



PROJECT CLOSURE

BEF 5 & LCF CAP 5 GRANT BENEFICIARIES' WORKSHOP



PROJECT CLOSURE PROCESSES: PRESENTATION OUTLINE



- Premise
- How to close a BEF & LCF CAP project?
- Final technical report
- Audit
- Close out report
- Final payment
- Some common experiences
- Closure





HOW DO WE CLOSE A BEF & LCF CAP PROJECT?

- By submission of a final technical report
- By submission of audit reports
- By submission of all relevant completed closeout templates
- By paying the final instalment



SUBMISSION OF A FINAL TECHNICAL REPORT



- The service provider presents the draft final technical report to the PSC
- The service provider notes and attends to comments by the PSC
- The service provider submits the draft final technical report to the GB
- The GB receives and verify the draft final technical report (send it back to the service provider if necessary)
- The GB submits the draft final technical report to the AM responsible
- The AM receives and does final verification of the final technical report (send back to the GB if necessary or to PDM TL if found satisfactory)
- Verification is mainly around the quality and value for money against the project output
- Specialist's view could be sourced where necessary



AUDIT



- Conducted by an external auditor, registered as a public accountant and auditor in terms of the Public Accountants and Auditors Act, (Act no. 80 of 1991).
- Appointed by the GB at the start of the project
- Before signing the contract, the GB is required to provide a letter from the auditor indicating that he/she has been appointed to audit the project.
- BEF projects – audited by the Auditor General.
- LCF CAP projects – audited by Private Auditors



AUDIT CONT...



- The auditor audits all expenditure incurred and in line with the Grant Contract
- The auditor audits all contribution to the project (in-kind and cash)
- The GB activates the appointed auditors when all activities are completed
- The Auditors issue a signed audit certificate and audited income and expenditure against the budget schedule prepared by the GB.
- The auditors are expected to sign a Beneficiary Final Narrative and Financial Report completed by the GB [Closeout Report].



CLOSE OUT REPORT



- Provides administrative details
- Accounts for all income & expenditure of the project
- Shows project bank balance as at the end of the project
- Provides project milestones achieved as per agreed project activity schedule
- Reports on the achievement of project indicator targets
- Reports on learning outcomes
- **Narrative and Financial Information**



FINAL PAYMENT



- Invoice for the instalment amount
- Standard request for payment form
- Current project bank statement & ledger printout for BEF projects
- Updated activity schedule
- Beneficiary Final Narrative and Financial Report [Closeout report]
- Audit certificate and financial statements from auditors for all expenditure incurred
- Final technical report



FINAL PAYMENT CONT ...



- Actual expenditure after the audit conducted
- VAT to be reclaimed by the GB and applied to the project account
- Interest earned
- Outstanding invoices/commitments



A project financed by
the European Union



The Department of Economic
Development is the Contacting Authority

SOME COMMON EXPERIENCES



- Project audit delays due to GB's poor scheduling with the Auditor General
- Confusion around the VAT issue
- GB's failure to keep proper records of 'in-kind' contribution
- Sub-standard final technical reports
- No budget savings made
- No project has closed within the implementation period [All have had contract extensions]
- Too much reliance on service providers by GB's



CONCLUSION



- What further assistance can Gijima KZN offer you to help you manage your projects better?



A project financed by
the European Union



The Department of Economic
Development is the Contacting Authority