

**EXPLORING INCONGRUENCE IN THE FUNDING OF NON-PROFIT  
ORGANISATIONS AND THEIR EXPECTED DELIVERABLES IN THE LIMPOPO  
DEPARTMENT OF SOCIAL DEVELOPMENT, SOUTH AFRICA**

**Mini Dissertation**

**By**

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## DECLARATION

I hereby declare that this dissertation, “Exploring incongruence in the funding of non-profit organisations and their expected deliverables in the Limpopo Department of Social Development, South Africa”, is the result of my independent investigation and has not been presented for a Degree or any other academic award in any University or Institution of Learning. All the sources used have acknowledged by means of complete references.

Signature: \_\_\_\_\_  
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Date

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## DEDICATION

To my parents Simson and Ndifelani Joyce Mudogwa. You sacrificed your happiness for the education of your children (Takalani, Masala, Robert, Phumudzo, Munyadziwa and Mushaisano) without formal employment and education. You taught us that “*success in life requires hard work and self-sacrifice*”. I dedicate this Dissertation to you.

## LIST OF ABBREVIATIONS AND ACRONYMS

NPO	-	Non-Profit Organisation
DSD	-	National Department of Social Development
Limpopo DSD	-	Limpopo Department of Social Development
PFMA	-	Public Finance Management Act
NPO Act	-	Non-Profit Organisation Act
APP	-	Annual Performance Plan
ECD	-	Early Childhood
EPRE	-	Estimates of Provincial Revenue and Expenditure
MEC	-	Member of Executive Council
SLA	-	Service Level Agreement
Statssa	-	Statistics South Africa
UN	-	United Nations
KPIs	-	Key Performance Indicators
PSR	-	Public Service Regulations
MTEF	-	Medium-Term Expenditure Framework
The constitution	-	Constitution of the Republic of South Africa, 1996

## **ABSTRACT**

In Limpopo Province, the delivery of social welfare services is the joint responsibility of the Limpopo DSD and NPOs. The current NPO sector is organisationally configured to have strong partnerships with the public and corporate sectors due to diminished donations from individual and private donors. The Limpopo DSD conserves this beneficial partnership by providing financial support to organisations that render services that are in line with its priorities and also address the strategic objectives of the department. All these partners play a crucial role in ensuring that the poor, vulnerable and excluded people within the South African society secure a better life for themselves.

The aim of this study is to determine the reasons behind the incongruence in the funding of NPOs and the services they offer to communities as expected by the Limpopo Department of Social Development in South Africa. The literature reviews concur that successful implementation of developmental social welfare services depends on role players who bring expert knowledge, skills, financial resources and commitment to achieve the desired results. A qualitative research approach was used in this research and data were gathered through the semi-structured interviews.

The study proposed that delivery of social welfare services require working together in developing budget and performance reporting arrangements that meet accountability obligations and also contribute to the collective attainment of the outcome.

The recommendations made were augmented by the information gathered from the interviewed respondents and were written in such a way that it can address the identified challenges if there are implemented appropriately.

## TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENT.....	iii
DEDICATION.....	iv
LIST OF ABBREVIATIONS AND ACRONYMS.....	v
ABSTRACT.....	vi

## **LIST OF TABLES**

Table 1: The Benefits of Partnership between Government and NPOs.....	16
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## **LIST OF FIGURES**

Figure 1: Planning, budgeting and reporting cycle.....	20
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**LIST OF ANNEXURES**

Annexure A : Application to conduct research .....69

Annexure B: Letter of permission to conduct the study from Limpopo DSD.....70

Annexure C: Participant consent form.....71

Annexure D: Interview schedule.....72

Annexure E: Language editor's letter.....77

## CHAPTER 1: INTRODUCTION

1.1	Introduction.....	1
1.2.	Problem statement .....	2
1.3	Rationale for the study .....	3
1.4	Significance of the study.....	3
1.5	Aim of the study.....	4
1.6	Objectives of the study .....	4
1.7	Research questions.....	4
1.8	Definition of concepts .....	5
1.9	Choice and rationale of research design .....	7
1.10	Study area .....	7
1.11	Population .....	8
1.12	Sample .....	8
1.13	Data collection.....	9
1.14	Data analysis.....	9
1.15	Ethical considerations .....	10
1.16	Outline of the dissertation.....	10
1.17	Research limitations .....	11

## CHAPTER 2: LITERATURE REVIEW

2.1	Introduction.....	12
2.2	Collaboration between government and NPOs .....	12
2.2.1	The importance of partnership amongst government and NPOs for the provision of social welfare services. ....	13
2.2.2	The importance of partnership amongst government and NPOs in an African Conntext.....	13
2.2.3	The importance of partnership amongst government and NPOs in a South African Context.....	14
2.3	Aligning NPOs’ deliverables with budgetary reporting and performance indicators .....	18
2.4	Aligning performance reporting .....	19
2.5	Planning, monitoring and evaluation of deliverables of NPOs to achieve the the desired results .....	21
2.6	The role and responsibilities of the department in the management of NPOs funding.....	22
2.7	Department of social development funding framework .....	24
2.8	Conclusion .....	25

### **CHAPTER 3: RESEARCH METHODOLOGY**

3.1	Introduction.....	25
3.2	Research methodology.....	26
3.3	Research design .....	26
3.3.1	Population .....	27
3.3.2	Sample, sampling methods and sample size .....	27
3.4	Data collection methods .....	29
3.5	Data analysis and presentation .....	29

3.6	Ethical considerations .....	30
3.7	Limitations of the study.....	31
<b>CHAPTER 4: PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA</b>		
4.1	Introduction.....	32
4.2	Interview data presentation and analysis .....	33
4.4	Conclusion.....	50
<b>CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS .....</b>		
<b>51</b>		
5.1	Introduction.....	51
5.2	Summary of findings.....	52
5.3	Recommendations .....	55
5.4	Conclusion.....	57
<b>LIST OF REFERENCES.....</b>		<b>59</b>



# CHAPTER ONE: OVERVIEW OF THE STUDY

## 1.1 INTRODUCTION

In South Africa, non-profit organisations, herein referred to as the NPOs, play an important role in helping government to achieve its constitutional mandate by making social welfare services more accessible and responsive to the needs of the vast majority of the population. The NPOs are likely to be more effective if they can receive adequate funding from government.

The Limpopo Department of Social Development, herein referred to as the Limpopo DSD, is funding NPOs that render services which are viewed as citizen entitlements and which have significant benefits to communities. These services are the priorities of the Limpopo DSD concerning developmental services to poor and vulnerable groups, and those with special needs such as children, youths, older persons, persons with disabilities and women (Department of Social Development, 2011:05). According to Khamba (2006:22), the proximity and practical experience of NPOs in the field of social development necessitated Government to form partnerships with NGOs for development purposes.

The Limpopo DSD has increased its reliance on NPOs in accelerating service delivery through redirection of services and resources to ensure effective and efficient delivery. To achieve this and to deliver on its constitutional mandate, the Limpopo DSD needs to determine what goals it intends to achieve, how these goals will be achieved and to measure programme performance towards the achievement of these goals. Khamba (2006:10) suggests that through the provision of the necessary funding and other forms of assistance by the government, the NPOs are able to cater for indigent, destitute and frail persons in the communities with eminent needs. Currently, the Limpopo DSD is funding NPOs for the provision of social welfare services in the province. The transfer payment that NPOs receive from Limpopo DSD form a major part of the departmental budget allocation. In terms of percentage share it represents 30.16 per cent (R485

million) of the entire budget of R1.608 billion in 2015/16 financial year (EPRE, 2015:381). What prompted this study is the fact that government is spending a substantial amount of money on the delivery of social welfare services by the NPOs. Therefore, this study seeks to investigate whether the government funded NPOs in Limpopo Province are achieving the desired outputs of the Limpopo DSD in the provision of social welfare services.

## **1.2 PROBLEM STATEMENT**

A larger proportion of social welfare services are provided by NPOs than by the department itself (Budlender and Proudlock, 2010:2). The Acts of Parliament, such as Children Act (Act no 38 of 2005), Older persons Act (Act no.13 of 2006) and other laws give the provincial MEC for Social Development an obligation to provide funding for social welfare services to vulnerable groups within the budget appropriated to the department by the provincial legislature. Limpopo DSD is complying with this Acts of Parliament by making substantial funding available to NPOs for delivery of this mandate. In the 2014/2015 financial year, the Limpopo DSD provided financial support to 2 058 NPOs, utilising an amount of R410 million (Limpopo DSD, Budget Vote Speech, 2015:16). The 2015/16 allocation for transfer payments to NPOs was R485 million, which is higher than 2014/15 allocation (R423 million) by 12.78%. The budget has further increased by 5.08% in 2016/17 financial year to make an allocation of R511 million (Limpopo DSD, EPRE 2016:321).

The challenge is the level of non-compliance to the Service Level Agreement (SLA) by the government funded NPOs. The service level agreement is a legally binding contract between a funded NPO and the Department which formalises mutual expectations concerning financing and service delivery, reporting, accounting, monitoring and evaluation procedures to ensure accountability for public funds received (Policy on Financial Awards to Service Provider, 2011:37). The Auditor General raised a concern regarding contravention of Service Level Agreements by the government funded

organisations in the 2013/14 financial year audit. (Auditor-General Audit Report, 2013/2014: 31).

According to the Policy on Financial Awards to Service Provider (2011:38), funded NPOs are obliged to comply with the material provision of the policy, failure to do so is deemed to be non-compliance which can lead to reduction, suspension and termination of funds. The termination of funds simply means that the affected organisation will no longer receive financial assistance from the department and thus will hinder the organisation's ability to function optimally. This leaves many vulnerable people who depend on social welfare services from that organisation fragile. Stuart (2013:10) maintains that partnerships with the state had the effect of introducing public sector models and tools such as the performance indicators, targets and results-based management into the NPO sector. It is therefore, important to investigate the incongruence in the funding provided to NPOs and the services they offer to communities as expected by the Limpopo DSD.

### **1.3 RATIONALE FOR THE STUDY**

The study is undertaken to explore the incongruence in the funding of NPOs and their expected deliverables in the Limpopo DSD. The existing scholarly writings examined the nature of non-government organisations and their roles in the promotion of sustainable development to communities. However, the departmental publications focused more on the challenges concerning the effectiveness of the policy on financial awards and the government's funding relationship with the NPO sector. This study examines the achievement of the departmental strategic objectives, specifically with regard to the delivery of social welfare services in partnership with the NPO sector.

### **1.4 SIGNIFICANCE OF THE STUDY**

The study will be beneficial to Limpopo DSD as it will serve as a future reference for research on the subject of NPOs' funding. Furthermore, the study will cover a knowledge gap by providing wide-ranging information concerning the government funding of NPOs and its implications. Finally, the study will help the researchers to extract debates and explanations of the knowledge discovered and arranging the knowledge and explanations into theories.

## **1.5 AIM OF THE STUDY**

The aim of this study is to determine the reasons behind the incongruence in the funding of Non-Profit Organisations and the services they offer to communities as expected by the Limpopo Department of Social Development in South Africa.

## **1.6 OBJECTIVES OF THE STUDY**

The objectives of this study are as follows:

- To determine the alignment of NPOs' deliverables with the Department's funding and performance indicators.
- To determine the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province.

## **1.7 RESEARCH QUESTIONS**

This research study aims at exploring the following questions:

- How are the NPOs' deliverables aligned with the Department's funding and performance indicators?

- What are the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province?

## **1.8 DEFINITION OF CONCEPTS**

### **Non-Profit Organisation**

In 1993 the Development Resources Centre defined NPOs as “self-governing, voluntary, non-profit distributing organisation operating, not for commercial purposes but in the public interest, for the promotion of social welfare and development, religion, charity, education and research”. This definition limits its scope to organisations working in the public interest, excluding those that have a more private function or that have no clear social public agenda (Department of Social Development, 2005:21).

### **Developmental Social Welfare**

In the quest for an understanding of “developmental social welfare”, Midgley (1995:25) defines social development “as a process of planned change designed to promote people’s welfare in conjunction with a comprehensive process of economic development” which has been incorrectly and interchangeably used with the term developmental social welfare. Thus developmental welfare for many has been confused with the term social development.

### **Partnership**

According to Patel (2005:283), partnership is a voluntary and collaborative agreement between the Department of Social Development and organisations whereby all participants agree to work together to achieve a common purpose. In other words, the partnership is based on sharing responsibilities, resources, competencies and benefits.

## **Service Delivery**

Marutha (2011:17) defines service delivery as the overall name for every activity performed to render quick and satisfying service, and to respond to and resolve the community's or citizens' problems. In a simple definition, service delivery refers to the service delivered or that which needs to be delivered by the government to its citizens with the aim of meeting their living needs, rights, demands or expectations. An example of services delivered by government includes, but is not limited to, education and social services.

## **Outputs**

The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver" (National Treasury, 2007:06). Madue (2011: X) stated that an output refers to a piece of work produced by a project or study. The outputs are tangible products in terms of quantity or volumes. Outputs are more measurable in nature.

## **Outcomes**

The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans "what we wish to achieve" (National Treasury, 2007:06). The extent to which inputs have impacted on the situation, institution or participants. Impact could thus be reported through experience, change in behaviour, attitude, conditions, skills or knowledge (Madue, 2011: X).

## **Performance indicators**

Performance indicators identify numerical measurements that track progress toward achieving a goal (National Treasury, 2007:21). A performance indicator refers to the means by which an objective can be judged to have been achieved or not achieved.

Indicators are therefore tied to goals and objectives and serve simply as 'yardsticks' which measure the degree of success in goal achievement.

## **1.9 CHOICE AND RATIONALE OF RESEARCH DESIGN**

According to Bless and Higson-Smith (1995:42, 67) and Mouton (1996:107), every project requires a research design that is carefully tailored to the exact needs of the researcher as well as the problem. A research design is a set of guidelines and instructions on how to reach the goal. For the purpose of this study, an exploratory design was used in order to gain insight into a phenomenon. There are two research approaches which the investigators or enquirers have to choose from to collect data, namely, quantitative and qualitative approaches. The quantitative research is about asking people for their opinions in a structured way to quantify data and get reliable statistical results from a sample to the population of interest. The methodology used in this research was qualitative in nature because it seeks to understand the social reality from the point of view of the informant (Kgaffe, 2001:8). The researcher's own values were not allowed to influence the outcomes of the research phenomena under investigation but to live through and recreate the experiences of others within oneself (Smith, 1987:174).

## **1.10 STUDY AREA**

The study was conducted in polokwane at the Provincial office of Department of Social Development in the Limpopo Province. The Department has five (5) main programmes through which its legislative mandate is fulfilled, namely Administration, Social Welfare Services, Children & Families Services, Restorative Services and Development and Support Services. All programmes, except Administration, are collaborating with NPOs in delivering of services to destitute and frail persons in the communities.

## **1.11 POPULATION**

A population is a set of subjects such as individuals, groups and institutions. Population exists only if subjects to be studied can be distinguished from other subjects that do not belong to the very population. Schaeffer, De Land and Jones (2006: 8) state that population is a collection of elements about which inference can be made. The population group for this study was the top and middle management officials of the Department of Social Development at head office level. They are 65 officials in total, of which 22 are top management and 43 are middle management.

## **1.12 SAMPLE**

A sample is a subset of a population selected to participate in the study; it is a fraction of the whole selected to participate in the research project (Brink, 1996:133; Polity & Hunger, 1999:227). There are numerous sample selection methods for drawing the sample from the population, broadly classified into random or probability-based sampling and non-probability based sampling. The study used a non-probability sampling technique, in particular purposive sampling to draw the sample because it focuses on participants who are information-rich (Patton, 1990:169). The purposive sampling is mostly suitable for small scale research and it is less complicated to set up.

Twelve (12) officials from the Department of Social Development were identified for semi-structured interviews because they were likely to provide beneficial information for this research. This includes the General Manager of Social Work Services, General Manager of Research and Development Services, Senior Manager of Children and Families Services, Senior Manager of Restorative Services, Senior Manager of NPO Funding, Senior Manager of Monitoring and Evaluation, Manager of Early Childhood Development, Manager of Compliance, Chief Financial Officer, Senior Manager of Budget Management, Senior Manager of Strategic Planning and Manager of NPOs' Financial Support.

### **1.13 DATA COLLECTION**

Data collection is a very important stage of the research to which the achievement of the objectives of the research may be attributed. Bryman (2012: 12) mentions that some of the data collection methods are used widely, which include interviews and questionnaires, and some methods involve a structured approach wherein the questionnaire is an example of such a method of data collection. For this study semi-structured interviews were used to collect data. The semi-structured interview method was selected because it has a flexible and fluid structure, unlike structured interviews, which contain a structured sequence of questions to be asked in the same way of all interviewees. According to Van Wyk (1996:197), semi-structured interviews are preferable when the researcher is not sure which the essential and appropriate questions to ask are, but when he/she is prepared to depend on the capacity to recognise significant data on appearance. Foch-Lyon and Trot (1981:92) state that semi-structured interviews are recognised as helpful in answering questions of how, and in particular why, people behave as they do.

### **1.14 DATA ANALYSIS**

According to Terre Blanche, Durrhein and Painter (2006:52), the aim of data analysis is “to transform information or data into an answer to the original research question”. The researcher followed Creswell’s data analysis spiral as a guide to manually analyse data. Leedy and Omron (2005:150) state that data analysis spiral entails the following steps: Data collection and preliminary analysis;

- Organising the data;
- Reading and writing notes;
- Generating categories, themes and patterns; and
- Summarising and writing the report.

## **1.15 ETHICAL CONSIDERATIONS**

When humans participate in a research investigation, care must be exercised to ensure that the rights of those individuals are protected (Polity and Hunger, 1999:132-134). The participants in the research study have not been coerced into taking part in the research, it has been on a voluntary basis. The participants remained anonymous throughout the study since an anonymity standard is a stronger guarantee of privacy. According to Esterberg (2002: 53-54), the researcher should make sure that participants in the study are duly protected in terms of confidentiality during the process of data collection, analysis and publishing of the dissertation or when disseminating the outcomes of the study. The researcher collected and analysed data in a manner that misrepresentation and misinterpretations of facts were avoided. The researcher requested permission to conduct this study in the Department of Social Development and the conditional permission was granted.

## **1.16 OUTLINE OF THE DISSERTATION**

The structure of the research is presented as follows:

### **Chapter One: Introduction & Background**

Chapter one introduces the reader to the research study. Both the introduction and the background provide the reader with the information from books, publications and scholarly writings regarding the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services. Furthermore, this chapter covers the research problem, research purpose, research objectives, research questions and the significance of the study. It also gives definitions of key terms, ethical considerations and an outline of the dissertation.

### **Chapter Two: Literature Review**

This chapter reviews the literature available in the area of the study, which reflects a number of studies and aims at familiarising the researcher with the work done by the previous researchers, scholars and other authors on the topic under study. This literature was found in textbooks, on the internet and in other published documents.

### **Chapter Three: Research Methodology**

This chapter outlines the study's research design. It also includes the population of the study, sampling methods, data collection methods, data analysis and limitations of the study.

### **Chapter Four: Presentation, Analysis and Interpretation of data**

This chapter focuses on the outcomes or the results of the research. It also provide details on how the researcher analysed and discussed the findings of the study.

### **Chapter Five: Conclusion and Recommendations**

This chapter focuses on the conclusion and recommendations drawn based on the findings from the data collected and what the literature review has said. The researcher's main viewpoint was highlighted in a form of recommendations.

## **1.17 RESEARCH LIMITATIONS**

The limitations of this study are summarised as follows:

The limitations experienced by the researcher were that the study focused only on the perception of Limpopo DSD and did not include the perspectives of the NPOs and beneficiaries. Furthermore, the study was conducted over a short period of time, therefore a smaller sample that is less representative of the population was selected since a more representative sample would require more time and financial support.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The chapter begins by defining the collaboration between government and NPOs from Global and African as well as South African perspectives. In addition, the importance of the partnership between government and non-profit organisations in the provisioning of social welfare services is deliberated upon. Furthermore, the alignment of the programme associated deliverables with budgetary reporting and performance indicators are reflected. Finally, the roles and responsibilities of the Department in the management of NPOs' funding are discussed.

### **2.2 COLLABORATION BETWEEN GOVERNMENT AND NPOs**

The NPOs are a vital part of the social safety net providing a wide range of services in the modern welfare countries. In the United States of America many individuals and families turn to non-profit organisations for help during economically challenging times. The NPOs often face turbulent funding environments that bring uncertainty as far as their future survival and uncertain financial futures are concerned (MacIndoe and Sullivan, 2014:4). In France, governments have largely recognised the important role of NGOs, especially concerning service provision to the socially excluded (Ulleberg,

2009:23). In a study of NGO relations with government and communities in Afghanistan, Jelinek (2012:19) states that government-NGO relations are likely to be more productive in a situation where a confident and capable government works together with an NGO to pursue mainstream development programmes.

### **2.2.1 The Importance of Partnership amongst Government and NPOs for the provision of social welfare services.**

The United Nations (UN) summits on population, development, gender and the environment have highlighted the partnerships between government and NPOs as a key approach for achieving sustainable human development objectives. The partnerships do not only contribute towards the strengthening of democracy but also to promote an environment for growth, redistribution and the extension of services to the poor and historically disadvantaged communities (DSD, 2007:4). There is growing recognition among governments, donors and civil society, that citizens and communities have an important role to play with regard to enhancing accountability of public funds (World Bank, 2005:2). Ishikawa (2006:7) points out that the government has been largely ineffective in reaching the poor, due to capacity constraints.

The findings of the Herat study conducted in Afghanistan (Jelinek, 2006:12) suggest that people of Afghanistan want to see more government involvement and presence in communities. However, people rely more on NGOs to provide them with services than they do on the government (Jelinek, 2006:12). Wallace and Dollery (2005:497) argue that policymakers must demonstrate a considerable interest in NPOs because they assist government in providing frameworks that address the important issues of social policies. These include the extent to which government should rely on NPOs to deliver social services. Many NPOs work on the ground with the vulnerable people and therefore have a better understanding of the issues confronted by the people as well as the challenges that would be encountered when implementing any programme or policy.

### **2.2.2 The Importance of Partnership amongst Government and NPOS in an African Context**

The Africa Governance Forum recognises the importance of building government-NGO partnerships at the community level to strengthen local government through decentralisation (UNDP, 2007:16). The forum believes that NGOs are aligning themselves to public sector planning and governments are becoming more open despite initial skepticism (on the side of government and in the NGO sector). The partnerships are being formed because NPOs struggle to survive due to tight budgets, limited marketing skills, and a paucity of research to aid them in understanding their support base (Lamb, Hair, McDaniel, Boshoff & Terblanche, 2008:421).

### **2.2.3 The Importance of the Partnership amongst Government and NPOS in a South African Context**

The importance of NPOs in the South African development sector is undisputed, especially after the economic recession that negatively affected government's delivery of social services (Wiggill, 2013:278). The South African government has recognised the important role that NPOs play by enacting the Non-Profit Organisation Act 71 of 1997 as part of the legal framework that creates an enabling environment for the non-profit sector. Scholars, such as Muchie (2004:7), have reasoned that the strength of civil society has stood firm on the premise that the state is established in partnership as well as in cooperative arrangements.

In the delivery of the Budget Vote speech for the Department of Social Development, the former MEC for Limpopo DSD, Dr Norman Mabasa stated that the delivery of social and welfare services is a collaborative effort, and is in line with the government's motto of "Working together we can do more" (Limpopo DSD, Budget Vote Speech, 2012:18). This is supported by the speech of the Minister for DSD in the NPO summit held on 12 May 2012 indicating that the partnership between government and NPOs is based on the shared vision of an inclusive society free from racism, ethnicity, sexism, poverty, inequality and unemployment, including elements of this vision as articulated in the National Development Plan.

The current era in South Africa dictates collaboration and a partnership between government and communities. The policy choices around the spending of funds made available by government and the delivery of services undertaken by NPOs require working together. The successful implementation of developmental social welfare services depends on role players who can bring expert knowledge, skills, financial resources and commitment to achieve the desired results. Khamba (2006:06) argues that the non-profit sector has a particular role to play in the delivery of social services, more especially to the poor and marginalised people. Government plays a major role in organising and resourcing social welfare services either by supplying services itself or by outsourcing services to NPOs. Hence, clear guidelines as to how such services are funded and monitored remains vital.

The clarity of expectations about the deliverables from each partner appear to be important in fostering mutual accountability and motivating execution responsibility. James (2000:99) contends that “the organisation that you chose to partner with, needs to have the same commitment to powerful notion and the same ability to deliver on these as you do”. The reality is that as much as there is a dire need for clearer guidelines for government funding of social services, there is a great need for NPOs to build their own capacity in order to fully comply with the government funding requirements.

### **2.2.3.1 The Benefits of Partnership between Government and NPOs**

The NPOs are set up to provide services for the public’s benefit in assisting the government to achieve its objectives. These organisations have a deeper understanding of working with communities and may be more effective in identifying and implementing initiatives that will make a substantial impact. Another benefit for government is the positive public perception, interest and commitment of the NPOs towards the community and its development. According to the DSD (2013:41), the partnership between the department and the government- funded NPOs should strive to ensure the provision of comprehensive, integrated, sustainable and high-quality social welfare services. The social welfare services help to reduce vulnerability and poverty and to

create an enabling environment for sustainable development in partnership with those committed to building a caring society.

To develop and sustain the DSD and NPO collaboration, both the DSD and NPOs must see considerable gain from it, and if both stand to gain from the collaboration, they have much to contribute (DSD, 2015:22). Table 1, below depicts the benefits to be gained and the contributions to be offered by each sector in this partnership.

Table 1: The Benefits of Partnership between Government and NPOs

	<b>DSD</b>	<b>NPO</b>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Better developmental social services to the communities with higher coverage;</li> <li>• Re-allocation / Reprioritisation of funds to other priorities, especially for the vulnerable populations;</li> <li>• More opportunity and availability of tools and techniques for service delivery and research;</li> <li>• Change of attitudes and management style, learning from mutual strengths;</li> <li>• Programme efficiency improved;</li> <li>• Greater programme sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced image to the community of responsiveness towards social issues;</li> <li>• Team motivation (for socially engaged agencies);</li> <li>• Shared risks and results;</li> <li>• Influence in national developmental social agenda;</li> <li>• Higher visibility and credibility;</li> <li>• Competitive advantage gained.</li> </ul>

<b>Contribution</b>	<ul style="list-style-type: none"> <li>• Legitimacy/institutional support;</li> <li>• Facilitative regulatory mechanisms, less bureaucracy;</li> <li>• Resources channelling and resource allocation;</li> <li>• Grants and cash-flow mechanisms;</li> <li>• Best practices and global vision;</li> <li>• Access to public media networks.</li> </ul>	<ul style="list-style-type: none"> <li>• Management and marketing expertise;</li> <li>• Client-oriented services</li> <li>• Resources;</li> <li>• Helping sustainability of developmental social services;</li> <li>• Community sensitisation and awareness building.</li> </ul>
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*Source; DSD. Draft Developmental Social Welfare Services Partnership Model*

The NPOs are more involved in improving government capacity by, on the one hand, making institutions respond to the needs and rights of people and on the other, by strengthening the government's commitment to providing services and opportunities for all (MacAbbey, 2007: 3). The NGOs are seemingly the best initiators and they take initiatives to exert gentle pressure on the government by working with them on a compact agreement. Jelinek (2012:19) believes that both the government and NGOs should realise that they are working together to fill the void in this empty space relative to development. This suggests that the NGOs' and government's roles in the delivery of social welfare services are complementary.

The NPOs play an important role in the provision of social welfare services in African countries and worldwide by implementing early intervention and prevention programmes targeting children, youth, elderly and people with disabilities. In South Africa, collaborative between government and NPOs is seemingly predominant and preferred alternative service delivery approach in the delivery of social welfare services. The NPOs remained partners with government and they share its vision and goals for development of social services.

## **2.3 ALIGNING NPOs DELIVERABLES WITH BUDGETARY REPORTING AND PERFORMANCE INDICATORS**

The management of ongoing programmes is very important for the efficient delivery of government initiatives, and it is a requirement of the outcomes and programme framework that the department allocate budget in support of programme delivery (Australian National Audit Office, 2011:67). To ensure that public service delivery is as efficient and economical as possible, all government institutions are required to formulate strategic plans, distribute resources to the implementation of those plans, monitor and report the results (National Treasury, 2007:1). The programme deliverables need to be aligned to funding and performance indicators in order to provide a transparent and consistent framework for reporting across the government.

The programmes are the primary means by which the department addresses and achieves government outcomes. Madhi (2012:8) believes that it is important for an organisation to have strategic objectives that are clearly defined and it is essential that the identified strategy is aligned with business structure to achieve the objectives of the department. The linking of programme associated deliverables with budgetary reporting and performance indicators enables the Provincial Legislature as well as the public to understand what the department does, what programmes and activities are funded and what are the outputs of the appropriated funds. Fourie (2007:40) believes that budget links the policy choices that Government makes and the services that are delivered to the people.

The purpose of aligning the performance indicators with the planning and reporting requirements is to measure how well expenditure is achieving its purpose. The process for setting of the key performance indicators (KPIs) is aligned to the planning and reporting requirements for the departments against pre-determined objectives as specified in the Constitution of the Republic of South Africa, 1996 (The constitution), the Public Finance Management Act (PFMA), the Treasury Regulations and Public Service Regulations and the Government Notice No. R1 of January 2001. According to Parmenter (2007:3) KPIs denote a set of measures concentrating on those aspects of

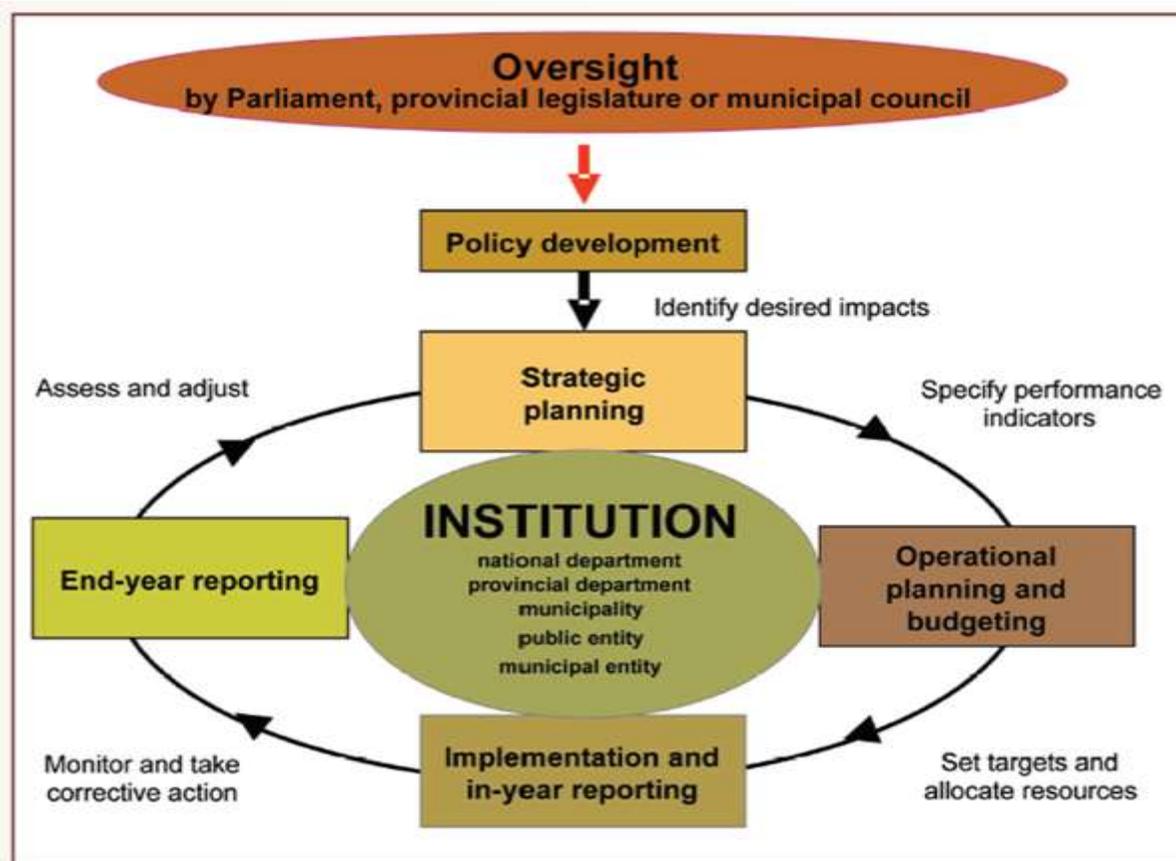
organisational performance that are the most critical for the current and future success of the organisation.

## **2.4 ALIGNING PERFORMANCE REPORTING**

The performance reporting initiated in mid-1980's and is applied in various countries including South Africa. The main reason was to move the focus away from reporting on financial inputs to models that are intended to provide a clearer picture of what governments achieve for their expenditure on inputs, in other words, the outcomes or the impact sought or expected by government (Australian National Audit Office, 2011:13). Even though the performance is assessed at the end of the financial year, the performance information process begins when policies are being developed, continues through each of the planning, implementation and reporting stages (National Treasury, 2007: 4).

The adequate performance information in relation to programme effectiveness allows government to provide sound advice on the appropriateness, success, shortcomings and future direction of programmes. The purpose of the performance reporting is to report on overall progress made with the implementation of the department's performance plan, both on a quarterly and an annual basis (Tembo, 2012:16). The performance reporting can be seen as an enabling mechanism that gives accounting officers opportunity to monitor progress against what has been planned and what is actually achieved with regards to service delivery outputs. Vasiliu (2006:1) reasons that performance transparency coupled with social and environmental regulations, declining resources, volatile funding, outsourcing and multi-modal investments complicate the efforts of trying to improve the deliverables. The figure below reflects the relationship between the process of planning, budgeting and the reporting cycle.

Figure 1: Planning, budgeting and reporting cycle



Source; National Treasury Framework for Managing Performance Information, 2007

The relationship between the process of planning, budgeting and reporting cycle describes the accountability of the executive authority of the department. The choices of the department, when it comes to choosing policies, are quite constrained, therefore, the department is required to produce a five-year Strategic and Performance Plan in the first planning cycle following an election. The basis of preparing the annual performance plan (APP) is to set out what the department intends to achieve in the coming financial year, and the following two years of the medium-term expenditure framework (MTEF). The strategic planning and prioritisation is the starting point for the preparation of the departmental budget submission. The strategic plan guides departmental reprioritisation within the medium-term baseline allocations and provides the rationale for policy options regarding changes to baseline allocations over the next 3-year period (Fourie, 2007:41). The MTEF strengthens the link between policy priorities, planning, budgeting, implementation and reporting (National Treasury, 2007:23). The stakeholders are both

the electorate in general and specialists working in government, NGOs, unions, research institutions and others. The departments are required to produce in-year and end-year reports on the achievement of its strategic goals and objectives

The Limpopo DSD is responsible for its constitutional and statutory obligations for the provision of social services, to ensure that the best possible services are delivered. In order to ensure that Strategic Planning is synchronised with the entire planning, budgeting and reporting framework prescribed in the PFMA, the APP must link to MTEF projections and drive it (Public Works Sector, 2014:4).

## **2.5 PLANNING, MONITORING AND EVALUATION OF DELIVERABLES OF NPOs' TO ACHIEVE THE DESIRED RESULTS**

The Framework for Social Welfare Services (2013:43) indicated that effective monitoring and evaluation of social welfare service programmes and activities is important for measuring progress and effectiveness in the provision of developmental social welfare services. Monitoring and measuring performance against service delivery show how public money is being spent. The Treasury guidelines for budgeting, planning and measuring service delivery of Kwa-Zulu Natal Treasury (2007:21) reflected that the process of monitoring and measuring performance and service delivery progress must not be taken as an exercise prescribed by legislation. The process provides valuable information that contributes to better planning, budgeting and enhancing service priorities. The decent planning, monitoring and evaluation in the department establishes the clear links between past, present and future initiatives and development of the results. The Policy on Financial Awards to Service Provider (2011: 44) indicated that monitoring and evaluation amongst others, include the following perspectives:

- **Financial perspective**

The level to which the service provider complies with financial prescripts and requirements as specified in the funding contract; and whether the service provider's strategy, implementation and execution are influencing the achievement of goals, and

provide return of investment and value for money. Moeti (2014:46) says that public managers play a crucial role in the preparation of the budget and in seeing to it that budgeting rules and spending requirements are adhered to.

- **Organisational perspective**

The civil society joins the organs of government and legislatures to set and monitor public spending targets to ensure greater transparency, better targeting and tracking of resources, and increased overall responsiveness (Heimans, 2002:2; World Bank, 2010: 6). This perspective focuses on the critical internal processes in which the service provider must achieve its strategic objectives. Organisational perspective includes the identification and segmentation of the service area and the measuring of organisational performance in those targeted segments. Ciancanelli (2010:3) argues that managing social outcomes requires NPOs to establish the organisational structures and processes that promote coherence of the value rationalities and the allocation of the financial resources.

## **2.6 THE ROLE AND RESPONSIBILITIES OF THE DEPARTMENT IN THE MANAGEMENT OF NPOs' FUNDING.**

One of the core functions of DSD is the provision of developmental social welfare services that help reduce poverty, vulnerability and the impact of HIV/AIDS. The developmental social welfare covers a range of services and programmes that are directed at improving the capacities of people to address the causes and consequences of poverty and vulnerability (DSD, 2006b:6). The DSD provides these services through sustainable development programmes in collaboration with implementing agents such as state-funded institutions, non-governmental organisations (NGOs), community-based organisations and faith-based organisations.

The NPOs strive to manage voluntary social actions by bringing people together to form mutually beneficial relationships with the aim of rendering services that will benefit society (Clohesy, 2003:135). Due to the valuable role NPOs play in South Africa by assisting government in attaining their objectives, assistance from government is required to aid NPOs in achieving their objectives (Madhi, 2012:16). These include funding NPOs in order to further the policy objectives and priorities of the Department (DSD, 2014:3). For the Department to keep on providing sufficient funding to the NPOs, the resources should be appropriately utilised and controlled by the funded NPOs to enhance service delivery. According to King III (2009:7), the ultimate compliance officer is not the company's compliance officer but the stakeholders'.

The Policy on Financial Awards to Service Providers (2011:35) says that the service provider is eligible for a financial award from the Department of Social Development if the service provider will be able to account for the utilisation of the allocated funds in an adequate manner and in terms of the prescripts of the PFMA. This shows that the financial award is given on the basis of efficiency, economy and effectiveness of the programme. In terms of section 38 (1) (j) of the PFMA, the accounting officer for a department, before transferring any funds to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems. Treasury Regulations also support section 38 (1) (j) of the PFMA in paragraph 8.4 by saying that the accounting officer must maintain appropriate measures to ensure that transfers and subsidies to entities are utilised for their intended purposes. These measures include regular reporting, submission of audited financial statements, timeous monitoring, and performance reviews.

The role and responsibilities of the National DSD are to develop the policy guidelines, capacity building to provinces and overall coordination, monitoring and reporting to parliament (DSD, 2012:29). According to the Policy on Financial Awards to Service Providers (2011: 42) the roles and responsibilities of the Provincial DSD amongst others, include the following:

- To coordinate and monitor the delivery of social services provided by NPOs in accordance with national norms, standards and policies;
- To improve the NPOs' financing monitoring plan;
- To facilitate reporting to National Government on NPO social services delivery;
- To negotiate and lobby for provincial financing and keep appropriate financial management systems; and
- To encourage inter-provincial relations and develop and maintain intersectoral and other working agreements.

## **2.7 THE DEPARTMENT OF SOCIAL DEVELOPMENT FUNDING FRAMEWORK**

The resources are important aspects of partnerships in South Africa and should accordingly be combined in order to complement the limited institutional resources capacity. The Department of Social Development provides a wider array of social services to society, but is more often than not constrained by limited resources. These inadequate financial resources necessitate prioritisation and prudence in the management of financial resources to ensure that public funds are spent as planned or utilised efficiently, effectively and economically. This will enable government to ensure that approved goals are attained and that the bases on which the system of financial administration is founded are honoured (Hanekom & Thornhill, 1986:52).

A funding model that enhances the partnership contributions between the Limpopo Department of Social Development and NPOs is needed. Sokolov (2014:13) believes that the sustainable mode of funding requires NPOs to restructure themselves according to the business model, where sustaining resources became the primary goal at the expense of mission objectives. The government funding and subsidisation should be based on principles of fairness in relation to the costing of the required services and NPOs should also embark on other initiatives such as fund-raising to augment what government provides. The funding of the NPOs is based on the requirements laid down in the Policy of Financial Awards to Service Providers.

## **2.8 CONCLUSION**

This chapter reviewed the literature of collaboration or partnerships between government and NPOs for the provision of social welfare services. Furthermore, the chapter highlighted the alignment of programme deliverables with budget and performance indicators. Finally, the chapter concluded by delineating the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province. The next chapter describes the methodology used in this study.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 INTRODUCTION**

Firstly, the chapter gives a definition of research methodology and why it is needed for this kind of research. The chapter further describes and explains the data collection techniques, the way in which the data were analysed, and the methods of interpretation used. Finally, the researcher outlines why it was necessary to conduct the research in accordance with the ethical principles outlined by Strydom (2002a: 64-73).

## **3.2 RESEARCH METHODOLOGY**

The research methodology is the approach to systematically solve the research problem. Henning, Van Rensburg and Smit (2004:36) say that research methodology refers to the coherent group of methods that complement one another to deliver data and findings that will reflect the research question and suit the research purpose. The research methodology is the requisite of the research study to provide the logic behind the methods used and explain why the particular methods or techniques were employed and how the research findings will be presented.

## **3.3 RESEARCH DESIGN**

Bless, Smith and Kagee (2006:71) believe that a research design is the specification of the most adequate operations conducted with the aim to test a particular hypothesis under the study or to answer the research questions. In other words, the research design answers to the questions and justification regarding the followed research framework and population under study, data collected, data collection procedure and data analysis methods.

There are two research approaches which the researchers have to choose from to collect data, namely, quantitative and qualitative approaches. In this study, the researcher used the qualitative research approach. The purpose of qualitative approach is to study the problem or issue obtaining information from participants and to address the research through this information (Nkosi, 2014:37). According to Fouché and Delport (2005:79), the qualitative approach explores the attitudes, behaviour and experiences using methods such as interviews or focus groups. According to Sanders and Lewis (2012), cited in Lankesar (2014:31), the exploratory research methodology is designed to provide new insights and to evaluate topics from a different perspective. The qualitative approach was followed because it explores information in the form of quality feedback, such as explanations, descriptions and narratives (Fidel, 2008:265). The exploratory design was carried out in this study to gain the insight of the researched topic.

### **3.3.1 POPULATION**

The population is a complete set of group members (Sunders and Lewis, 2012:132). One of the major steps in the research design is to define the population before selecting the sample. Lewis and Ritchie (2003:49) argue that in selecting a research setting and population, the researcher depends on the research question and existing literature to identify a population which is in a position to provide relevant, rich and comprehensive information. The population group for this study is the top and middle management officials of Limpopo DSD at head office. There are 65 officials in total, of which 22 are top management and 43 are middle management.

### **3.3.2 SAMPLE, SAMPLING METHODS AND SAMPLE SIZE**

A sample refers to the members of the population selected to participate in the study. There are numerous sample selection methods for drawing the sample from the population. Du Plooy (1995:54), cited in Snyman (2013:272) indicates that there are generally two categories of sampling, namely probability-based sampling and non-probability based sampling. Probability-based sampling is a sampling method in which the probability of attaining a particular sample is calculated and non-probability based sampling represents a group of sampling techniques that help researchers to select units from a population. The study applied the non-probability sampling method known as the purposive or deliberate sampling method for the qualitative data collection. Purposive sampling was employed to sample participants from the population who have better knowledge and understanding of the inner workings of the DSD's and NPOs' partnership. Wamundila (2008:25) indicates that purposive sampling is a non-parametric sampling technique in which the researcher purposively identifies respondents as sources of data.

The sample size comprised of twelve (12) participants from Limpopo DSD who have information about the inner workings of the DSD's and NPOs' partnership. The following participants were selected:

- The General Manager of Social Work Services: The respondent is responsible for determining and monitoring the goals of Social Work Services programmes and services. This includes providing the strategic direction to the funded NPOs.
- The General Manager of Research and Development Services: The respondent is responsible for designing and implementing the integrated development programmes that facilitate empowerment of communities towards sustainable livelihood.
- The Senior Manager of Children and Families' Services and the Manager of Early Childhood Development: The respondents deal with the provision of comprehensive child and family care and support services to communities in partnership with stakeholders and civil societies.
- The Senior Manager of Restorative Services: The respondent deals with the provision of integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations.
- The Senior Manager of NPO Funding: The participant is likely to provide information regarding the designing and implementing of the capacity building programme within the provincial departments and civil society in order to integrate population and development policies and trends into the planning of services. This includes state financial support for NPOs.
- The Manager of Monitoring and Evaluation, the Manager of Compliance and the Senior Manager of Strategic Planning: The identified participants are responsible for ensuring the compliance and evaluation of the work done against the departmental planned outputs.
- The Chief Financial Officer, the Senior Manager of Budget Management, and the Manager of NPOs' Financial Support: The participants were selected to give an accurate picture of the funding provided by the Department to the NPOs for social welfare services.

### **3.4 DATA COLLECTION METHODS**

Khothari (2004:17) indicates that data at hand are often inadequate to resolve the research problem, therefore it is necessary to collect data that are appropriate using suitable data collection methods. The data collection methods are the procedures, techniques and tools that are utilised to collect data from the sample. Kothari (2004:18) believes that a researcher should select the method of collecting data based on the nature of the investigation, the objective and the scope of inquiry, the financial resources, available time and the desired degree of accuracy.

Semi-structured interviews using open-ended questions were selected to collect data from the sample. According to Greef (2011:364-365), the semi-structured interview consists of carefully framed and sequenced questions based on the goals and objective of the study in order to gain detailed answers to each question. The semi-structured method allows flexibility on how and in what sequence questions are asked, and how particular areas might be followed up with different interviewees. This implied that the interview can be shaped by the interviewee's own understanding as well as the researcher's interests.

### **3.5 DATA ANALYSIS AND PRESENTATION**

Rubin and Babbie (2011:627) defined the qualitative data analysis as the non-numerical examination and interpretation of observations for the purpose of discovering underlying meanings and patterns of observation. Terre Blanche, Durrhein and Painter (2006:52), state that the aim of data analysis is to transform information or data into an answer to the original research question. Creswell (2009), cited in De Vos (2005:334), indicates that the process of data analysis and interpretation can be best presented by a data analysis spiral. The researcher combined Creswell's analytical spiral with the processes of Marshall and Rossmann (1999) as cited in De Vos (2005:334) to form the following guidelines of data analysis:

- Planning for the recording of data: This involved the planning before the beginning of data collection. The researcher properly planned when and where the interviews will be conducted.
- Data collection and preliminary analysis: The data were obtained from semi-structured interviews. The interview recordings and notes were utilised to enhance the collected data.
- Organising and coding of the data: The identified data were typed and organised electronically into various folders and coded. The researcher used alphabet such as A.B.C, etc. in order to identify the respondents and protect their identity.
- Reading and writing notes: The data were perused thoroughly to get the sense of what it contains. In the process, the researcher wrote notes that suggest possible interpretations of the identified data.
- Generating categories, themes and patterns: Each piece of the identified data has been classified accordingly.
- Summarising and writing the report: The data was integrated, summarised and the report was produced.

### **3.6 ETHICAL CONSIDERATIONS**

According to Babbie (2001:470), everybody involved in research needs to be aware of the general agreements about what is proper and improper in scientific research. Babbie (2001:470) emphasised that researchers sometimes tend to relate to respondents as if they are superior in knowledge and may think that the respondents do not need to be fully informed about the research goals, process or outcomes. The ethical issues are very important in the research study and they serve as a basis on which each researcher ought to evaluate his/her conduct. The ethical issues below were of importance to this research study as outlined by Strydom (2002a: 64-73):

- Informed consent

The researcher complied with the ethical principle of autonomy in this study by respecting the autonomy of each of the participants through ensuring that all participation was voluntary and conducted only after the researcher had obtained the informed consent of each of the participants.

- Harm

Strydom (2005b:58) says the research subjects can be harmed in a physical and/or emotional manner. It is the responsibility of the researcher to protect the respondents from any form of discomfort that may emerge from the research project. The researcher received conditional permission to collect data from the Limpopo Department of Social Development. The respondents were informed in time about the goals and process of the research study to give them an opportunity to decide about their participation.

- Deception of respondents

Deception of subjects involves misrepresentation of facts, withholding of information or offering of incorrect information. The researcher circumvented the plagiarism of information and falsification of findings for the research report.

- Violation of privacy/ anonymity/ confidentiality

Strydom (2005b:61) indicates that privacy refers to the individual's right to decide when, where, how, to whom and to what extent the information can be revealed. The principle of confidentiality, privacy and protection of the participants' rights were adhered to in this study (Esteberg, 2002:53-54).

### **3.7 LIMITATIONS OF THE STUDY**

The limitations of this study has been summarised as follows:

- The study was conducted over a short period, therefore an adequate sample that would give the needed information was chosen. Although the sample represented only 18% of the population, it will not in any way affect the outcome of the research.
- The qualitative data collection method was the only method used in this study. The qualitative research methodology was selected because it would help the researcher to collect quality data, such as the explanatory, descriptive and narrative information.
- The researcher experienced difficulty in interviewing all identified participants. The participants rescheduled the interview appointment on numerous occasions and ended up being not unavailable for interview due to work commitment.
- The limitations experienced by the researcher were that the study focused only on the perception of Limpopo DSD and did not include the perspectives of the NPOs and beneficiaries.

## **CHAPTER 4: PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA**

### **4.1 INTRODUCTION**

The previous chapter contained a broad overview of the research methodology that was followed in this study to gather research data. What prompted this study is the fact that Limpopo DSD is spending a substantial amount of money on the delivery of social welfare services by the NPOs. Therefore, this study sought to investigate whether the government funded NPOs in Limpopo Province are achieving the desired outputs of the Limpopo DSD in the provision of social welfare services. The aim of this study is to determine the reasons behind the incongruence in the funding of NPOs and the services they offer to communities as expected by the Limpopo DSD. The objectives of this study are as follows:

- To determine the alignment of NPOs' deliverables with the Departments' funding and performance indicators; and
- To determine the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province.

The data were collected through a semi-structured interview schedule, nine respondents were interviewed from the Limpopo DSD at head office. The interviews conducted were audio recorded and each interview was properly listened to and transcribed. The data were presented in the thematic manner as per the research questions and objectives.

## **4.2 INTERVIEW DATA PRESENTATION AND ANALYSIS**

The findings are discussed with reference to the research objectives which have been broken down into manageable themes and categories of information that emerged from the interviews. The researcher presented each theme individually and then discussed these themes in accordance with the information gained from the literature through the study.

### **Collaboration between government and NPOs**

This theme narrates the collaboration between the Limpopo DSD and government funded NPOs in accelerating the delivery of social welfare services to meet the social needs of society in Limpopo Province.

The respondents were asked to explain how government funded NPOs assist the department to accelerate delivery of social welfare services. All the respondents shared the common view that Limpopo DSD and funded NPOs have developed a partnership whereby they strive for shared vision, principles and responsibilities in providing enduring services to the vulnerable groups in various societies. The NPOs' assist the department to achieve its constitutional mandate by rendering services that are in line with DSD programmes, policies and priorities. Amongst others, this include services to childhood development, elderly persons, people with disabilities, groups that are affected and infected by HIV & AIDS, victim empowerment and substance abuse. One of the respondents mentioned that:

*“The NPOs are the extended arm of the DSD, as a result there is improvement in accessibility of social welfare services by the communities. For example, Limpopo DSD is mandated to provide a spectrum of social services to 5.7 million people of Limpopo Province (Stats SA, 2015 mid-year population estimates). The vastness of the areas to be covered and the number of the beneficiaries show that Limpopo DSD alone cannot succeed in fulfilling its roles and responsibilities” (Respondent C).*

**The role played by government in the management of funding of NPOs to effectively deliver developmental social services to the poor and vulnerable.**

The theme describes the management of funding to NPOs by Limpopo DSD for effective delivery of developmental social services to the poor and vulnerable.

The respondents were asked to indicate the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province. The responses of respondents were as follows:

- The DSD have a statutory obligation of providing social services and the funding of the programmes delivered by NPOs. This includes ensuring that funding to NPOs is transferred timeously to ensure astute operations by NPOs. These NPOs are subsidised for assisting the government in combating unemployment and poverty by promoting social cohesion, as well as mainstreaming gender and disability in the province (*Respondent A*).
- The DSD is responsible for ensuring that NPOs are complying with the legislative requirements as well as norms and standards for the services that they are authorised to provide. Respondent H mentioned that the department accredits the NPOs to render social services to the communities in compliance with the norms and standards of the services. For example, the building that the NPOs are using has to comply with the norms and standards, usually the department is assisted by the environmental health officers to check whether the building that NPOs are using complies with the requirements of the infrastructure policy. But at the same time the officials of Limpopo DSD check the compliance in terms of norms and standards of the children's act or older persons act. In terms of financing policy, the DSD is guided by the policy on financial awards which prescribes how the department is supposed to advertise the call for proposal. The department is also guided by the PFMA in terms of the management of funds. The Department is also guided by the NPOs Act, which requires NPOs to register in order to work and collaborate with DSD to deliver social welfare services to the communities (*Respondent E*).
- The DSD has the role of monitoring the delivery of the social services by the funded NPOs. Monitoring of the NPOs is very critical to ascertain that funded

organisations render service needs in line with the objectives of Limpopo DSD in terms of the norms, standards and service package.

*“The Limpopo DSD provides subsidies to the NPOs that are rendering services to the communities in line with its objectives. The Limpopo DSD also provides monitoring to determine if the services that NPOs render to the communities are in accordance with norms and standards. The reason for monitoring NPOs’ deliverables is to ensure that funds are utilised for intended purpose and the beneficiaries are receiving quality services” (Respondent G).*

- The Limpopo DSD is responsible for ensuring that the funded NPOs provide reports. The respondents believe that managing the outcomes of the NPOs requires Limpopo DSD to have a reporting processes that promotes coherence. The Limpopo DSD have to popularise the reporting guideline to all NPOs in Limpopo Province to ensure that the reports that they compile are complying with the requirements of the NPO Act *(Respondent H)*.

The respondents were asked another question on the same theme of the management of funding to NPOs to effectively deliver developmental social services to the poor and vulnerable. The question was whether Limpopo DSD is fulfilling its roles and responsibilities regarding the management of funding. Eight respondents (88.89 %) agree that Limpopo DSD is fulfilling its roles and responsibilities. The following quotation was a statement made by one the respondents in relation to the fulfillment of roles and responsibilities of funding management by Limpopo DSD.

*“The department is providing financial support, monitoring and evaluating the delivery of social welfare services by the NPOs. During the course of the year the Limpopo DSD facilitated a workshop on financial management and bookkeeping to equip the NPOs. The Limpopo DSD also offers training to the NPOs on the legislations that are applicable to services to children, victims of*

*crime, people with disabilities and older persons. This helps the NPOs to deliver their mandate in a required manner” (Respondent B).*

Another respondent indicated the following challenges that Limpopo DSD is faced with in relation to fulfilment of its roles and responsibilities.

*“Limpopo DSD is fulfilling its roles and responsibilities even though it is experiencing the challenge of shortage of staff starting at head office, district office and municipality levels. Currently the NPO unit has only one senior manager and one admin clerk whereas it was supposed to have a complement of staff in its finance unit at head office, District office and local municipality. The Limpopo DSD relies on the local social worker to monitor the services on the ground but on the part of financial management social workers don't have much insight” (Respondent I).*

One respondent (11.11 %) indicated that Limpopo DSD is not fulfilling its roles and responsibilities regarding management of funding. During the interview Respondent D emphasised that the department is unable to fund all the registered NPOs. Even those NPOs that are funded by the department, are not funded in all activities. The DSD is also failing to pay NPOs in time which makes the organisations to suffer and fail to render their expected deliverables within the planned time frame. This respondent is also concerned about the shortage of staff and unfavourable working conditions in the Department and she further says:

*“For the officials of the department to be effective in monitoring the NPOs they need the tools of the trade, in this case it is motor vehicles. There is a shortage of motor vehicles in the department which makes monitoring difficult for social workers and community development practitioners who have to visit these organisations on a regular basis” (Respondent D).*

**The funding policy and guidelines for the provision of social welfare and community development services**

This theme investigated the benefits of the funding policy (Policy on Financial Awards to Service Providers) and other funding guidelines that are used in Limpopo Province.

The respondents were asked to indicate whether the Policy on Financial Awards to Service Providers' awards is useful to both DSD and NPOs in addressing the skewed manner in which funding is allocated to NPOs. Five respondents (55.56 %) supported that the policy of financial awards is yielding the results because it can easily be linked to the planning cycle and MTEF. This means that Limpopo DSD can fund NPOs over three rolling years which is better because the call for proposal and assessment of the NPOs cannot be done on yearly basis. These respondents believe that DSD is able to ascertain the sustainability of the particular organisation in the period of 3 years. Four respondents (44.44 %) indicated that the policy is not developmental in its nature and does not take into consideration the needs of emerging NPOs. For example, the funding requirements of the policy is very tight to these emerging NPOs to meet the funding criteria. Respondent E explained that the policy is lacking in addressing the skewedness of the funding. For example, the emerging NPOs in rural areas are not funded the same way as the well-established and resourced NPOs that are in towns. The well-established and resourced organisations are receiving a huge amount of subsidies from the DSD as compared to the emerging NPOs that solely rely on government for funding.

The second question to the respondents in the same theme was to provide the reasons for NPOs to disregard the SLA that they have entered into with the DSD in terms of Policy on Financial Awards to Service Providers. From the responses of all respondents (100.00%) it is clear that not all NPOs understand the legal status of a SLA and adherence to it. These respondents' view is that the majority of the people who are in the NPOs sector has lower educational level. The respondents indicated that there is willingness on the part of the NPOs to comply with the SLA, the challenge is the level of understanding that members of the NPOs possess and inability to respond to what is expected from them due to their administrative gaps. Another respondent mentioned that:

*“The NPOs are not disregarding the SLA on purpose, it is lack in knowledge and skills because they are aware that non-compliance may lead to defunding of their organisation by the Limpopo DSD. During monitoring you can see that some organisation are at a level that they need support, particularly in the area of governance and finance” (Respondent E).*

### **The alignment of NPOs’ deliverables with the departments’ funding, priorities and performance indicators.**

The respondents were asked to explain how the NPOs’ deliverables aligned with the departments’ funding, priorities and performance indicators. The respondents indicated that all the organisations that the department is funding are given a service package, norms and standards which are linked with the Limpopo DSD mandate, priorities and performance indicators. The service package outlines how particular services should be rendered. For example, the service package ECD will indicate how a crèche is supposed to operate and report, etc. The Limpopo DSD also makes sure that all funded NPOs are providing social services in compliance with the applicable legislations. For example, the NPOs such as ECD must adhere to the Children’s Act and a service club for older persons must also comply with the Older Persons Act. Respondent F indicated that there is stringent alignment of the NPOs’ deliverables with funding, priorities and performance indicators. For example, the target number of people reached through ke moja programmes or Limpopo DSD programmes, is based on the number of NPOs that exist and the number of people that those NPOs reach. If the department sets a target of more than that which the NPOs can deliver, it means the department will not achieve the planned target. This means that the annual target of the department is inclusive of all five district targets per performance indicator. The District Offices have their strategic plan at their level to set the target of all the indicators that they are reporting on. The Limpopo DSD Head Office consolidates the districts’ targets to form the provincial targets per planned indicators.

### **Capability of the NPOs to play their envisioned roles in the delivery of social welfare services.**

The respondents were asked to indicate whether the NPOs are capable to run the DSD programmes for the delivery of social welfare services in Limpopo province. Eight respondents (88.89 %) indicated that the capability of NPOs to run the DSD programmes for the delivery of social welfare services in Limpopo Province is uncertain. These respondents believe that all the funded NPOs need to be properly trained on the service package, norms and standards of the services that they render. The NPOs' members need to be competent, have abilities, skills and aptitudes and know-hows for the provision of services that they offer to communities on a daily basis.

*“The capability of NPOs needs to be strengthened in order to respond more adequately and effectively to needs of the key development partner. For example, DSD and other departments such as Education must invest more resources in improving the capabilities of the caregivers and educators to ensure sustainability and smooth running of the NPOs” (Respondent C).*

One respondent (11.11 %) indicated that NPOs are capable of providing services to the destitute groups within their communities, but they require to be provided with funding, guidance and training. Respondent G commented that NPOs want to offer more services but the funding constraints limit them because they do not have other sources of funding to uplift themselves. They only rely on the funding from Limpopo DSD to deliver their programmes and reach the set targets. For example, some NPOs are doing outreach programmes to schools trying to reach more intended beneficiaries with the minimal budget.

The second question to the respondents was to explain whether the government funded NPOs deliver social services to communities in a timely and cost effective way. Seven respondents (77.78) agreed that NPOs deliver social services to communities in a timely and cost effective way because they are community based and accessible to members of the community. Another respondent indicated that:

*“NPOs are fulltime based in the communities. For example, the protective workshop is within the village which is within the reach of the people. The second example is the residential facility, the beneficiaries are accommodated in the facility which makes it easier for NPOs to provide services in time” (Respondent G).*

Two respondents (22.22 %) disagreed with the question raised stating that funded NPOs are not delivering social services to communities in a timely and cost effective way because most of the time funds are not transferred to them on time. The emerging NPOs tend to struggle more due to the lack of effective sustainability plans.

**The planning, reporting, monitoring and evaluation for achieving the expected outputs.**

The theme describes the planning, reporting, monitoring and evaluation for achieving the expected outputs in the delivery of developmental social services to the poor and vulnerable.

The respondents were asked to indicate whether the outputs generated by the NPOs were corresponding with the funding provided by Limpopo DSD. Seven respondents (77.78) indicated that the funding that Limpopo DSD is providing to NPOs for the delivery of social welfare services is corresponding to the outputs generated by the funded NPOs. Although there are more challenges but the money that department is giving to the NPOs is contributing in improving life of the vulnerable people. There is a balance between funding provided to NPOs by Limpopo DSD and the outputs generated by government funded NPOs. Two respondents (22.22 %) indicated that funding provided by Limpopo DSD does not correspond with the outputs generated, since most of the funded NPOs are from previously disadvantaged groups. These emerging organisations lack capacity and resources to deliver quality services to the intended beneficiaries.

The second question to the respondents was to explain whether the outputs generated by the NPOs assist the Limpopo DSD to achieve its strategic objectives. Seven respondents (77.78 %) indicated that the achievements of the NPOs assist the Limpopo DSD to achieve its strategic objectives though there is a need for modification in the manner that budget figures, narratives and indicators are presented. For example, when Limpopo DSD reports on the number of children placed in foster care, that number is extracted from organisations that deal with foster care. The number of social crime prevention cases will also be extracted from the NPOs that deal with social crime prevention and social workers who assessed the cases. Two respondents (22.22 %) indicated that NPOs require adequate funding to have a sufficient scope of services and to deliver quality services to the desired communities in order to achieve the strategic objectives the department.

The third question to the respondents was to indicate whether the reports by NPOs to Limpopo DSD provide a comparison between actual performance and planned performance outlined in the Annual Performance Plan (APP) of Limpopo DSD. Six respondents (66.67 %) showed that NPOs provide reports to the Limpopo DSD on a quarterly basis reflecting the actual performance against the target that is outlined in the APP of the Department. The service package that Limpopo DSD provided to NPOs is aligned with the APP and the NPOs are expected to report on whatever they have achieved. Respondent F indicated that the department has a uniform approach to reporting. Every year, after the approval of APP, each and every key indicator on the APP and Operational Plan has its template of reporting, for example: In ECD the department will want to know how many children are benefiting from the R15 per day subsidy and their ID and gender; these children accessing ECD is also a priority of the government; the number of the ECD sites that are registered. All those templates are used by the NPOs in reporting on a monthly basis. The information is collated at the local level, culminates to the district level and is consolidated at the Provincial office. Three respondents (33.33 %) indicated that it is difficult to compare the actual and planned performance especially for the emerging NPOs due to poor, unsystematic and unsupported reporting.

The fourth question to the respondents was to indicate whether there is congruence in the funding provided by the DSD and the NPOs' deliverables. All respondents agreed that NPOs are delivering more outputs than the funding provided by the DSD. The mentioned example by Respondent D was of the High Court case of the Department of Social Development in the Free State province which revealed that government owned child-care centers cost more than twice the subsidy provided by the department to the NPO-run centers because government social workers are paid more than NPO staff, and also infrastructure maintenance and operating costs. The views of the respondents regarding the congruence between the funding provided by the DSD and the NPOs' deliverables are as follows:

One of the respondents indicated that NPOs are providing quality services to orphans and vulnerable children on account of AIDS.

*“The reason that we have drop-in centres Isibindi programmes is to make sure that the department moves children away from the streets. At the same time DSD wants to make sure that those children without anything at home at least get a nutritional meal at those sites. There is improvement in the children who are in those sites. The malnutrition goes down and there are no cases of mal-nutrition. These children are getting a balanced meal on a daily basis” (Respondent E).*

Another respondent indicated that NPOs are playing a significant role in presenting programmes to children in conflict with the law. This suggests that NPOs are utilising the funding provided by Limpopo DSD to rehabilitate children in conflict with the law.

*“The department is supposed to rehabilitate children in conflict with the law. If the police arrest a child under 18 years they refer the case to DSD for assessment. If the department realises that the circumstances around the family contribute to the behaviour, the Department has to start with rehabilitation for six months. Normally, after the rehabilitation those children*

*become non-repeat offenders. On a yearly basis the number of children in conflict with the law are reducing” (Respondent F).*

One of the respondents maintains that the NPOs offer a holistic range of social welfare services including foster care, shelter and child and youth care centres. This means that funding that NPOs receive from the Limpopo DSD is utilised to protect children from living in abusive and hostile environments.

*“ Normally we have more than 1000 children per month who left their homes because the circumstances at home are depraved and the department removes them from that environment and puts them in a place of safety, and deals with the family until the problem is resolved and then the child will be returned back home” (Respondent H).*

Another respondent mentioned that NPOs volunteer to help the people with special needs because of their desire to help and love. This suggests that NPOs are making social welfare services available to people with disabilities, utilising the budget provided by the Limpopo DSD.

*“There are more services of protective workshops in the communities. Most of the people with disabilities are sitting at home doing nothing. But if they go to those facilities on a daily basis they will be kept busy and they can even contribute to the economic development of the province, because at the Centre they do many things such as vegetable gardening, art works and other activities rather than keeping the person at home” (Respondent G).*

The fifth question to the respondents was to provide other information that they would like the researcher to know. Only three respondents (33.33%) provided additional information that is relevant to the question asked by the researcher.

Respondent F indicated that the province should have an NPO institute which would have branches per district which solely looks into bringing NPOs on board in terms of

financial management and understanding of the DSD mandates. She further indicated that other provinces such Gauteng and the Western Cape have such an institute. The organisations will be required to affiliate to those institutes because they will be regulated by them, just as there is a council for doctors, a council for lawyers and for taxi associations.

Respondent H believed that the department should have an IT system which can be used by NPOs. For example, NPOs using an electronic attendance register on a daily basis and record the details of children who attended the crèche on the particular day. This will assist the DSD and NPOs to have a uniform reporting system which is timely, accurate and reliable. The Limpopo DSD at head office level will be able to see what is happening in the province on a daily basis. This will also serve as a means of verifications for service provisions in the organisations such as ECD since the DSD is relying on the manual registers.

Respondent G mentioned that it will be proper to have a service center for older persons at each and every village. People with special needs will be getting services within their vicinity without the burden of having to travel, which is also costly to them.

### **4.3 KEY RESEARCH FINDINGS**

This section present the discussions of the findings and demonstrates the linkage between the research findings and literature review. The discussion of the findings is presented in terms of the themes as presented above.

On the theme of collaboration between government and NPOs, the findings reveal that the delivery of social welfare services has become a joint responsibility of the government and NGOs, with government provide the necessary funding (DSD, 2004:1). The Foreword of the Policy on Financial Awards to Service Providers (2011:4) reflects that government continues to make efforts to ensure greater collaboration and partnerships with NGOs and civil societies in general. The Limpopo DSD's Annual

Performance Plan for 2016-17 financial year indicated that almost 90.00% of the services of the department are delivered through NPOs (2016:14). The partnership between DSD and NPOs needs to be based on the shared vision of “a caring and self-reliant society” as articulated in the Limpopo DSD Annual Performance Plan (2016:76). The Limpopo DSD has to show commitment to its vision by developing appropriate policies, programmes and attainable plans that are in line with their constitutional mandate. This commitment has to be accompanied by fundamental forces of policy and programme success which is the availability of resources (people, money and information), practical and coordinated use. Warwick (1982) cited in Cloete and De Coning (2013:147) argued that government may have the most logical policy imaginable, but if those responsible for carrying it out are unwilling or unable to do so, little will happen. Rapoo and Tshiyoyo (2014: 28) concluded their article titled “Management of collaborative partnership for the delivery of social welfare services” by saying that DSD and NGOs are committed to collaborating in the process of delivering social services, but the current policy framework seems inadequate in ensuring that the partnership is managed effectively.

On the theme of management of NPOs’ funding for effective delivery of developmental social services to the poor and vulnerable, the findings reveal that the subsidies that DSD provide to NPOs for delivery of social welfare services is tightly managed by the Limpopo DSD in terms of budget allocation and spending. Hughes (2003:81) mentioned that subsidisation occurs when the government provides a budget to the NPOs for provision of particular services where the government is involved in monitoring the utilisation of the allocated funds. The NPOs that adhere to the funding requirements of the DSD are awarded funding in terms of the Policy on Financial Awards to Service Providers. The Western Cape Department of Social Development Policy on the Funding of Non-Government Organisations for the Provision of Social Welfare and Community development Services indicated that within its available budgetary resources, the department funds the provision of statutory social welfare services to achieve the progressive rights pertaining to vulnerable members of society as envisaged in the Constitution of the Republic of South Africa. This funding is provided in accordance with

the Business Plan as drawn up from the application forms submitted by NGOs which set out the main cost-drivers of each service output and predetermined objectives (2013:8).

On the theme of the funding policy and guidelines for the provision of social welfare and community development services, Chapter 2 of the NPOs Act indicate that within the limits prescribed by law, every organ of state must determine and coordinate the implementation of its policies in a manner designed to promote, support and enhance the capacity of NPOs to perform their functions. The findings indicated that the Limpopo DSD does not have the approved Provincial NPOs Funding Policy and Guidelines. It only has the NPO funding transfers and reconciliation process procedure manual that marks the consolidation of DSD initiatives as well as objectives encapsulated in the NPO Policy on Financial Awards. Due to the lack of Provincial NPOs' funding Policy and guidelines, the majority of NPOs in Limpopo Province are not conforming to legislative requirements, norms and standards which have a negative impact on the delivery of social services. Rapoo et al. (2014:26) believe that the ineffective management of the NPOs leads to the inability by DSD to co-ordinate its activities. The Monitoring and Evaluation Framework for Funded NPOs (DSD, 2014:25) states that the policies of social welfare services are developed at National DSD, and are implemented in district offices, local offices and NPOs. It is important that those policies are implemented as planned, monitored and evaluated for effectiveness. Cloete et al. (2013:37) mentioned that "policy implementation encompasses those actions by public and private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions".

On the theme of the alignment of NPOs' deliverables with the departments' funding, priorities and performance indicators. The findings support that there is a link between the budget proposed and attainment of department's priorities and objectives. The framework for Strategic plans and Annual Performance plans (2010:15) mentioned that an institution is expected to identify a set of programme performance indicators and targets in its annual performance plan to track its on-going performance. The indicators should reflect value for money in the utilisation of resources. This deliverables of the NPOs are focused on departmental objectives, performance indicators and targets in

terms of what the allocated budget will be utilised for. According to Australian National Audit Office (2011:82), the entities are responsible for establishing performance indicators that support the achievement of objectives and respective outcomes. The funding requires to be linked with performance indicators to better understand how well budgets are translated into outputs and outcomes. It the responsibility of the DSD to ensure the reporting control processes and procedures, accuracy, completeness and validation of reported predetermined objectives are maintained.

On the theme of capability of the NPOs to play their envisioned roles in the delivery of social welfare services. The findings show that the majority of NPOs in Limpopo Province are at a lower level and lack managerial skills, leadership, governance, administration and financial management skills. The funded NPOs are required to become more effective, efficient and execute better on the Limpopo DSD strategic objectives by doing more with fewer resources in order to remain viable. According to Ulleberg (2009:18), capacity development constitutes a way for NPOs to scale up their actions, not simply by doing more of the same, but by changing functions or gradually assuming more areas of responsibility. The Limpopo DSD have to empower the NPOs in order to respond more adequately and effectively to needs of the communities in extending the delivery of social welfare services. For example, Shiluvane facility for disabilities is outsourced to a service provider at a cost of R30 million per annum due to lack of NPOs capacity to offer frail care services in the province. In addressing the matter of support and capacitation of NPOs, the Member of the Executive Council (MEC), the honourable, Happy Joyce Mashamba indicated that:

*“The important role of NPOs in extending the rendering of social development services cannot be underestimated. Therefore, supporting and capacitating NPOs is one of the primary tasks of the Department. We have, accordingly, through the National Development Agency and National Department of Social Development, empowered 2 120 NPOs on institutional strengthening, including governance, financial management, conflict management, registration and compliance to enable them to render their*

*work effectively and efficiently” (Limpopo DSD, Budget Vote Speech, 2016:19).*

The capacity building of the NPOs is of paramount importance because many emerging NPOs are organisationally fragile in providing expertise to keep up with the change and to contribute to an enriched quality of life. According to the Non Profit Capacity Building Framework (DSD 2009:8), the term capacity build is commonly used but its meaning is not well understood. Philbin (1996), cited in the Non Profit Capacity Building Framework (DSD 2009:8) defines capacity building as the “process of developing and strengthening the skills, instincts, abilities, processes and resources that organisations and communities need to survive, adapt and thrive in the fast-changing world”. The capacitated organisations provide the skills and expertise the DSD needs to achieve its goals and remain sustainable. The President of Republic of South Africa, Jacob Gledleyihlekisa Zuma contends that South Africa cannot claim to be moving forward if we don’t see practical and sustainable improvement in the lives of our most vulnerable compatriots (*Vuk’uzenzele Newspaper, 2016:3*).

On the theme of the planning, reporting, monitoring and evaluation for achieving the expected outputs, the findings show that NPOs are doing more than just use the funding provided to them for delivery of social welfare services by the DSD. For example, DSD does not provide a building nor employs staff for ECD. It is the community that takes the initiative to establish the ECD centers and DSD is only supporting them with funding and ensuring they register with DSD in terms of compliance with norms and standards. Monitoring and evaluation is also the responsibility of officials of the Limpopo DSD to assess the relevance and the fulfilment of the departmental objectives, efficiency, effectiveness and sustainability of the NPOs in the delivery of social welfare services. The adequate planning and reporting combined with a method to track progress and ascertain obstacles that contribute to the attainment of the desired results. The findings reveal that reporting of the progress against the planned performance goals and objectives on a regular basis provides organisations the opportunity to embrace the full extent of the outputs that can be achieved. Monyane (2014:30) indicated that those involved in implementing and monitoring activities must understand the objectives,

indicators, expected outputs, outcomes, and their linkages. The annual performance plan of the Limpopo DSD have to clearly indicate what are the departmental objectives, outcomes, outputs, activities and inputs required to achieve such objectives, performance indicators and means of verifications.

#### **4.4 CONCLUSION**

In this chapter the main findings of the research were presented according to the themes. The findings revealed the critical role that NPOs play in closing the gaps left by DSD in the delivery of social welfare services. Through this study, the findings show the significance of aligning the NPOs' deliverables with the departments' funding, priorities and performance indicators which have direct implications towards achieving the department's strategic objectives. The findings further clarified the congruence between the funding provided by the DSD and the NPOs' deliverables. In the next chapter, the researcher will present a summary of the findings and the conclusions as well as the recommendations of the study.

## **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

The previous chapter interpreted and discussed the findings of the study. The interpretation and discussion of the findings were done in line with the objectives of the study, data presented and the information gained from the literature through the study. This chapter provides a summary of the findings, conclusions and recommendations of the study. The summary of the previous chapters is presented as follows:

Chapter one introduced the study by providing the background regarding the reliance of Limpopo DSD on government funded NPOs to accelerate service delivery. Furthermore, this chapter contains the problem statement, research purpose, objectives, questions and the significance of the study emphasising the importance of this study.

Chapter two presented existing literature pertaining to collaboration between government and NPOs. The chapter further outlined the following subjects using the literature found in textbooks, on the internet and in published journals.

- The importance of the partnership between government and NPOs for the provision of social welfare services;
- Aligning NPOs deliverables with budgetary reporting and performance indicators;
- Aligning performance reporting; and
- Planning, monitoring and evaluation of NPOs deliverables achieve the desired results.

Chapter Three contained the research paradigm applied which is a qualitative approach. The chapter further outlined the research design carried out in the study to

gain insight into the researched topic. The study applied a non-probability sampling method known as a purposive or deliberate sampling method for qualitative data collection.

Chapter Four is focused on presentation, analysis and interpretation of data. The findings of the study were presented based on the interview schedule used to gather information from the participants.

Chapter Five contains the conclusion derived from the analysis of the findings of the entire study.

## **5.2 SUMMARY OF FINDINGS**

This section presents the findings and conclusions in accordance with the aim and the following objectives of the study which were to determine the alignment of NPOs' deliverables with the Departments' funding and performance indicators, and the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province.

### **Collaboration between government and NPOs**

The empirical findings showed that the collaboration between government and NPOs is critical in bringing better life to communities through the delivery of social services. This means that a closer working relationship between the DSD and NPOs is critical for provision of regular feedback on the progress made in the delivery of social services. Regular meetings need to be scheduled to ensure effective communication.

**The management of funding to NPOs to effectively deliver developmental social services to the poor and vulnerable.**

The empirical findings revealed a dire shortage of funding for delivery of social welfare services by the NPOs. The shortage of funding or late disbursement of funds by the Limpopo DSD may be contributing negatively on the ability of the NPOs to achieve the expected results or planned outputs. The poor NPOs' funding management and financial system (BAS) problems delay transfers of funds to NPOs, thus delaying the implementation of programmes. The transfer payments to NPOs should be effected timeously to ensure astute operations by NPOs. The Limpopo DSD should learn from the judgment of the Free State High Court in the NAWONGO case in which the Free State government was instructed to revise its NPOs' funding policy after the judgment noted that existing policy violates the Constitutional rights of the children and other vulnerable groups. This guidance provided judgement is that the policy must recognise that the NPOs are providing services that the Department itself is obliged to provide in terms of the Constitution and various laws (*Case no: 1719/2010. Free State High Court*).

### **The funding policy and guidelines for the provision of social welfare and community development services.**

The empirical findings revealed that the Limpopo DSD does not have an approved Provincial NPO Funding Policy and Guidelines. It only has the NPO funding transfers and reconciliation process procedure manual that marks the consolidation of DSD initiatives as well as objectives encapsulated in the NPO Policy on Financial Awards. The NPO funding transfers and reconciliation process procedure manual of Limpopo DSD excludes the management of service oriented partnerships or funding agreements to the facilitation of transformation. The Limpopo DSD should have a Provincial NPO Funding Policy and Guidelines for the provision of social welfare and community development services. This policy and guidelines will assist the Limpopo DSD to monitor the NPOs on the legislative (policies, norms, standards and procedures) and financial (financial prescripts and requirements) compliance, Service Level Agreement adherence and value for money to achieve agreed outputs.

### **The alignment of NPOs' deliverables with the departments' funding, priorities and performance indicators.**

The findings discovered that there is stringent alignment of the NPOs' deliverables with the NPOs' funding, priorities and performance indicators. The Limpopo DSD should maintain a high degree of alignment between the NPOs' funding and departmental strategies, performance indicators, service delivery measures and targets. Better alignment of planning, budgeting processes and performance indicators synergises the planning and budgetary cycles which help to set priorities for resource allocation and achieving service delivery objectives and targets.

### **Capability of the NPOs to play their envisioned roles in the delivery of social welfare services.**

The findings show that the capacity of the NPOs needs to be improved. The majority of NPOs' members have a low educational level and lack managerial, leadership, governance, administration and financial management skills. The UNDP South Africa Human Development Report (2008:4) states that a key dimension of capacity building for communities is a needs assessment in order to understand what intervention will trigger the most positive impact.

### **The planning, reporting, monitoring and evaluation for achieving the expected outputs.**

The findings reveal that reporting of the progress against the planned performance goals and objectives on a regular basis provides organisations the opportunity to embrace the extent of the outputs that can be achieved. This implies that regular reporting of programme performance against planned targets can assist the organisation to make decisions that can keep service delivery on track through the attainment of agreed performance targets.

### **5.3 RECOMMENDATIONS**

To address the findings of this study, the researcher is putting forward the following recommendations:

#### **Collaboration between government and NPOs**

The main objective of DSD is to play a vital role in social empowerment, integration and protection of poor and vulnerable groups. The Limpopo DSD must carry on to develop and implement social welfare programmes that address the needs of the vulnerable and marginalised people, through its partnership with the NPOs. The partnership between the Limpopo DSD and NPOs for social welfare needs to be clarified. A strategy on how these partnerships must be established and maintained should be developed by the Limpopo DSD.

#### **The management of funding to NPOs to effectively deliver developmental social services to the poor and vulnerable people.**

Although the DSD is rendering many social welfare services to the communities, the bulk of social services are provided by the NPOs. The Limpopo DSD must commit much greater financial resources for transfer payments to NPOs so that they could deliver social services to communities in a timely and cost effective way. The funding of NPOs should include infrastructure needs to improve service delivery and compliance with norms and standards set by the Department. The NPOs' funding unit of the Limpopo DSD must be capacitated in order to have dedicated staff for monitoring and providing support to NPOs.

#### **The funding policy and guidelines for the provision of social welfare and community development services.**

The Limpopo DSD must develop the provincial NPOs' funding policy and guidelines to make it easier for NPOs to access funding and enforce adherence to SLA. These funding guidelines must streamline the NPOs' funding process, including the funding conditions, approval processes, funding appeal processes, transfer of funds and monitoring of programmes implementation. The Limpopo DSD must sign a service level agreement with all funded NPOs in terms of the Provincial NPOs' funding guidelines agreeing on the following matters:

- Service targets, results, outputs and outcomes;
- Service package, norms and standards;
- Financial arrangements, particularly intervals and methods of payment;
- Frequency of monitoring and reporting
- Penalties for non-compliance

### **The alignment of NPOs' deliverables with the departments' funding, priorities and performance indicators.**

To ensure proper alignment of the NPOs' deliverables with the departments' funding, priorities and performance indicators, the DSD's and NPOs' service delivery plans must support the delivery process in an optimum and accountable manner. The performance indicators of Limpopo DSD should be reported on against the planned targets on a quarterly basis. The performance indicators and targets should be revised only if the outputs will be affected by an adjustment to the budget and a change in the budget programme structure.

### **Capability of the NPOs to play their envisioned roles in the delivery of social welfare services.**

The effective delivery of the programmes is dependent on the capacity of the service provider. The capable NPOs implement the government's policies and programmes without difficulties in improving the lives of vulnerable people. The DSD must improve the NPOs' efficiency and co-operation towards delivery of social welfare services by

providing training and educational programmes. The accredited training should be offered to both funded and unfunded NPOs in the following administrative areas:

- Financial management;
- Governance;
- Monitoring and Evaluation; and
- Project management.

### **The planning, reporting, monitoring and evaluation for achieving the expected outputs.**

A credible plan helps an organisation to align the limited resources with the priority activities to achieve the desired results. A credible plan includes a clear strategy for monitoring and evaluation and reporting of the information. The DSD and NPOs need to have a mutual understanding about the higher-level results that they want to achieve and develop strategies to achieve the expected results. The lessons drawn from monitoring and evaluations must be used to make appropriate decisions. The government's delivery of service requires working together in developing budget and performance reporting arrangements that meet accountability obligations and also contribute to the collective achievement of the outcome (Australian National Audit Office, 2011:19).

## **5.4 CONCLUSION**

This study investigated the alignment of NPOs' deliverables with the Departments' funding and performance indicators. The findings shows that there is stringent alignment of the NPOs' deliverables with the department's funding, priorities and performance indicators. The alignment of the allocated budget and approved annual

performance plan (APP) presumes that programme performance indicator and allocation efficiency have been optimised.

The roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province was examined. The findings showed that memorandum of understanding or service level agreement between the department and NPOs need to be reviewed to enhance collaboration, clarify roles and responsibilities of the department. The challenges discovered relate to the capability of the NPOs to deliver the social welfare services because the majority of NPOs' members have a low educational level and lack managerial, leadership, governance, administration and financial management skills.

The study concluded by suggesting that the Limpopo DSD needs to commit adequate funding for effective delivery of social welfare services by NPOs. The funding required is for ensuring the sustainability of the funded NPOs and financing all service areas provided by NPOs in the delivery of social welfare services including capacity building to NPOs' members. The department must also devote proper planning and coordination of services and resources to enhance service delivery.

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## **LIST OF ANNEXURES**

**ANNEXURE A: APPLICATION TO CONDUCT RESEARCH**

Mudogwa M.R.  
21 Wisteria Street  
Flora Park  
0699  
23 May 2015

Head of the Department  
Department of Social Development  
Private Bag X9710  
Polokwane  
0700

**RE: REQUEST FOR APPROVAL TO CONDUCT A RESEARCH STUDY IN THE  
DEPARTMENT OF SOCIAL DEVELOPMENT**

This letter serves to request approval to conduct an academic research study in the Department of Social Development. The researcher is an employee of Limpopo Provincial Treasury and a masters student at the University of the North.

The study is about "Exploring incongruence between the funding of non-profit organisations and their expected deliverables in the Limpopo Department of Social Development, South Africa". This study hopes to discover the alignment between the funding and expected deliverables of the government funded NPOs in Limpopo Province and the confidentiality is assured on the data collected for the study. In completion of the study, the researcher will donate a copy of the dissertation to the Department for its Library and Information Centre to enable future convenience reference.

Your positive response will be highly appreciated.

Kind regards

  
\_\_\_\_\_  
Mbayhalelo Robert Mudogwa  
Cell: 083 407 2344  
E-mail: MudogwaMR@treasury.limpopo.go.za

23/05/2015  
Date

**ANNEXURE B: LETTER OF PERMISSION TO CONDUCT THE STUDY FROM LIMPOPO DSD**



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**SOCIAL DEVELOPMENT**

**CONFIDENTIAL**

Ref : S5/3/1/2  
Enq : Ledwaba MS  
Tel : 015 293 6466

To : Mr Mudogwa MR  
21 Wisteria Street  
Flora Park  
0699

**RESPONSE ON THE REQUEST TO CONDUCT A RESEARCH STUDY TITLED:  
EXPLORING INCONGRUENCE BETWEEN THE FUNDING OF NON-PROFIT  
ORGANISATIONS AND THEIR EXPECTED DELIVERABLES IN THE LIMPOPO  
DEPARTMENT OF SOCIAL DEVELOPMENT, SOUTH AFRICA**

The Department received your request dated, **23 May 2015** and acknowledge receipt thereof.

The Department of Social Development's Research Committee hereby grant permission to conduct the above-mentioned research study, with a proviso for the candidate to secure Ethical Clearance from the University of Limpopo.

In the spirit of lifelong learning, your understanding pertinent to this matter will be appreciated.

**SENIOR MANAGER: HUMAN CAPITAL  
DEVELOPMENT AND ORGANISATIONAL STRATEGY**

DATE 05/08/2015

18 College Street, Polokwane, 0700, Private Bag #9710, POLOKWANE, 0700  
Tel: (015) 293 6027, Fax: (015) 253 6211/20 Website: <http://www.limpopo.gov.za>

The heartland of Southern Africa – *tshepoanane & tshepoanane*

**ANNEXURE C: PARTICIPANT CONSENT FORM**

## CONSENT FORM

Dear research participant

This is a request to you to participate in a research study entitled “Exploring incongruence between the funding of non-profit organisations and their expected deliverables in the Limpopo Department of Social Development, South Africa”. The aim of the study is to determine the reasons behind the incongruence between the funding of Non-Profit Organisations and the services they offer to communities as expected by the Limpopo Department of Social Development.

Your participation in this research is voluntary, and you have the right to make a decision to participate or decide to withdraw from the study after you have agreed to participate. Your participation will involve answering questions during an interview session with the researcher that will be scheduled. Your participation is important because it will help the researcher to get the necessary information to achieve the study objectives and the information you provide will be kept confidential.

### Consent

I understand what my participation in the study means and I voluntarily agree to participate in the research study.

Respondent's signature : ..... Date : .....

Researcher's signature : ..... Date : .....

## ANNEXURE D: INTERVIEW SCHEDULE

## **ANNEXURE E: INTERVIEW SCHEDULE TO LIMPOPO DEPARTMENT OF SOCIAL DEVELOPMENT OFFICIALS**

**Level of management: Middle Management**

**EXPLORING INCONGRUENCE IN THE FUNDING OF NON-PROFIT ORGANISATIONS AND THEIR EXPECTED DELIVERABLES IN THE LIMPOPO DEPARTMENT OF SOCIAL DEVELOPMENT, SOUTH AFRICA”.**

The aim of the study is to determine the reasons behind the incongruence in the funding of NPOs and the services they offer to communities as expected by the Limpopo Department of Social Development in South Africa.

**Dear sir/madam**

Please answer the questions to the best of your ability. Your accurate and objective response in answering questions is of vital importance as it will be used to determine if the outputs generated by the NPOs are corresponding with the funding provided by DSD.

**Precursor statement**

According to the framework for social welfare services (DSD, 2013:20) the delivery of social welfare services remains the responsibility of the DSD in South Africa. Therefore, DSD retains the responsibility and accountability in matters relating to provision of these services. The service providers are required to comply at all times with the regulatory frameworks and norms and standards guiding the provision of services they are authorised to deliver.

**Collaboration between government and NPOs**

1. The collaboration between the DSD and NPOs has evolved overtime, how are the government funded NPOs assisting the department to accelerate delivery of social welfare services?

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**The management of funding to NPOs to effectively deliver developmental social services to the poor and vulnerable.**

2. What are the roles and responsibilities of the Department in the management of funding to NPOs for the provision of social welfare services in the Limpopo Province?

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3. Does the department fulfil its roles and responsibilities regarding management of funding to NPOs for the provision of social welfare services in the Limpopo Province?

Yes	NO
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**Please explain your answer**

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**The funding policy and guidelines for the provision of social welfare and community development services**

4. The DSD introduced a policy on financial awards in 2005 to address financial and delivery of social welfare services constrains. Do you think the policy is useful to both DSD and NPOs in addressing the skewed manner in which funding is allocated to NPOs?

Yes	NO
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**Motivate**

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5. According to the Auditor-General’s findings, Numerous NPOs in Limpopo Province are not conforming to the Service Level Agreements which they have entered into with DSD, what do you think are the reasons for NPOs to disregard the service level agreement?

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**The alignment of NPOs’ deliverables with the departments’ funding, priorities and performance indicators.**

6. How are the NPOs’ deliverables aligned with the departments’ funding, priorities and performance indicators?

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**Capability of the NPOs to play their envisioned roles in the delivery of social welfare services.**

7. Do you think the NPOs are capable to run the DSD programmes for the delivery of social welfare services in Limpopo province?

Yes	NO
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**Please explain your answer**

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8. Do the government funded NPOs deliver social services to communities in a timely and cost effective way?

Yes	NO
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**Please explain your answer**

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**The planning, reporting, monitoring and evaluation for achieving the expected outputs**

9. Do you think the outputs generated by the NPOs are corresponding with the funding provided by DSD?

Yes	NO
-----	----

**Motivate**

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10. Do the outputs generated by the NPOs assist the DSD to achieve its strategic objectives?

Yes	NO
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**Please explain your answer**

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11. Do the reports by NPOs to DSD provide a comparison between actual performance and planned performance outlined in the Annual Performance Plan (APP) of DSD?

Yes	NO
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**Motivate**

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12. In your opinion, do you think there is congruence in the funding provided by the DSD and the NPOs' deliverables?

Yes	NO
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**Motivate**

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13. Do you have any other information that you would like me to know?

Yes	NO
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**Motivate**

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**Thank you for your support and cooperation**

**ANNEXURE E: LANGUAGE EDITOR'S LETTER**

N J Nel  
PO Box 365,  
BENDOR PARK  
0713  
Tel: 074 1849600

### CERTIFICATE

This serves to certify that I have language edited the Mini Dissertation of  
**Mr Mbavhalelo Robert Mudogwa.**  
Student number, 200405512 entitled:

*"EXPLORING INCONGRUENCE IN THE FUNDING OF NON-PROFIT  
ORGANISATIONS AND THEIR EXPECTED DELIVERABLES IN THE  
LIMPOPO DEPARTMENT OF SOCIAL DEVELOPMENT"*



N J Nel  
Lecturer of English, Department Applied Languages  
Tshwane University of Technology  
(Retired)

28 May 2016