. Most participants reported that the Social Worker collects data. When participants were asked about feedback, they reported that after monitoring outcomes feedback session is not provided. Another finding is that there are other Social Workers who conduct M & E, not from the NPO Unit but from the programme. These different officials want to ensure that opportunism does not exist.

Frequent monitoring advice will be in harmony with the methods recommended by Stewardship Theory for attaining similar goals (Van Slyke, 2007, p.177). Bamberger

(1989, p.391) argues that there is a serious underutilization of data that has been collected and analysed at a great expense. In addition, monitoring is not implemented according to the way one would expect it to be, bearing in mind the time taken to gather monitoring evidence.

GWMES (2014) reported that officials conducting monitoring have a duty to be able to implement a result-based method to collect and examine information on DSD services. Monitoring data guides decision-making and informs future planning by acknowledging past mistakes and moving forward, but this happens rarely. Monitoring data is simply gathered and forwarded to programme managers at the District office. Programme managers forward the information to capacity building component. Annexure B of Service Level Agreement (SLA) shifts the responsibility to the Department, not NPOs.

4.9.3.2. Are the clear instructions on how to complete the M&E tool?



Participants indicated that they are not provided with the copy of the tool, they were not trained on how to complete the tool and they provide books and documents

when requested. GWM&E policy talks about shared responsibility. To add on GWM&E policy, Van Slyke reported that NPOs do not feel the sense of ownership of the tool, whereas Stewardship theory talks about shared responsibility (Van Slyke, 2007, p.183).

4.9.3.3. How do you prepare for the information required in the M&E tool?

Participants reported that they just bring the books when requested. M&E tool has nine sections:

- Identifying details (name and address).
- Governance (composition of the management committee).
- Leadership (Board active and functional).
- Relationship between the organisation and the community served (services know by community).
- Legal Status (registration and NPO reports)
- Service delivery (Services offered and beneficiaries)
- Internal control systems (policies)
- Administration Management systems (requesting for registers)
- Funds (amount paid and unspent)

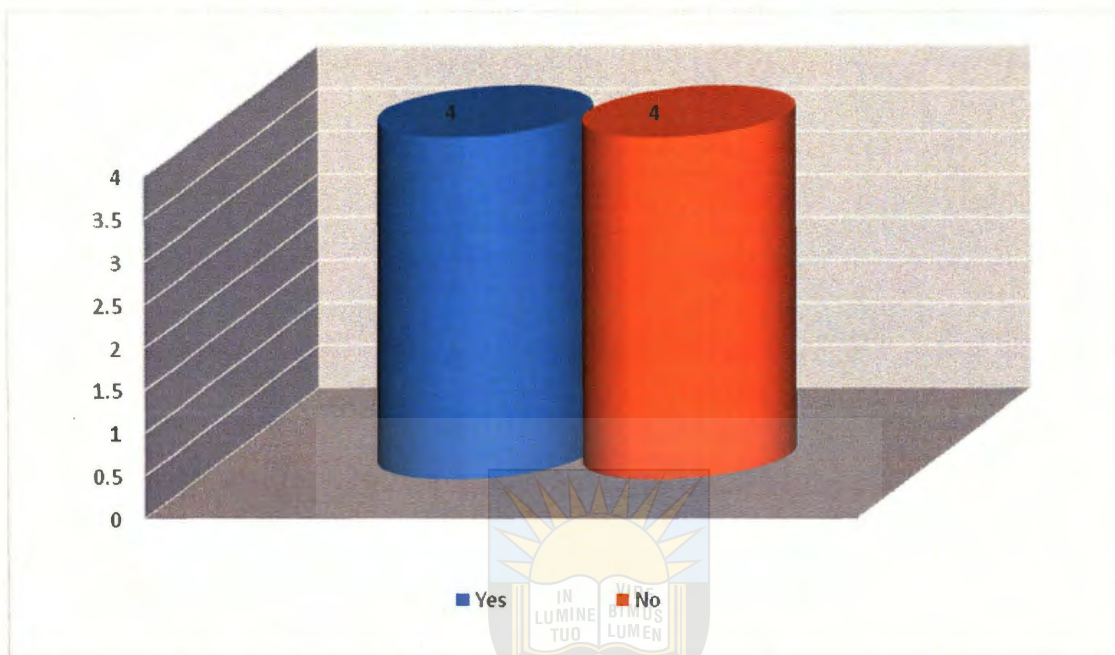
Implementation plan “sets out clearly the objectives of the innovation, specific tasks relating to its implementation, the individuals responsible for accomplishing these tasks and agreed timelines” (Burke, 2002, p.10). In other words, the application strategy provides information about the four W's: what, when, who and how it will be applied.

4.9.3.4. Objectives of the monitoring visits by DSD. Please tick one that is applicable to your organisation?

Answer	NO. Participants	Do not Know
1.Verification of implementation activity	14	
2. To interview beneficiaries of services provided		
3. To conduct a staff head counts		1
4.Follow up on implementation of audit recommendations	5	

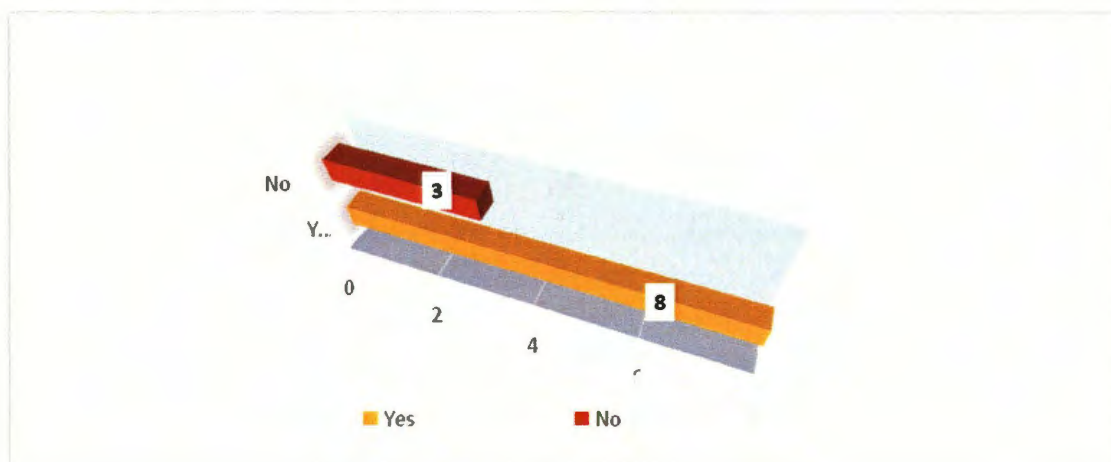
Participants showed their general understanding of objectives as they were provided. The department, without inputs from stakeholders, sets Monitoring objectives. Analysis of the results from participants shows that DSD missed the mark to acknowledge the role played by stakeholders. Monitoring performance is the main goal for M&E. Legislative obligation and existence verification are regarded as the same as risk management. The main reason for the above findings can be associated with the lack of an approved M&E policy specifying main goals.

4.9.3.5. Is there a section where you report on compliance issues?



About 15 participants reported that they were never asked about compliance issues. Another finding is that, participants do not understand that the tools used by the Monitoring Unit and the Service Level Agreement (SLA) they sign with DSD monitors compliance. Bamberger (1989) maintains, "M&E systems focus only on certain quantitative and financial aspects of the projects and most of the information only refers to the period of physical implementation."

4.9.3.6. Is the tool aligned with the log frames?



Eight Participants responded that the tool is not aligned with the log frames. It is evident that participants do not have an idea of what log frames are. This is because Social workers assist organisations in their application for funding and they copy and paste log frames directly from service specification to the Business plan for them.

The monitoring tool does not conform to the log frames even though they are stipulated in the NPOs funding application document.

The tool does not have objectives, performance indicators, and ways of confirmation as is necessary in the log frame. The monitoring instrument fails to observe NPO performance compared to set targets. A log frame is applied by NPOs, as it is responsible for the establishment of a monitoring arrangement throughout M&E. The log frame displays the theoretical foundation upon which the monitoring and evaluation system is built (Chaplowe, 2008). The log frame clearly indicates goals, results, outputs, services and ideas required to attain organisational goals.

To realise exactly how the monitoring tool works, one needs to be familiar with governance issues. From different monitoring types illustrated in chapter two, the tool falls under compliance monitoring. This type of monitoring makes sure that the NPO adheres to the rules of the funder, estimated outcomes, funding and contract requirements and ethical principles.

4.9.3.7. Does the NPO regularly use the information generated from M&E tool for decision-making?

When participants were asked what they do with the data produced from monitoring, they reported that they made changes as per recommendation of the social worker. Based on participants' response, during Monitoring, Social Workers exercised their own discretion and autonomy. Another finding is that social workers from the programmes monitor the same organisation and make their own recommendations

that are not the same as from NPO Unit. Hill and Hupe (2002) reported that different channels of authority may possibly produce contradictions on how monitoring is implemented and social workers as street level bureaucrats regularly weigh out how to act (Hill & Hupe 2002, p.296).

Lipsky (1980) refers to this behaviour of Social Worker's recommendations as "street- level bureaucrat's discretionary power and autonomy." Agreeing to the views of Michael Lipsky's theorization, Social workers that are providing services at DSD can be regarded as street level bureaucrats. Lipsky (1980) describes all employees who provide services to the public, who work directly with citizens and have freedom of choice in the implementation of their work as street level bureaucrats.

Monitoring and Evaluation Policy Framework (2010) points out that evidence based decision-making ensures that all decisions are based on evidence rather than on opinion or other factors.

Stewardship Theory suggests that monitoring results could build up the understanding of good governance and lead to a trusting relationship with great performance (Van Slyke, 2007; Davis, Schoorman & Donaldson, 1997).

GWMES talks about ways in which it is essential for NPOs to discover means of sharing information and insight produced through the application of monitoring and it made an example of M & E forums GWMES (2007, p.13).

Gorgens and Kusek (2009) suggested that the Monitoring section involves the use of Monitoring and Evaluation information for making decisions, developing policies and for planning and it cannot be used if it is believed to be of poor quality. The USAID (2009) proposed three approaches to increase the value of monitoring information. The quality of reported data needs to be verified for key indicators at identified sites, whether Monitoring and Evaluation system is ready to gather and report on reliable

information, on change of achievement plans and implementation. Gorgens and Kusek (2009) together with Guijt and Woodhill (2002) support these strategies. For the success of Monitoring and Evaluation, it should be motivated by the supervisor's needs and desire to utilise information to improve performance.

4.9.3.8. What are the challenges that you experience with the implementation of the M&E tool?

Participants reported that the Department officials do not report when they are coming for M&E. Some of the documents being asked by Social workers are not available. Stewardship and Agency theory emphasize the importance of shared responsibility. When implementing a different approach, resources and skilled workforce are needed to carry out the duties (Melchor 2008, p.21).

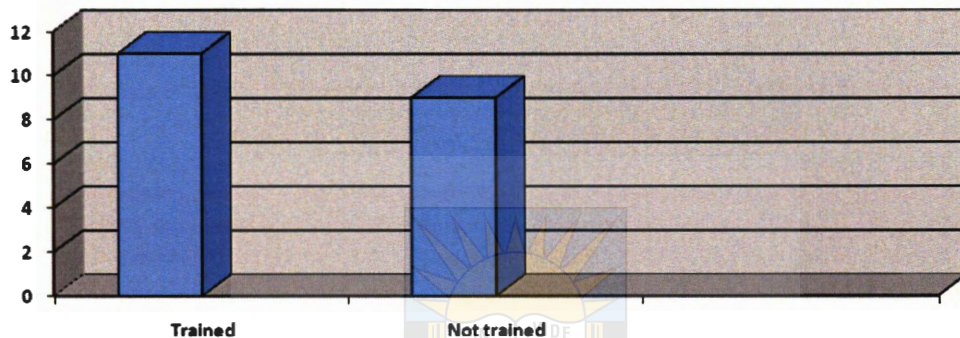
The implementation of Monitoring and Evaluation system may pose some challenges. Bamberger (1989) identified amongst others the next limitations when implementing Monitoring and Evaluation system in an organisation:

- Staff from NPOs and its partners finds it difficult to understand reports from monitoring officials, they repeatedly complained that reports are lengthy, vague, and come very late.
- Supervisors view monitoring as an intimidation tool and from time to time become unwilling to write and submit reports and to put into practice suggestions from evaluation.

Starting from an Agency viewpoint, NPOs do not have a management board that is strict enough to make their managers accountable (Fama & Jensen, 1983), Brickley, & Van Horn (2002).

4.9.4. Strategies to cope within monitoring

4.9.4.1. Were there any M&E capacity building trainings / workshops received by you or your employees for the past 2 years? If yes, list the kind of capacity received.

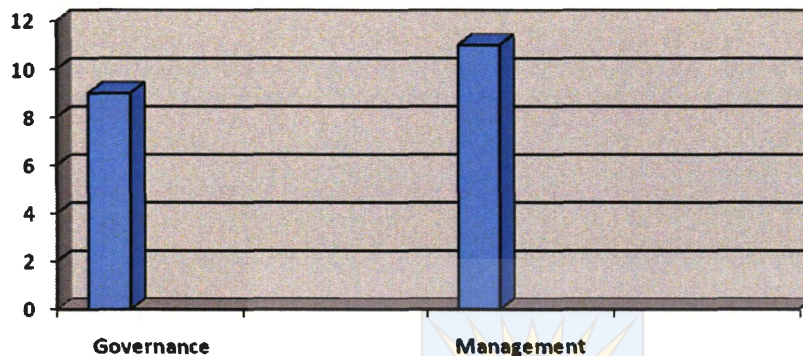


Seven participants reported that they were trained in Governance. Four participants reported that they received training on programme related activities. Nine participants have not been trained. It is important that monitoring and evaluation staff members be capacitated on new developments and approaches in the field of monitoring for the reason that Monitoring is an emerging field and training (Gorgens & Kusek, 2009, p.94).

PEPFAR's views are that capacity building and support actions are critical to make sure that information that is obtained is of good quality to speed up decision- making (PEPFAR, 2013, p.3).

4.9.4.2. What are your M&E training needs?

M&E capacity development plan



The results indicated that 100% of the organisations agreed that they do not have an M&E capacity development plan. These results reveal that participants understand the general importance of M&E. The capacity development plan for M&E is a crucial element for an organisation to implement an effective and efficient M&E system. According to Lansdown and o’Kane (2014,p.12), it is important to support M&E capacity building of all relevant stakeholders in order to increase their confidence, skills and knowledge to undertake effective M&E. The UNAIDS (2008, p. 7) noted that at the individual level, it is important for people to obtain and maintain the knowledge, skills and competencies required to carry out the variety of duties. Programme staff members should be capacitated to manage M&E systems. This can be done by conducting trainings and ongoing mentoring on M&E activities (UNAIDS 2008.p.10).

9.10. Summary of findings

The chapter offered a discussion of results after interaction with participants. The way Monitoring is implemented is determined by aims and objectives of the Monitoring and Evaluation system. Literature presented in chapter two highlighted

the requirements for an effective Monitoring and Evaluation system. Every single system, whether it is a formal or an informal monitoring system, is in line with the Auditor's recommendations that are put forward by Agency Theory.

Regular monitoring, giving back monitoring results and reporting periodically would be in line with the practices proposed by Stewardship Theory for attaining goals that are the same. The information gathered throughout the study was utilised to explore the implementation of Monitoring and Evaluation using the following objectives:

1. The first objective of the study was to discover to what extent the Provincial M&E tool responds to the components set out in the Policy Framework for Government-wide M&E System.

- The Social Development monitoring policy that outlines roles and responsibilities has not yet been approved. Assessing implementation of a tool from a situation whereby an organisation has not approved policy creates some challenges to the study. By referring to the data in chapter two, one can reach a decision that DSD's monitoring system is not operational, was not implemented successfully and the tool neglected the most important M&E details such as objectives and log frames.
- NPOs were not involved in the M&E process. The working relationship between DSD and the NPO sector was sealed in a memorandum of agreement that was endorsed in August 2013. Both parties agreed that the committee that was elected was going to engage in the planning, budgeting and monitoring. (DSD Diagnostic Report, 2013.
- There is failure in the application of monitoring in line with the Government-Wide Monitoring and Evaluation System. Poor levels of monitoring are an

acceptable standard in organisations that do not have regulations that guide compliance (Van Slyke, 2010, p.178).

- The Department did not conduct evaluation and does not have Evaluations Framework policy as stipulated in Government Wide Monitoring and Evaluation System (GWMES, 2007, p.10).
- The DSD continues to fund NPOs despite such failure to comply with the pieces of legislation.

2. The second objective was to investigate the strategies used by NPOs to meet the Provincial requirements of M&E, and how these influence their day-to-day activities in the organisation.

- 
- The current system does not encourage the giving of feedback to NPOs.
 - Social Workers exercise their own discretion and autonomy during monitoring and this represents the policies of the government departments they serve.
 - NPOs were found to have little knowledge of the reasons for monitoring; as a result, they could not relate it to any piece of legislation. The capacity of NPO representatives needs to be improved. These findings agree with the World Bank (2012) that the failure to have enough skilled and knowledgeable M&E officers in organisations has led to poor implementation of the system.

3. The third objective was to investigate the challenges experienced by Non-profit organisations' representatives within the implementation of the monitoring tool. The following were some of the findings:

- DSD in a Principal agency relationship requires all its NPOs, whether they are emerging or well established, to submit Audited Financial Statements as a requirement for funding. Section 17 of the NPO Act requires that every

registered NPO should ensure that their books are in order, have Audited Financial Statements signed by the bookkeeper within eight months of the end of NPOs financial year. According to Section 1, NPO Act, “accounting officer” means independent registered financial accounting professional, not a “registered auditor”. The NPO Act does not require NPOs to have their annual financial statements audited.

- Decrease of funding also hinders participation in monitoring.
- Onsite financial monitoring is conducted to all NPOs during funding preparation. During this period, officials had an opportunity to verify activities, internal control systems, governance and review paper work.

The results from literature and conversation with participants confirm that the monitoring system of DSD is not attending to its expected objectives. The outcomes recommend that monitoring have to be participatory so that role players can be clear about their roles and responsibilities in monitoring.

Given limited research about the development of principal-agent relationships and non-existence of evidence, when using Stewardship Theory in NPOs, the following assumptions can be described. To start with, the character and desire in non-profit supervisors who are in a contract relationships with DSD agrees with Agency Theory. Furthermore, decrease of funding and an irregular use of monitoring is inappropriate with Agency Theory. Thirdly, the use of trust and reputation is in line with both theories. Finally, when the two theories are used together, they complement each other.

Different officials in an organisation conduct the department's monitoring, others monitor compliance and others would come and monitor norms and standards. This case of multiple levels of monitoring exists to guard against opportunism and

ensure that a good standard of service is being provided. Yet, NPO representatives perceive this action as a duplication of services and as being excessive.

The monitoring contract between the NPOs and DSD was the result of poor levels of trust from DSD and not wanting to be blamed for failure.

The findings suggest that DSD's NPO Management Unit Directors are mindful of the different monitoring tools implemented but are controlled by their ability and the situation. Stewardship Theory picks up the condition of what developed and associated it with the principal-agent contract relationship between Government and NPOs.



9.11. Release of the findings

The study is a true reflection of DSD's implementation process and it covers critical information without any favouritism to the outcomes.

9.12. Suggestions for further study

The research conducted was only for selected NPOs at Mbashe Local Municipality. Future studies should consider the Amathole District Municipality.

9.13. Reliability of the study

According to Golafshani (2003), reliability is the point whereby outcomes of the study become consistent over time. The true image of the population under investigation is referred to as reliability. In addition, when outcomes of a study are duplicated somewhere else in a similar method, then the tool is measured as reliable. (Ritchie & Lewis 2013, p. 270).

Chapter 5: Conclusion and Suggestions

5.1. Introduction

The research report does not cover all the problems on the subject of DSD's Monitoring system, but offers a modest contribution trying to assist the DSD to identify and understand the some gaps in its Monitoring and Evaluation system. Remedial action will improve the Monitoring and Evaluation system, its implementation and improve performance information and service delivery. The conclusion and suggestions of the study are discussed below.

5.2. Conclusion

The first part offers the conclusion and the second part presents recommendations. Outcomes from an analysis of participants' responses showed that DSD failed to apply effective monitoring at NPOs. The non-existence of an approved monitoring policy that guides the monitoring process and simplifies the roles and responsibilities brings to the fore some challenges. Based on outcomes, the following assumptions were drawn:

1. Frequent review of financial documents and regular monitoring can play a major role in cost effective service delivery. This exercise will eliminate conflict of interest and reinforce transparency in all transactions. Furthermore, accountability on the use of resources will improve and that will lead to quality service delivery to beneficiaries. During compliance monitoring, reports are generated and they highlight gaps on governance issues that call for capacity building.
2. The participation of stakeholders in carrying out monitoring activities can be improved. Improvement can be achieved through team building and making monitoring more practical.

3. The monitoring tool is a major instrument used when carrying out monitoring activities and it is aimed at collecting relevant data. The tool has some gaps and it made no provision for log frames and evaluation. The tool does not have measuring standards and periods.

5.3. Suggestions

The following suggestions are based on the conclusion and they aim to recover the current Monitoring and Evaluation system in the Department.

- DSD should review its Monitoring and Evaluation system and motivate for an approved policy for effective implementation. The non-existence of an endorsed monitoring policy specifying main objectives can be attributed to the fact that participants did not respond well to questions relating to M&E.
- It is essential for the Department to build up monitoring capacity to close the gap between theory and practice. Social workers, as street level bureaucrats, should be capacitated.
- Monitoring is applied in a disjointed way with different sub-programmes using different sub-programme related tools in the same organisations that are monitored for compliance using the Provincial monitoring tool. The lack of methodological clarity in the application of monitoring and poor implementation are the result of poor capacity. An approved policy will give a lecture on this problem. The DSD needs to amend the existing monitoring tool in order to include service delivery issues and be aligned to the log frame.
- Conducting monitoring with reference to the different types of monitoring, as listed in Chapter two should help NPOs reach their objectives or recognize problems that need to be resolved.

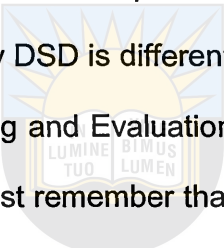
- The monitoring tool must include performance targets as specified on the Service Level Agreement and business plan submitted for funding.
- The monitoring reports must be improved and go together with a clear implementation strategy with deadlines for the implementation of recommendations.
- Service Office Managers should give feedback to the NPOs on submitted reports.
- Quarterly financial review meetings should be held by the DSD NPO Unit to address some critical issues like NPOs not claiming, budget cuts that lead to other essential services being cut as well and reallocations.
- During monitoring visits, finance or an accounting officer should ensure that audit findings and recommendations are shared with concerned NPOs and a follow up is done on the implementation of the same. This will reduce chances of recurrence of previous audit issues.
- The Evaluation of NPOs by Independent Assessors and Provincial Managers of the Department after 1st year of funding is advised.

5.4. Conclusion

The introduction of the Government Wide Monitoring and Evaluation system was an initiative by National Government to support the effectiveness and efficiency of control in South Africa. Legislation offers full information on how to institutionalise the M&E and established guiding principle on how to maintain the system. The purpose of the GWMES is to address the implementation challenges, come up with corrective measures and improve governance in the public sector. The study set out to explore whether monitoring is implemented as set out in the policy document.

However, provincial government has been given direction on how to institutionalise the GWMES, national government has been distant in respects to providing Monitoring and Evaluation support to public organisation on the ground. Proper supervision about the nature of GWME will help provincial government better realise the uses, purposes, roles and responsibilities associated to Monitoring and Evaluation.

The investigator concluded after evaluating the outcomes from the information that was gathered during data collection and compared it to literature review. The way in which monitoring is implemented by DSD is different to the requirements that are set on the Government Wide Monitoring and Evaluation Framework. Furthermore, DSD fails to conduct evaluation. One must remember that evaluation involves recognizing and reflecting on the results of what has been completed and adjudicating on the impact (IFRC, 2011, p.13).



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List of Additions

- Permission to conduct research
- Ethics Research and Informed Consent Form
- Ethical Clearance Certificate
- Permission to commence with research project
- Research Questions
- Turnitin Digital Receipt
- Editing/proof reading Certificate
- DSD Governance Monitoring tool



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SOCIAL DEVELOPMENT

ABSA Building – 85 Oxford Street – Private Bag X9066 – East London – 5200 – REPUBLIC OF SOUTH AFRICA
Tel: +27 (0)43 711 6600 - Fax: +27 (0)43 743 3471 - Email address: vuyiseka.kaso@ecdsd.gov.za - Website: www.ecdsd.gov.za

TO : HEAD OF DEPARTMENT

FROM : VUYISEKA KASO – NPO COORDINATOR – AMATHOLE DISTRICT

DATE : 26 FEBRUARY 2016

SUBJECT : REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am a registered Master's student in the Department of Social Work and Social Development at the University of Fort Hare. My supervisor is Ms Vuya Mazibuko and my Co-supervisor is Dr. John Rautenbach. Presently, I am coordinating NPO at Amathole District Office.

The proposed topic of my research is: **Exploring the effectiveness of the Monitoring Tool used by NPO Management Unit on Organisations funded by the Department of Social Development.**

The objective of my study is to:

- (a) To identify the gaps in the tool used to monitor funded organizations.
- (b) What are the challenges experienced by officials conducting Monitoring.

I am hereby seeking your consent to conduct this research in 5 Area Offices of Amathole District.

Should you require any further information, please do not hesitate to contact me or my Supervisor. Our contact details are as follows:

Ms. Vuyiseka Kaso - 043 711 6621 (0821782083)

Ms. Vuya Mazibuko - 043- 704 7074

Dr John Rautenbach - 043 7047032 (083 444 8306)

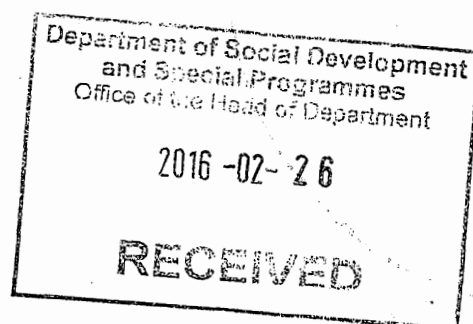
Upon completion of the study, I undertake to provide you with a bound copy of the dissertation.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

Vuyiseka Kaso (Ms.)

REQUEST FOR PERMISSION TO CONDUCT RESEARCH





Province of the
EASTERN CAPE
SOCIAL DEVELOPMENT

Department of Social Development
and Special Programmes
Office of the Head of Department

2017-02-07

12:04

RECEIVED

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Tel: +27 (0)43 711 6600 - Fax: +27 (0)43 743 3471 - Email address: vuyiseka.kaso@ecdsd.gov.za - Website: www.ecdsd.gov.za

TO : HEAD OF DEPARTMENT

FROM : VUYISEKA KASO – NPO COORDINATOR – AMATHOLE DISTRICT

DATE : 06 FEBRUARY 2017

SUBJECT: REQUEST FOR PERMISSION TO CONDUCT RESEARCH

I am currently a second year registered Master's student in the Department of Social Work and Social Development at the University of Fort Hare. My supervisor is Ms. Vuya Mazibuko and my Co-supervisor is Dr. John Rautenbach. Presently, I am coordinating NPO at Amathole District Office.

The topic of my research is: **Experiences of selected NPOs with the Government – Wide Monitoring and Evaluation tool: the case of Mbashe Local Municipality.**

Objectives

- To discover as to what extent Provincial M&E tool respond to the components set out in the Policy Framework for the Government-wide Monitoring and Evaluation System.
- To investigate the strategies used by NPOs to meet with the Provincial requirements of M&E and how do these influence their day to day activities in the organization.
- To investigate the challenges experienced by Non-profit organizations with implementation of the M&E tool.

REQUEST FOR PERMISSION TO CONDUCT RESEARCH



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Tel: +27 (0)43 711 6600 - Fax: +27 (0)43 743 3471 - Email address: vuyiseka.kaso@ecdsd.gov.za - Website: www.ecdsd.gov.za

I am hereby seeking your consent to conduct this research in Mbashe Local Service Office.

Should you require any further information, please do not hesitate to contact me or my Supervisor.
Our contact details are as follows:

Ms. Vuyiseka Kaso - 043 705 5666 (082 178 2083)

Ms. Vuya Mazibuko - 043- 704 7074

Dr John Rautenbach - 043 7047032 (083 444 8306)

Upon completion of the study, I undertake to provide you with a bound copy of the dissertation.

Your permission to conduct this study will be greatly appreciated.

Yours sincerely,

Vuyiseka Kaso (Ms.)

University of Fort Hare
Together in Excellence

Approved/not approved

Comments:

Research material to be used only
for that purpose.

Head of Department

09/02/2017

Date:

REQUEST FOR PERMISSION TO CONDUCT RESEARCH

APPROVED/NOT APPROVED

SUPERINTENDENT-GENERAL

DATE: 02/03/2016



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Ethics Research Confidentiality and Informed Consent Form

This form is to be completed by the researcher(s) as well as by the interviewee before the commencement of the research. Copies of the signed form must be filed and kept on record.

The Department of Social Work and Social Development in the University of Fort Hare (East London Campus) is asking people in the organization to answer some questions, which I hope will benefit your NPO and possibly other organisations in the future.

The Department of Social Work and Social Development is conducting research **regarding Application of government's monitoring and evaluation tool in the non-profit sector: A study of selected non-profit organisation in Mbashe Local Municipality**. I am carrying out this research to explore challenges that you experience with the implementation of the tool.

Please understand that you are not being forced to take part in this study and the choice whether to participate or not is yours alone. However, I would really appreciate it if you do share your thoughts with us. If you choose not take part in answering these questions, you will not be affected in any way. If you agree to participate, you may stop me at any time and tell me that you don't want to go on with the interview. If you do this there will also be no penalties and you will NOT be prejudiced in ANY way. Confidentiality will be observed professionally.

I will not be recording your name anywhere on the questionnaire and no one will be able to link you to the answers you give. Only the researcher will have access to the unlinked information. The information will remain confidential and there will be no "come-backs" from the answers you give.

I will be asking you questions and ask that you are as open and honest as possible in answering these questions. Some questions may be of a personal and/or sensitive nature. I will be asking some questions that you may not have thought about before, and which also involve thinking about the past or the future. I know that you cannot be absolutely certain about the answers to these questions but we ask that you try to think about these questions. When it comes to answering questions there are no right and wrong answers. When I ask questions about the future I am not interested in what you think the best thing would be to do, but what you think would actually happen.

If possible, I would like to come back to this NPO once I have completed my study to inform you and your NPO of what the results are and discuss my findings and proposals around the research and what this means for NPOs in this area.

INFORMED CONSENT

Ihereby agree to participate in this research regarding the
Application of government's monitoring and evaluation tool in the non-profit sector: A study of selected non-profit organisation in Mbashe Local Municipality.

- * I understand that I am participating freely and without being forced in any way to do so. I also understand that I can stop this interview at any point should I not want to continue and that this decision will not in any way affect me negatively.
- * The information will be kept confidential and will be analysed using codes. No identifying details
- * I understand that this is a research project whose purpose is for academic purposes only.
- * I have received the telephone number of a person to contact should I need to speak about any issues which may arise in this interview.
- * I will not receive any financial compensation for participating in the study.
- * I understand that this consent form will not be linked to the questionnaire, and that my answers will remain confidential.
- * I understand that if at all possible, feedback will be given to the NPOs concerned on the results of the completed research.
- * I hereby agree that any data I may contribute may be used for this specific master's study and also re-used should there be similar studies undertaken in the future.
- * I hereby agree to the tape recording of my participation in the study.

.....
Signature of participant

Date:

.....
Signature of Researcher

Date:



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ETHICAL CLEARANCE CERTIFICATE
REC-270710-028-RA Level 01

Certificate Reference Number: MAZ011SKAS01

Project title: Experience of selected Non-profit Organizations with government's monitoring and evaluation tool: The case of Mbashe Local Municipality.

Nature of Project Masters in Social Work

Principal Researcher: Vuyiseka Kaso

Supervisor: Ms V Mazibuko

Co-supervisor: N/A

On behalf of the University of Fort Hare's Research Ethics Committee (UREC) I hereby give ethical approval in respect of the undertakings contained in the above-mentioned project and research instrument(s). Should any other instruments be used, these require separate authorization. The Researcher may therefore commence with the research as from the date of this certificate, using the reference number indicated above.

Please note that the UREC must be informed immediately of

- Any material change in the conditions or undertakings mentioned in the document
- Any material breaches of ethical undertakings or events that impact upon the ethical conduct of the research

The Principal Researcher must report to the UREC in the prescribed format, where applicable, annually, and at the end of the project, in respect of ethical compliance.

Special conditions: Research that includes children as per the official regulations of the act must take the following into account:

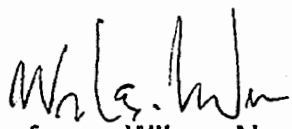
Note: The UREC is aware of the provisions of s71 of the National Health Act 61 of 2003 and that matters pertaining to obtaining the Minister's consent are under discussion and remain unresolved. Nonetheless, as was decided at a meeting between the National Health Research Ethics Committee and stakeholders on 6 June 2013, university ethics committees may continue to grant ethical clearance for research involving children without the Minister's consent, provided that the prescripts of the previous rules have been met. This certificate is granted in terms of this agreement.

The UREC retains the right to

- Withdraw or amend this Ethical Clearance Certificate if
 - Any unethical principal or practices are revealed or suspected
 - Relevant information has been withheld or misrepresented
 - Regulatory changes of whatsoever nature so require
 - The conditions contained in the Certificate have not been adhered to
- Request access to any information or data at any time during the course or after completion of the project.
- In addition to the need to comply with the highest level of ethical conduct principle investigators must report back annually as an evaluation and monitoring mechanism on the progress being made by the research. Such a report must be sent to the Dean of Research's office

The Ethics Committee wished you well in your research.

Yours sincerely


Professor Wilson Akpan
Acting Dean of Research

30 May 2017

University of Fort Hare

DEPARTMENT OF SOCIAL WORK

East London Campus:

Private Bag X9083, 50 Church Street, East London, 5200, RSA
Tel: +27 (0) 43 704 7032 • iFax: +27 (0) 86 622 8034
Email: gmaqupu@ufh.ac.za



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06 March 2017

To whom it may concern,

Re: request for permission to commence with research project

Firstly, I would like to extend a word of gratitude to the Head of Department for giving permission for Ms Kaso to conduct her research within the Department of Social Development.

As part of the research process, as supervisors we are required to apply for an ethical clearance for the study. The process has been initiated and once approval has been obtained, I will ensure that you receive a copy of it.

In the meanwhile, while waiting for the ethical clearance, Ms Kaso and I are in the process of devising a work plan, so that the data collection of the study is arranged timeously and without interference to daily the functioning of the respective NGOs. Contact will be made as soon as possible with the NGOs to establish times and dates that are convenient.

Our current estimation for the interviews is between April – June 2017.

The research topic under study is: **Experiences of selected NPOs with the Government – Wide Monitoring and Evaluation tool: the case of Mbashe Local Municipality.**

I trust that this is in order. Should you have any further queries, please do not hesitate to contact me directly.

Yours sincerely,

Vuyi Mazibuko (Ms)

Lecturer: Department of Social Work & Social Development

East London Campus

043 704 7047/7032

086 560 4744 (f)

vmazibuko@ufh.ac.za





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SEMI - STRUCTURED INTERVIEWS CONDUCTED AT MBASHE LOCAL MUNICIPALITY IN AUGUST 2017

IDENTIFYING DETAILS

Title of Study:	Application of government's monitoring and evaluation tool in the non-profit sector: A study of selected non-profit organisation in Mbashe Local Municipality.
Research Objectives	To discover as to what extent Provincial M&E tool respond to the components set out in the Policy Framework for the Government- wide Monitoring and Evaluation System. To investigate the strategies used by NPOs to meet with the Provincial requirements of M& E and how do these influence their day to day activities in the organisation. To investigate the challenges experienced by Non-profit organisations with implementation of the M&E tool.
Student Name and Reference Number	Ms V. Kaso – Ref Number : MAZ011SKASO1
Name of Supervisor and Co- Supervisor	Ms V. Mazibuko & Dr J. Rautenbach
Venue	Mbashe Local Municipality
Qualification Code	SWK 600E
Name of Department	Department of Social Science
Number of participants	20
Date of Interviews	25 – 31 August 2017
Interviews were tape recorded and then transcribed	

THEME 1: BACKGROUND INFORMATION

- 1.1. Name of organisation
- 1.2. In which year was the organisation funded by DSD for the first time?
- 1.3. What is your post level?
- 1.4. Number of years in current position.....

THEME 2: COMPONENTS OF GOVERNMENT MONITORING AND EVALUATION TOOL

In the section below, I would like to understand your views on how you consider the effectiveness of the M & E in the Department.

- 2.1. What in your understanding is the purpose of Monitoring and Evaluation?

.....

.....

- 2.2. Are you aware of the Department's approved Monitoring and Evaluation policy?

.....

- 2.3. What is your understanding of your role(s) in the Monitoring and Evaluation process?

.....

.....

- 2.4. What is the frequency of monitoring?

- 2.5. To what extent are you involved in the planning phase of the M& E process?

.....

.....

- 2.6. How do the requirements of M&E influence your day to day activities in the organisation?

.....

.....

.....

- 2.7. What do you think are the main challenges relating to M&E process and procedures in your Organisation?

.....

.....

.....

- 2.8. What is your understanding of the contractual agreement with DSD with regard to M&E, report submissions and to financial expenditure requirements?

.....

- 2.9. Do you know that on the contract that you signed with DSD, you agreed to be monitored, to submit monthly reports and submit requests before you spend?.....

- 2.10. How do you deal with the DSD funding that decreases every year?

THEME 3 STRATEGIES TO MEET WITH REQUIREMENTS OF MONITORING

3.1. Who collects and reports back?

3.2. Are the clear instructions on how to complete the M&E tool?

YES	NO
-----	----

3.3. How do you prepare for the information required in the M&E tool? Please elaborate:

3.4. Objectives of the monitoring visits by DSD. Please tick one that is applicable to your organisation?

1. Verification of activity implementation	
2. To interview beneficiaries of services provided	
3. To conduct a staff head counts	
4. Follow up on implementation of audit recommendations	

3.4. Is there a section where you report on compliance issues?

YES	NO
-----	----

3.5. Is the tool aligned with the log frames?

YES	NO
-----	----

3.6. Does the NPO regularly use the information generated from M&E tool for decision making?

If YES: How?

.....

.....

What are the challenges that you experience with the implementation of the M&E tool?.....

.....

.....

THEME 4: TRAINING AND EXPERIENCE

4.1. Have you or your staff attended any M&E training sessions/ workshops in the past 2 years?

YES	NO
-----	----

If yes, specify type of training received or workshop attended?

Examples will be project management, data management, reporting, etc.

.....

.....

4.2. What type of training do you think you or your staff need for M&E?

.....

.....

I THANK YOU FOR YOUR VALUABLE TIME AND INSIGHTS



Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author: Vuyiseka Kaso
Assignment title: PostGrad Submissions
Submission title: Copy edited 01.12.2017
File name: Copy_edit_by_Kaso_01_12.2017.d..
File size: 1.44M
Page count: 135
Word count: 28,482
Character count: 169,784
Submission date: 15-Dec-2017 01:10PM (UTC+0200)
Submission ID: 896507492

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Application of Government's Monitoring and Evaluation tool in the Non-Profit

Sector: A study of selected Non-Profit Organisations in Mbashe Local

Municipality

Vuyiseka Kaso

9318356

A dissertation submitted in fulfillment of the requirement for the degree Master
of Social Work (MSW)

In the

Department of Social Work/Social Development

Faculty of Social Science and Humanities

University of Fort Hare

December 2017

Supervisor: V. Mazibuko

Co-supervisor: J. Raulenbach

EDITING/PROOFREADING CERTIFICATE

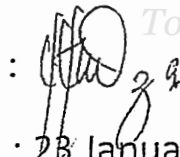
To whom it may concern

This serves to certify that I, Jabulani Mkhize, have proofread and/or edited Ms. V. Kaso's Master's dissertation to ensure that the language, grammar, punctuation and spelling are academically sound and appropriate, by rectifying errors, wherever these have been identified, and rephrasing sentences that would possibly make one lose sight of the flow of the argument.

Title of the Dissertation: "Application of Government's Monitoring and Evaluation tool in the Non-Profit Centre: A Study of Selected Non-Profit Organisations in Mbhashe Local Municipality."

Editor's Name: Jabulani Mkhize

Signature :

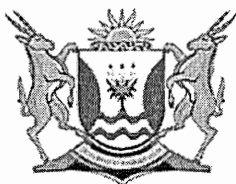


Date

: 28 January 2018

Contact Details: jmkhize@ufh.ac.za

Qualifications: PhD (English)



Province of the
EASTERN CAPE

**SOCIAL DEVELOPMENT &
SPECIAL PROGRAMMES**

DEPARTMENT OF SOCIAL DEVELOPMENT MONITORING TOOL

Period under review:

.....

Monitoring Date:

.....

**Name of the Organisation/
project:**

.....

**Departmental program priority
Project (Yes/No):**

.....

**Community Organisation
priority project(Yes/No):**

.....



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1. IDENTIFYING DETAILS

Nature of the organisation / Project.....

Physical Address:
.....
.....

Postal Address:
.....
.....

District Office:

Area Office:

Local Municipality:

New Project / Old Project
(Funded for the first time or not):

Allocation Amount:

Starting Date
(When first funded)

Contact Person

Contact Numbers

Capacity/ Designation

Service Office:



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2. GOVERNANCE

NB Departmental programmes should not complete 2, 3 &5

COMPOSITION OF MANAGEMENT COMMITTEE

How many members is Management Committee composed of?

.....

Names of the Management Member	Portfolio	Physical Address	Contact No.	Identity Document Number

How is it constituted?.....

How often does it meet?.....

Who are the signatories?.....

Areas served by the organisation / project.....

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INDICATOR	YES/NO (Means of verification)
Management Committee represent the community or the beneficiary the organisation seeks to serve.	
Board/Management Committee reflects different racial groups of the community or the beneficiaries,	
Management Committee executes advocacy role for the rights of beneficiaries.	
Vision and mission is clearly articulated and understood by all.	
Strategies are aligned with vision, mission and take the form of clear objective statements of how they can be achieved.	

3. LEADERSHIP, MANAGEMENT STRUCTURES AND ORGANISATION PERSONNEL

INDICATOR	YES/NO (Means of verification)
Board/Management Committee and senior management have a clear understanding of	

their respective roles and responsibilities as providers of overall direction.	
Board / Management Committee provide regular feedback to Stakeholders.	
NGO/ Project has an organizational structure with clearly defined lines of authority and responsibility.	
Systems of internal control are in place to ensure appropriate involvement and participation of all levels in decision-making.	
Roles and responsibilities are clearly defined for all levels.	
Staff members is deployed according to roles and responsibilities (if applicable).	

4. RELATIONSHIP BETWEEN THE ORGANISATION AND THE COMMUNITY SERVED

INDICATOR	YES/NO (Means of verification)
Organisation/Project and its services are known by the community that is served.	
Community is mobilised and involved in the organisations/Project	
The beneficiaries' views about the services are taken into consideration.	

5. LEGAL STATUS

INDICATOR	YES/NO (Means of verification)
NGO/Project registered according to relevant legislation.(NPO and relevant service registration certificates)	
Organisation has a constitution/ founding document that is in line with policy requirement	
Progress and Audited Financial Reports are compiled and forwarded to the NPO Directorate annually as stipulated by the NPO Act.	
Is the service registration certificate valid? (ECDC, Children's Home, Old Age , Home for Disabled etc)	

6. SERVICE DELIVERY

6.1. The organisation is rendering the following services (as per Business Plan / Project Synopsis):

.....

.....

.....

.....

.....

.....

6.2. The following are beneficiaries of the organisation:

.....

.....

.....

6.3. The organisations displays / has / shows the following indicators: (Yes or No)

INDICATORS	YES/NO (Means of verification)
Relevant expertise exists in NGO/Project to execute quality services.	
All projects and programmes are accessible to marginalised communities	
Beneficiaries and families have access to relevant information	
Programme design incorporates monitoring, evaluation and reporting activities.	

7. INTERNAL CONTROL SYSTEMS

Are the following internal policies available?

POLICY	YES/NO (Means of verification)
Financial Management Policy (Procurement, Petty cash etc)	
Human Resource Policy (Grievance , leave, code of conduct, disciplinary, recruitment, Human Resource Development, HIV/AIDS etc)	
Other Administration Policy	

8. ADMINISTRATION MANAGEMENT SYSTEMS

Are the following administration management systems available?

REGISTER	IN PLACE/ NOT IN PLACE	STATE OF THE REGISTER
Attendance register		
Visitors register		
Asset register		
Inventory list		
Weekly plan /schedule		
Schedule of meetings		
Minute book		
Income and expenditure book		
Reports file		
Compliance audit report		
Report on financial statements		
Donation register		
Admission register		
Discharge register		
Salary/ Stipend register		
Cash book		
Petty cash register		

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9. FUNDS

Amount paid by the department to date	R
Unspent funds to date	R

9.1. Reason for under spending (where applicable)

.....

.....

.....

.....

10. General Comments

.....

.....

.....

.....

DSD representations:

1. Mr/Ms Designation:

Date..... Signature:

2. Mr/Ms Designation:

Date..... Signature:

Organisation representation:

Mr/Ms Designation:

Date..... Signature:

Verified by:

Mr/Ms Designation:

Date..... Signature:



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