

**ASSESSMENT OF MUNICIPAL COUNCILLORS' OVERSIGHT ROLES IN
ALFRED NZO DISTRICT MUNICIPALITY, EASTERN CAPE PROVINCE**

By

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ABSTRACT

This study conducts an assessment of councillors' oversight roles in service delivery at Alfred Nzo District Municipality, Eastern Cape Province with the principal objective of determining the appropriate strategies that can be recommended for improving the effectiveness of the council structures. In an attempt to achieve this overriding objective, the entire research process is guided by the research objectives and questions that examine; factors determining the effectiveness of the council structures in the Alfred Nzo District Municipality, the effects of effective council structures designed to perform oversight over the administration and the executive respectively. Thereafter, the strategies which are used for improving oversight are proposed. The secondary research objective is accomplished through the review and analysis of the relevant literatures and theories. The qualitative research approach was used in the primary research process. The findings of the study indicate that achieving effective oversight role played by councillors in the Alfred Nzo District Municipality is far from being attained for the reason that in terms of the application of the principles for effective oversight and good governance, the study reveals that the effective implementation of these principles in the Alfred Nzo District Municipality is tarnished by factors that include; lack of effective internal controls, inadequate leadership, inadequate intergovernmental relations (IGR), uncoordinated public participation, poor consultation of community stakeholders on municipal affairs, and poor representation of social sectors in the public participation fora. Despite the fact that the findings of the study also indicate that the practices in the Alfred Nzo District Municipality are inappropriate for enhancing effective oversight role played by general members of council for good governance. It was noted that there is still ineffective application of the strategies which can be used for improving oversight and good governance in the Alfred Nzo District Municipality. As the findings indicate, this certainly undermines the effectiveness of the municipal council as the body responsible for general oversight and good governance in the Alfred Nzo District Municipality. While drawing from both the primary and secondary findings of the study, it was recommended that the municipal council as the governing body, vested legislative and executive authorities in the Alfred Nzo District Municipality must; apply the six main principles for effective oversight and good governance, apply the core components or pillars of good governance and consider implementing the strategies encompassing; considering the Turn-Around Strategy and core business issues, mission, vision and objectives of the Alfred Nzo district Municipality that have to be clearly spelt out

to ensure that the roles, objectives, functions and powers of the municipal council are clearly understood by all members of council (councillors) for best performance and improved service delivery. This includes effective planning, policy making and reporting, induction and professionalization of local government. The other aspects include developmental local government, communication and information sharing, monitoring and evaluation. It was advised that the other suggested area for further study would be; “examining political landscape in municipal councils and stakeholders’ involvement on the destructive service delivery protests”. With this in mind, the study attempts to contribute to an understanding of oversight role played by councillors as part of local state and service delivery in Alfred Nzo District Municipality.



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DECLARATION

I, SOLOMON MATIWANE, hereby solemnly declare that this study handed by me to the Faculty of Management and Commerce, was completed by myself, independent of any other person and that it has not been submitted previously for the purposes of obtaining credits or a qualification by myself or any other person.

Furthermore, I declare that I received all sources employed in this study in the appropriate cross-references. I also did not allow any other persons to copy my work for purposes of presenting it as their own effort.


SOLOMON MATIWANE



SIGNED AT **BISHO** ON THIS 19TH DAY OF APRIL 2015

DEDICATION

This study is dedicated to my dearest parents, my father LEONARD MATIWANE (Jola!) and my mother NOMABUYISWA MATIWANE (Gcaka!) for their dedication and enduring support to ensure that I have remained focused to my education during my early years as their son despite the fact that they were deprived of the opportunity to education.

Moreover, their unconditional love displayed through their epitome of family values informed by the love of God and the community they raised me within. Furthermore, to my wife, the unconditional love displayed by her throughout the trying times depicts the love of God and presence of His shower of blessings in our marriage.

May God bless you with His showers of blessings!



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My sincere thanks go to my dearest wife NELEKA for her patience and keeping my children safe during my struggle to complete this study. Many thanks and appreciations go out to my Supervisor, Dr. C. Okafor whose patience and guidance throughout this process was of immense importance to me. Thank you for your words of wisdom and unconditional, professional and academic support given to me towards the successful completion of this study with the University of Fort Hare.

To my academic colleagues, thank you for your assistance. I would also like to express appreciation to my family's encouragements, especially from my sister Pumla Matiwane for her personal support for me to succeed despite my hectic programmes. Dr. Mle my professional friend for his words of encouragement and advice to get enrolled through SALGA negotiated programme for municipal employees.

To my children, Mandiluve, Ayabonga and Zibele for their patience during my busy study period. Many thanks go to Mr. Tyiwani of Walter Sisulu University of Technology for academic support and guidance as my first Supervisor to shape my research capabilities. Without Blessings from God Almighty, this study would have been taken longer and or not completed, thanks be to God.

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LIST OF ACRONYMS

ACRONYMS	DETAILS
AGSA	Auditor-General South Africa
AC	Audit Committee
ANDM	Alfred Nzo District Municipality
ANDA	Alfred Nzo Development Agency
AFS	Annual Financial Statements
FY	Financial Year
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
LED	Local Economic Development
BTO	Budget and Treasury Office
MPAC	Municipal Public Accounts Committee
M & E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
NDP	National Development Plan
NKPA	National Key Performance Areas
OCA	Operation Clean Audit
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
SDBIP	Service Delivery Budget Implementation Plan
SIU	Special Investigating Unit
COGTA	Cooperative Governance and Traditional Affairs
WSA	Water Service Authority
WSP	Water Service Provider.

CHAPTER ONE

INTRODUCTION / BACKGROUND OF THE STUDY

1.1. INTRODUCTION

The Alfred Nzo District Municipality, like other municipalities in the country, derives its existence from the Constitution of the Republic of South Africa, 1996. Chapter 7 (sections 151-164) of the Constitution has vital provisions for municipal councils and determine that; a municipality has the right to govern, on its own initiatives, the local government affairs of its community, subject to the national and provincial legislation, as provided for in the Constitution, 1996. The executive and legislative authorities of a municipality are vested in its municipal council. The Alfred Nzo District Municipal Council is made up of councillors who are public representatives. The municipal council's legislative mandate includes the following, but not limited; authority to pass legislation at local level, also known as by-laws or regulations, in certain areas such as integrated development plan (IDP), budget and service delivery implementation plans (SDBIP) and also ensuring that good governance is achieved at the low level (Municipal Finance Management Act, 2003).

The Alfred Nzo District Municipal Council is the body which, within the limits of legislation by national and relevant provincial governments, has the powers to provide services and public amenities to residents in its area of jurisdiction in order to maintain and promote their well-being. Councillors, therefore, have a mounting pressure to be responsive to the demands of internal and external stakeholders for good governance, accountability and transparency and delivery of tangible services to the citizens. They are expected to communicate the policies and decisions to their local residents. According to Ijeoma (2013:95) this promotes trust between the municipality and the local community and also educates citizens with regard to the issues which councillors are dealing with. Ijeoma asserts that when community members obtain insights into the operations and policies of the municipality they are likely to develop into better citizens.

Therefore, councillors are expected to obtain consensus in respect of the nature, scope, and quality of goods and services which must be delivered to their communities. The White Paper on Local Government calls on councillors to work with institutions of civil society to foster participatory governance at local level.

The municipalities as public institutions are bound by their constitutional mandate to provide services or products in the interest of the public goods or services in order to promote general welfare of the citizens of a municipality. They are also expected to be responsive and accountable to the public.

The Public Finance Management Act No. 29 of 1999, sections 38(1)(a)(i) and 51(1)(a)(i) also mandate the authorities (municipal council) to ensure that the municipality has and maintains effective, efficient and transparent system of internal controls for accountability. Municipal Finance Management Act No. 56 of 2003, sections 62(1)(c)(i) and 95(c)(i) further necessitate the authority/municipal council to ensure that the municipality and municipal entity have and maintain effective, efficient and transparent system of internal controls for accountability to the public.

The case study at Alfred Nzo District Municipality is basically about an assessment of effectiveness of oversight roles played by municipal councillors over the administration. The municipality had continuously received adverse and disclaimer audit opinions from the Auditor-General of South Africa for three consecutive financial years.

The study examines the cause of poor performance of the municipality and the effect of oversight role played by councillors in service delivery at Alfred Nzo District Municipality.

The process of accountability for the actions and performance of all involved in local government is the cornerstone of democratic governance in South Africa. The effective oversight and effective accountability are closely linked. Councillors are tasked with the responsibilities of making difference in the lives of the citizens of the municipality. They have to provide leadership in Council and act as the guardians of the municipal finances.

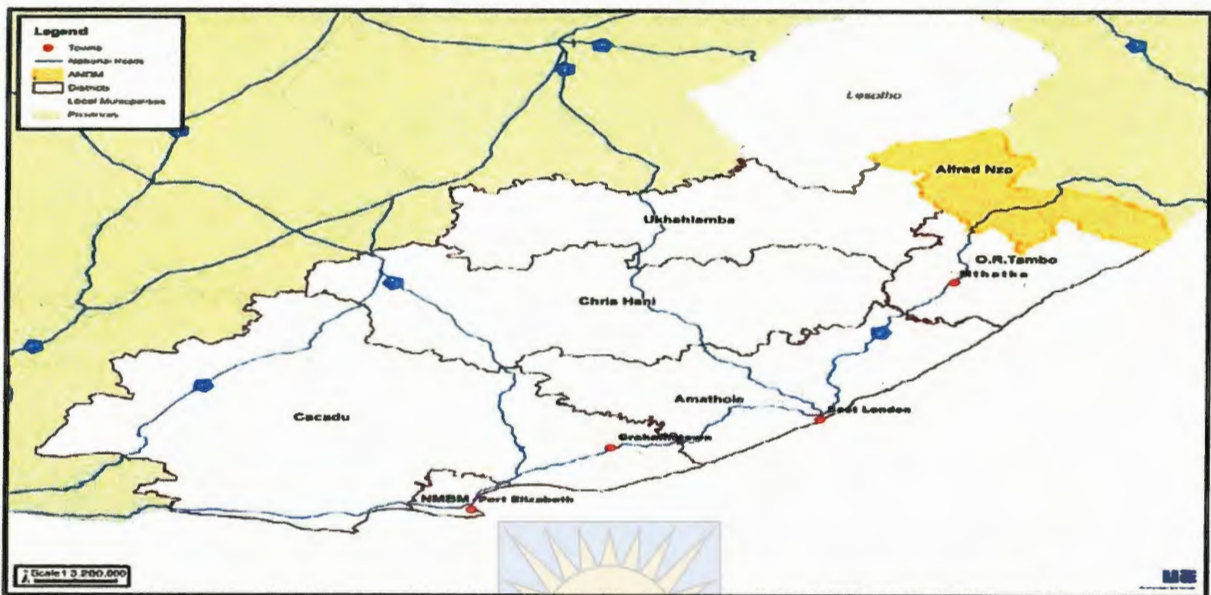
Members of community rightly demand high professionalism, integrity and leadership from their elected councillors.

They also seek adequate safeguards that their municipality is working efficiently and effectively and in the best interest of the people it serves.

The Alfred Nzo District municipality is one of the six district municipalities in the Eastern Cape Province (see the map 1 and table 1 below). However, it is essential to note that the total population of ANDM is approximately 801344 and the geographical area is 11 119km².

1.2. GEOGRAPHIC LOCATION AND SIZE

Map 1: Provincial Map



The Alfred Nzo was established in terms of the Section 12 Notice of the Local Government: Municipal Structures Act, (Act 117 of 1998). According to the reviewed integrated development plan (IDP) 2013/2014 of Alfred Nzo District Municipality, the municipality covers about 12% of the 6, 562 052 total population of the Eastern Cape.

1.3. POPULATION

Table 1.1: Population of Eastern Cape per District

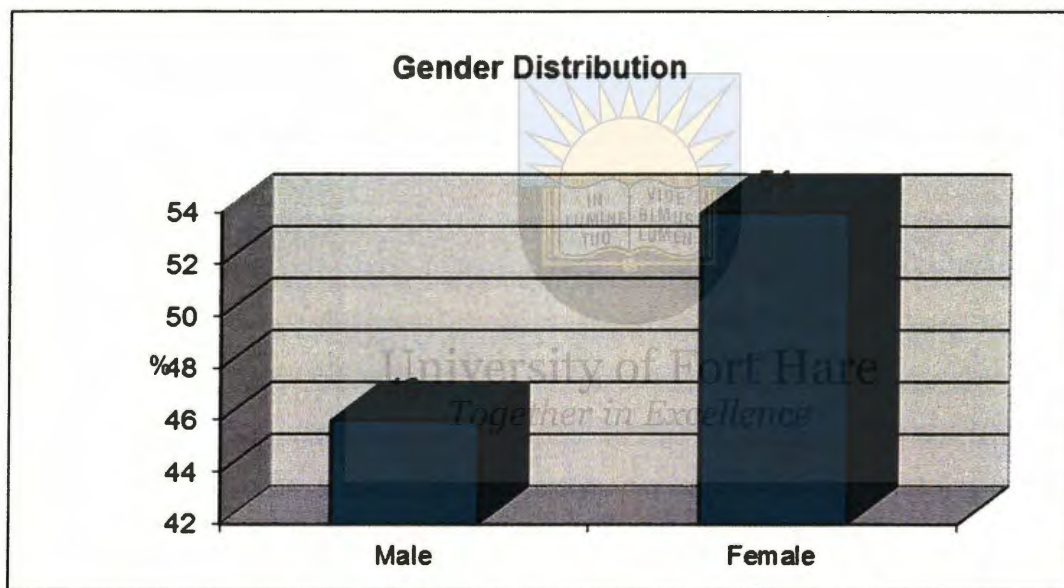
District Municipality	District population	Overall Percentage
Cacadu	450584	6.8
Amathole	892637	13.6
ChrisHani	795461	12.1
Joe Gqabi	349768	5.3
O.R. Tambo	1 364943	21
AlfredNzo	801344	12.2
Buffalo City	755200	11.5
Nelson Mandela Metro	1 152115	17.5
Total	6 562052	100

Source: Census Statistics South Africa 2011.

The municipal area of jurisdiction is characterized by high levels of poverty, unemployment, low levels of education and lack of skills (Statistics SA, 2011). In terms of section 155 (i) (C) of the Constitution of the Republic of South Africa, 1996, the Alfred Nzo District Municipality is a category C Municipality that shares boundaries with its four category B local municipalities. The Alfred Nzo District Municipality has four Local Municipalities within its jurisdiction namely: (1) Matatiele Local Municipality; (2) Mbizana Local Municipality; (3) Ntabankulu Local Municipality, and (4) Umzimvubu Local Municipality.

1.4. GENDER DISTRIBUTION

Figure 1.2: Gender Distribution



Source: Statistics South Africa: Census 2011

1.5. AGE DISTRIBUTION

At Provincial level 60.2% of the population is under the age of 35 years and considered to be youthful. Statistics South Africa census 2011 indicates that the population of Alfred Nzo District Municipality is youthful as more than 52.9% of the total population falls below the age of 35 years. Approximately 40.9% of the total population falls between 0-15 years of age which indicates that more youth is still dependent and possibly still attending schools. The situation can be attributed to possible population high growth rate and a low proportion of older people where people older than 65 years of age only constitute 6.2% of the total population.

This scenario of possible high population growth rate and youthful population requires that more efforts are directed towards education and job creation which has topped the priorities list both National and Provincial.

The potentially economically active population (16 – 65 years) constitutes 40% of the population.

The municipal planning must take cognisance of the predominantly youthful population and the Municipality acknowledges this through inclusion of the needs of children and youth issues in its programme for special groups. This approach by the municipality is in line with one of the Millennium Development Goals.

Figure1.3: Age Distribution

	≤15		15-64		65+	
	2001	2011	2001	2011	2001	2011
DC44: Alfred Nzo	44.7	40.9	49.2	52.9	6.1	6.2
EC441: Matatiele	42.3	38.4	51.0	54.6	6.8	6.9
EC442: Umzimvubu	43.7	38.3	50.1	55.0	6.2	6.7
EC443: Mbizana	47.1	44.2	47.5	50.6	5.4	5.2
EC444: Ntabankulu	45.2	41.5	48.5	52.2	6.3	6.3

Source: Statistics South Africa: Census2011

The high proportion of dependent youth in the district implies a higher burden on the economically active population. Given that a high percentage of the economically active population is not economically active this burden shifts to organs of state and places a higher burden on municipalities and government departments such as Social Development, Health etc.

1.6. RACIAL DISTRIBUTION

The population of Alfred Nzo District Municipality is predominantly African. African people constitute 99.4% of the total population while the remaining population groups made up of whites, Indians and coloured people constitute only 0.6% of the total population.

1.7. SOCIO-ECONOMIC ANALYSIS

The Alfred Nzo District is embattled by poor socio-economic conditions and low levels of development which is not an uncommon trend in the region.

Table 1.2: Local Municipalities and Key Towns in the Alfred Nzo District Municipality

Local Municipality	Towns
Umzimvubu Local Municipality	Mount Ayliff
	Mount Frere
Matatiele Local Municipality	Matatiele
	Maluti
	Cedarville
Ntabankulu Local Municipality	Ntabankulu
Mbizana Local Municipality	Bizana
TOTAL	07 Towns

1.8. EDUCATION

Table 1.3: Education

No schooling	Some Primary	Completed primary	Some high school	Matric & higher
20.7%	42.9%	7.3%	23.4%	5.8%

(Source: Urban-Econ Calculations based on Quantec, 2011).

The district has low levels of educational attainment, as shown in Table 3.3. This has implications on the present percentage of the population that is functionally literate, which is defined as:

Functional literacy is important as it determines the ability of individuals to become fully functional members of society. 20.7% of Alfred Nzo's population has no schooling, which is above the provincial average of 9.4%.

Only 5.8% of the population completed Matric or higher. This compares poorly against the rest of the Eastern Cape and is less than half of the provincial average of 16.5%. Examining it on a local level, Ntabankulu and Bizana have high levels of preponderance (both above 25.5%), which is a result of their Bantustan legacy.

Umzimvubu has highest percentage of population with Matric or higher (7%), which is a result of the presence of municipal and district offices.

1.9. POLICY CONTEXT OF THE STUDY

In the local government sphere the Constitution, 1996 (Act 108 of 1996), section 151(2) stipulates that both executive and legislative powers rest within the municipal council. This results into difficulty to clearly define the separation of powers. The Municipal Structures Act, 1998 (Act 117 of 1998) establishes committees of council in terms of sections 79 & 80 thereof, for effective and efficient performance of any of Council functions or the exercise of any of its powers.

It is also imperative to have some understanding of the accountability framework for municipalities in order to correctly understand the role of the oversight role played by councillors. As previously indicated in local government, there is no clear line of separation of powers. The legislative and executive authority is seated in the Municipal Council, of which councillors as the members are elected representatives of political parties. For example an item on the construction of regional water scheme is tabled to Council. Here, councillors are obliged to vote according to the party caucus decisions.

King (2009:5) notes that the Executive Mayor, as well as the municipal councillors are elected to represent a political party. He argues that the principle of independence to mayors does not apply as they are guided and assessed in terms of party manifestos instead of being based on sound business principles.

Practically, the Alfred Nzo District Municipality operates under the leadership of the Executive Mayor, a councillor elected by Council. On the other hand, the Council meetings are chaired by the Speaker of Council. Indirectly, the Executive Mayor accounts to the speaker as he/she is obliged to report to the Council (a body that holds the Executive Mayor accountable for the execution of the Council decisions).

It is further important to note that the oversight function of Council over the executive and administration is not an event but a process that unfolds throughout the course of the year for checks and balance. Subsequently, the effective oversight on administration would result to better performance of the municipality. Oversight occurs at various levels in the municipality and thus the Council has to establish its committees in terms of sections 33, 79 and 80 of the Municipal Structures Act, 1998.

Section 160 of the Constitution, 1996 on Internal Procedures prescribes that municipal council may make by-laws about rules and order to regulate internal arrangements, business proceedings and its committees.

Therefore, the roles and responsibilities of Council should always be carried with a clear distinction between oversight and interference in administration, as defined in the Municipal Finance Management Act (MFMA) sections 52 (b) and 103 respectively as well as in the Code of Conduct for Councillors, which is defined in Schedule 1 of the Municipal Systems Act, No. 32 of 2000.

Given the complexity of the oversight responsibility to be played by the Council in the area such as good governance, which includes oversight, accountability and institutional capacity, the Municipal Council established the Municipal Public Accounts Committee (MPAC), a section 79 committee that discharges its responsibility throughout year, not to play its function at the tail-end of the year, and provides appropriate mechanism in which Council fulfill its oversight responsibilities.

The Municipal Finance Management Act (MFMA) Circular 32 of 15 March 2006 provides guidance on the oversight process that the council must follow when considering the annual report and producing an Oversight Report.

The reformed programme, including the development of new Annual Reports, has progressed over the past few years and certain challenges experienced in the municipality are now being addressed by the existence of MPAC, a committee formed in terms of section 79 of the Municipal Structures Act.

The Municipal Finance Management Act Circular 32 addresses the institutional, functional, composition, membership, administrative support, authority, work plan programme, meeting arrangements and reporting of the Municipal Public Accounts Committee (MPAC).

The Municipal Public Accounts Committee is a new model of oversight function played by Council over the executive, and it provides an appropriate mechanism in which the Council could fulfill its oversight responsibilities. It helps the Council to deal with challenges relating to the need of continuous improvement in service delivery and promotion of accountability and transparent governance arrangements. This also helps to increase Council and public awareness on the financial and performance related matters of the municipality and its entities, including policy operation and implementation of local government legislation.

King (2010:7) asserts that the establishment of Municipal Public Accounts Committees (similar to the Standing Committee on Public Accounts (SCOPA) in Parliament) will complement the functions of the Municipal Audit Committees.

He cautioned that municipalities should further apply the principle of good governance, which dictates that audit committees should satisfy itself of the expertise, resources and experience of the municipality's finance function.

The Audit Committee is an independent advisory body that advises Council, political office-bearers, the accounting officer and the management of the municipality, and the management staff of the municipality entity on matters related to internal control, internal audits, risk management accounting policies and adequacy reliability and accuracy of financial reporting and information, performance compliance with the MFMA and the Division of Revenue Act. The Finance Portfolio Committee deals with financial management issues such as budgetary, revenue and expenditure management and supply chain management.

The MPAC undertakes and manages similar functions and responsibilities for the municipality, as undertaken by SCOPA in the national and provincial legislatures, except for certain powers regarding subpoena of individuals.

In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality or municipal entity, the MPAC has the right to call upon the Accounting Officer of the municipality or the chairperson of the municipal entity's board of directors to appear before it and provide information or clarity. The MPAC is allowed to engage directly with the public and consider public comments and is entitled to request for documents or evidence from the Accounting Officer of the municipality or municipal entity.

There are examples of best practices of the new model of oversight in evidence throughout the system.

However, for the councillors to strive and remain at the cutting edge in playing their oversight responsibility, an in-depth assessment of the effective oversight practices in most of these municipal structures and council committees is required. It must be noted that the council structures include fulltime political office-bearers such as the speaker, executive mayor, members of the mayoral committee and other committees, which are constituted by councillors. These structures are assigned the constitutional mandate to provide leadership and strategic direction within the municipality.

The study would certainly reveal that there are limitations and challenges impeding the successful realization of effective oversight role played by councillors in service delivery with the aim to achieve the ultimate goal of good governance at Alfred Nzo District Municipality. It is these challenges and limitations that motivate this research and the details are set out in the research problem statement.

1.10. THE RESEARCH PROBLEM STATEMENT

The research focus is to assess the oversight roles played by councillors, as public representatives in service delivery at Alfred Nzo District Municipality (ANDM). The study examines the effectiveness of the oversight role played by political structures of the municipal council in service delivery.

The Alfred Nzo District Municipality, as a public institution, is faced with a number of challenges. One of those challenges is related to clean audit and effective leadership with sound internal controls. Nonetheless, government structures in Alfred Nzo District Municipality are operational, this refers to political structures that are given a responsibility to play political oversight over the administration, but the quality and their effectiveness are sometimes questionable due the number of financial years wherein the municipality has continued to receive disclaimer audit opinions from the Auditor-General (SA).

Despite the endeavours made by the government to enhance oversight function through establishment of Oversight Committees (section 129 of the MFMA), it became apparent clear that the oversight is the responsibility of all municipal council structures.

This research explores the extent to which the best practices of oversight can impact on service delivery and achieving the set goals as enclosed in the Integrated Development Plan (IDP) of the Alfred Nzo District Municipality. The Alfred Nzo District Municipality is a “municipality” established in terms of the Municipal Systems Act, No. 32 of 2000. The Systems Act defines a ‘municipality’ as a public institution comprising of its political structures (leadership structures), its administration and community of the municipality. The community participation is the integral part to the functioning of local governance. The political structures include the municipal council, executive structures (executive committee and executive mayor) and committees of council. Councillors are representatives of their constituents and their immediate needs. They are also expected to discharge a responsibility of taking decisions that must address the past imbalances in the society and ensure citizenry access to services and opportunities.

The role of councillors in the municipality, include (1) maximizing social development and economic growth; (2) Integrating and coordinating development; (3) democratizing development, empowering and redistributing; (4) leading and learning; (5) oversight; and (6) appointment of senior management. It is crucial to note that councillors have a responsibility to provide strategic direction by introducing basic accounting and internal controls or procedures. They are required to employ staff in accounting and financial positions with required level of skills, competence and experience.

Councillors have to enforce compliance with all legislation. This culminates to cause the administration to account by calling for information and reports. The call for submission of information and reports is a regular practice with a view to supervise implementation of financial management and improvement plan. This deduced that councillors are responsible for 'good governance' and accountable to local government with ultimate goal to improve the provision of service delivery.

In Alfred Nzo District Municipality, the audit report of the Auditor-General (SA) in the three financial years between 2008-2011 revealed the weakness of the systems of the municipal council such as internal controls and inadequate leadership. These audit findings had been highlighted as the basis for irregular, fruitless and wasteful expenditures that resulted to a series of adverse or disclaimer audit opinions (Auditor-General's Reports 2008-2011).

With regard to the adverse or disclaimer audit opinions frequently received by the Alfred Nzo District Municipal, the Auditor-General SA had indicated that the transgressors of maladministration and officials alleged of corrupt practices are escaping without being subjected to any punitive action including the rule of law.

Therefore, it is paramount to examine the role played by councillors (municipal leadership) over administration for purposes of accountability and to improve the general performance of the municipality. The study analyses the roles played by councillors in local government and also proposes the best practices and/or mechanisms of oversight within the institutions. The main aim is to ascertain the shortcomings and make recommendations that will be presented to the Speaker, who is the chairperson of the municipal council. Furthermore, this will ensure that sound oversight practices are in place to improve good governance and mitigate the possibility of disillusion and inevitable protests over service delivery by the communities of Alfred Nzo District Municipality.

Councillors provide strategic leadership in the municipality by creating an environment favourable to good financial management and service delivery.

The oversight role played by councillors is a continuous monitoring undertaken by checking whether the spending is on track and in line with strategic plan priorities. Again, councillors are expected to monitor action plans that are developed to address audit findings lifted by Auditor-General in the annual financial statements and also have to improve financial management and accountability within the municipality.

1.11. RESEARCH OBJECTIVES

The research objectives of this research will be classified as primary and secondary research objectives as outlined in sub-sections below:

1.11.1 Primary Research Objective

The primary research objective for the study is to examine and analyze the effectiveness of oversight role played by councillors to improve service delivery.

1.11.2. Secondary Research Objectives

The study has the following secondary objectives:

- To evaluate the factors that make effectiveness of leadership structures for oversight and accountability in the Alfred Nzo District Municipality;
- To assess the effect of internal controls which are used to improve the performance of the Alfred Nzo District Municipality; and
- To make recommendations to the municipal council for suitable practices of oversight and models.

1.12. RESEARCH QUESTIONS

The research questions are aimed to achieve the above stated primary and secondary research objectives of the study. The study will be guided by the following research questions:

- How effective is the oversight role played by councillors as political leadership of Alfred District Municipality?
- How effective are the internal controls as measures for the attainment of strategic long term goals and objectives of Alfred Nzo District Municipality?

1.13. DELIMITATION OF THE STUDY

While this study was based on the assessment of effective oversight role played by councillors on service delivery in the Alfred Nzo District Municipality, only the population of 20 participants that were randomly selected, including both Party Representatives (PR) councillors, local communities (who are being served by the district municipal council) and members of the Mayoral Committee (MMCs). The effect was that 10 participants from Local Reps were interviewed and 10 participants were randomly selected from PR and Members of the Mayoral Committee.

Nevertheless, in terms of generalization, the findings can be generalized on the nature oversight and good governance as an ultimate end results, not only in the Alfred Nzo District Municipality, also throughout the South African sphere of local government. This implies that in terms of determining the improvement strategies that must be put in place, the political structures of the municipal council that are assisting the municipal council to perform its oversight function consider approaching the design application of improving strategies along the recommendations outlined at the end of this research report.

1.14. SIGNIFICANCE OF THE STUDY

This study is important on the basis that it will provide the Alfred Nzo District Municipality with the opportunity to evaluate the importance of oversight with the aim to enhance good governance and ultimately improve the general performance of the municipality.

Such an assessment will enable the Alfred Nzo District Municipality to examine the extent to which the current approach to oversight performance has resulted into improving organizational performance to achieve the set out goals.

The review of the approach to oversight by the structures of the municipal council will also enable the Alfred Nzo District Municipality to identify factors that are impeding the achievement of clean audit and overall performance in service delivery. This study will also present appropriate remedial proposals and improvement strategies that are to be suggested. The adoption of such remedial solutions will assist to improve the expected results, not only to improve oversight, but also to enhance good governance and service delivery. This study is also important due to the fact that there are limited studies on oversight role played by councillors as members of the municipal council in South Africa. Councillors are expected to fulfill their political mandate as the public representatives and strive to improve the living conditions and well-being of the citizens within the municipal area of jurisdiction.

Therefore, the study will assess the effective accountability of councillors to the public. The effective accountability directly impacts to effective oversight role played by the municipal council to improve service delivery and achieve long term goals at Alfred Nzo District Municipality.

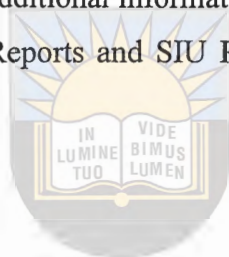
This study, through its recommendations, will provide additional theories onto existing literature and theories on oversight role played by councillors over the administration with the objective to improve the service delivery.

1.15. LIMITATIONS OF THE STUDY

Firstly, the information might not be sufficient without extending the study to the local municipalities.

Secondly, the public perception about the performance of the district municipality would be better understood if the research was extended to the members of local communities served by the district municipality. Thirdly, the information presented by participants was based upon their subjective perceptions and as a result councillors might not be, willing to do critical introspection. The researcher has assured the participants about confidentiality of their information, but it is possibility that they might have either over or under-report their understanding of the municipality's performance.

Fourthly, the findings of the research could not be affected by these limitations. These limitations were managed by means of additional information from secondary sources such as the annual reports, Auditor-General's Reports and SIU Reports. Therefore, the findings of this study are valid.



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1.16. CHAPTER STRUCTURE

The researcher will undertake the study and present it into (5) five chapters in the following manner:

Chapter 1: Introduction and Motivation of the Study: This chapter provides an introduction and context of the study as well as laying out the purpose of the research and methodology.

It examines the overview of the study in the context of policies, legislations and state and effects of oversight, accountability and good governance on the performance of service delivery in modern South African local government.

It is noted in the research problem statement that oversight is the responsibility of all municipal council structures.

Therefore, this chapter will examine the roles played by various municipal structures [committees and political office-bearers], including sections 79 and 80, executive mayor, members of the mayoral committee, speaker and the municipal manager (as the political appointee to head administration).

Chapter 2: Literature Review and Theoretical Framework: This chapter focuses on the review of the literature which involved scoping key issues including service delivery challenges and the role of elected public representatives in service delivery at local government level in South Africa.

The literature review also identifies some best practices on the role of political leadership at the level of local government in various countries and city councils around the world.

This chapter provides an evaluation of relevant literatures and theories. The evaluation of these literatures and theories is accomplished according to sections that are aligned to the research objectives and questions. In the first instance, the chapter examines the notion of governance, oversight and accountability and it was construed that governance is perceived as the application of a set of responsibilities and practices, policies and procedures that are used by the executives to enhance the effective management of the organization's activities and its people. The chapter also notes that through the accomplishment of these objectives, councillors are able to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.

Later discussions in the chapter centered around; factors determining the effectiveness oversight for good governance, the effects of effective oversight on the general performance of the municipality, and strategies for improving service delivery.

Chapter 3: Research Design and Methodology: The research design, methods and techniques which were used in the primary study are described in this chapter. Considering that the main objective of this study is to assess the councillors' oversight roles in service delivery at Alfred Nzo District Municipality. It is revealed in this chapter that it is perceived that using qualitative research techniques would enable in-depth sufficient information to be obtained. Prompting sufficiently in-depth information was perceived to render it possible for determining whether such main objective of the study has been fulfilled.

Basing on such a conclusion, the later sections in the chapter examined; research design, target population and sampling, data collection method, data analysis, validity and reliability and ethical considerations.

Chapter 4: Findings, Interpretation and Discussions: This chapter presents the case study findings, interpretations and discussions of the interviews conducted for data collection. The process is structured around sections derived from research objectives and questions, and sections that are replicated from the research instrument. The study is mainly qualitative research and the report will be presented as the written documented report.

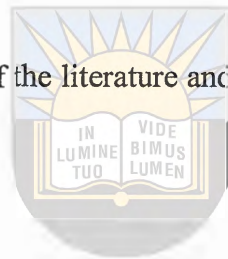
The discussions of the findings were accomplished in reference to findings in the secondary research in order to determine whether all the issues that are raised in the research objectives and questions are effectively fulfilled.

Chapter 5: Conclusions and Recommendations: This chapter draws general conclusions derived from the findings of the municipal case study and suggests recommendations based on the lessons learnt from the case study.

1.16. CONCLUSION

Conclusively, it has been notable from the above discussions that this chapter examines the overview of the study in the context of policies, legislations and effects of oversight for good governance on the performance of the municipality. It has been noted in the research problem statement that despite some successes, particular challenges are being confronted by the municipal council in the Alfred Nzo District Municipality that relate to lack of internal controls and inadequate leadership. Subsequently, the chapter examined the research objectives, research questions, significance of the study and overview and chapter organization.

The next chapter provides an analysis of the literature and theories which are relevant to this study.



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CHAPTER 2

LITERATURE REVIEW

2.1. INTRODUCTION

This chapter provides the review of relevant literature and theories. The evaluation of the literature and theories is accomplished according to sections that are aligned to the research objectives and questions. In the first example, the chapter examined the notion of oversight. It was construed that oversight is perceived as the monitoring and supervision of municipal governance performance involving the overseeing of the implementation of various projects undertaken by the municipality, staff performance [through Performance Management System], delivery of services based to the identified project priorities in the IDP as well as accountability and provision of strategic leadership on identified problems and opportunities for socio-economic development.

This chapter also notes that through the accomplishment of these objectives, councillors are able to provide strategic direction, manage risks and the use of resources responsible and with accountability in order to ensure that prescribed objectives are achieved. Later discussions in the chapter centered around; factors such as determining effectiveness of oversight, accountability and effect of good governance in the municipality and strategies for improving oversight in the Alfred Nzo District Municipality. In terms of factors influencing effective oversight, the chapter looks at concepts like Oversight, Good Governance and IDP and it further examines core pillars of effective oversight that include; role players, accountability, participation, freedom of information and transparency. In addition to these pillars of oversight; the following five principles of local government will be examined: policy context in the transitional stages in local government, oversight role of councillors in the South African system of local government, local government turn-around strategy, intergovernmental relations, and models for separation of powers for municipalities.

2.2. THE CONCEPT OF “OVERSIGHT” IN LOCAL GOVERNMENT

Oversight is a concept that refers primarily to the crucial roles of legislatures (councils) in reviewing and monitoring the actions of the executive organs of government (2009:113-114). Gleim, I.N. (2009:115), describes oversight as a practice used to identify, assess, manage, and control potential events or situations with the aim to provide reasonable assurance regarding the achievement of the organization’s objectives.

The executive in carrying out its tasks, whether by implementing legislation or policy, acquires considerable power (the ability to influence or determine a person’s conduct). A condition of the exercise of that power in a constitutional democracy is that the administration or executive is checked by being held accountable to an organ, which is distinct from it (the legislature). This notion is inherent in the concept of separation of powers (separation of powers will be discussed in details in this chapter), which simultaneously provides for checks and balance on the exercise of executive power, making the executive more accountable to an elected legislature.

Within the context of this study, it refers to oversight of the municipality by council structures (council, Mayoral Committee, Executive Mayor, section 79 and 80 committees), and thereafter referred as ‘executive oversight’ (SALGA Practical Guide-Enhancing Oversight in the Municipality (2011:7).

By simple definition, Oxford Advanced Learner’s Dictionary defines the word “oversight” as the state of being in charge of somebody or something. For instance, the finance committee has oversight of finance and general policy.

In the context of local government, section 160 of the Constitution of the Republic of South Africa allows a municipality to structure its internal operations including the kind of mandate/area of responsibility it assigns to political structures (council and its committees), political office-bearers (mayor and executive councillors) and the municipal manager. This right is coupled with an obligation as contained in terms of section 53 of the Local Government: Municipal Systems Act. The Act instructs its municipality to define the roles and areas of responsibility of political structures and political office-bearers.

Terms of reference must be prepared for: the municipal council; the executive committee; mayor, section 79 and 80 committees, speaker and the municipal manager. These terms of reference include delegation and line of accountability and reporting. It must be noted that the individual delegations also create a reporting duty on decisions taken in terms of delegated powers, and the oversight by each structure comes in.

Jackson and Stent (2007:4/10) label oversight as a process entails the planning, arranging and controlling of activities and resources to maintain the pressures faced by the company at an acceptable level. Mechanisms that are used to manage oversight include:

- implementation of internal controls, financial and otherwise, over the various operations of the business.
- the use of forward planning, flexibility, innovation and making timeous use of relevant skills to address those threats which cannot be directly managed through conventional internal control.

Gleim, I.N. (2009:115), describes oversight as a practice used to identify, assess, manage, and control potential events or situations with the aim to provide reasonable assurance regarding the achievement of the organization's objectives.

The White Paper on Local Government, section G 1.2., reads with section 216 of the Constitution, 1996 sets out the financial controls for municipalities for purposes of effective oversight (White Paper, 1998). The White Paper imposes responsibilities and penalties to municipal managers (accounting officers) and to their political heads (mayors).

The financial governance is marked by many important things, not least of which is a higher expectation by the public of fair delivery of services. The effective community consultation and greater levels of transparency and accountability are all the key elements of oversight (PFSA, 2006).

Section 23 of the Municipal Systems Act, 2000 (Act No 32 of 2000) mandates the municipality to undertake developmentally orientated planning so as to ensure it- (a) strives to achieve the objects of local government set out in section 152 of the Constitution. In terms of section 36 of the Act a municipality is required to give effect to its integrated development plan (IDP). Here, the municipality is expected to adopt an open and transparent approach for purposes of accountability by conducting its affairs in a manner which is consistent with its IDP.

According to Carrim (2011) accountability, in the context of effective oversight, deals with how an organization assesses whether it is performing effectively, efficiently and ethically in the best interests of all stakeholders, and in accordance with the applicable legislation and regulations. Moreover, strategies need to be developed to improve local governance.

2.3. LOCAL GOVERNMENT TURN-AROUND STRATEGY

The White Paper on Local Government, 1996, serves as a critical input into the legislation of making process by outlining the role, responsibilities and functions of local government. The White Paper 'situates local government within the South African system of government' and argues that a cohesive and seamless government is needed for effective delivery of services.

The paper introduced the concept of a two-tier system within local government comprising of districts and local municipalities. District municipalities were initially formed to deal with those types of challenges faced by local municipalities in discharging their developmental mandate.

As a result of this policy imperative, the role of district municipalities has evolved into that of a provider of bulk services in order to harness economies of scale as well as coordinate planning of economics of scale in service delivery.

Section 84 of the Municipal Structures Act, 1998, conferred on district municipalities the major functions of integrated planning, delivery of bulk services (water, electricity, sewerage and waste disposal) as well as municipal roads and the regulation of passenger transport services. Other ancillary powers conferred onto the district municipality included the provision of airports, health, firefighting, fresh produce markets, tourism promotion and municipal public works.

Whilst, the role of district municipalities envisaged by the White Paper on Local Government is clear, the experiment in the implementing a two-tiered system of government has had limited success. Currently, the research shows that the adjustment of powers between the district and local municipalities has led to uncertainty and duplication of functional responsibilities. Moreover, it is evident that district municipalities play more prominent role on non-urban (rural) areas where they are directly involved in delivery service.

This situation generally arises where weaker local municipalities are unable to discharge the service obligations and hence these functions are centralized through the district. In these instances, it has been seen imperative that district municipalities can deliver basic services (primarily water and sanitation) in an efficient and cost effective manner, as the measure to turn around the situation on service delivery.

Ijoema (2003: 116) opines that over the years in the modern local government system, South Africa has experienced an increase in service delivery protests which have been marred by violence. The situation demanded an urgent response as the municipalities are at the coalface of service delivery.

He posits that in response to flaring tension, government, through the Ministry of Cooperative Governance and Traditional Affairs (CoGTA), among others, commissioned a study on the state of local government. Subsequently, a draft strategy was unveiled and approved by Cabinet in December 2009. In 2010 the Local Government Turn-Around Strategy (LGTS) was introduced following on the 5-year strategic agenda. The main aim of the local government turn-around strategy was to counteract the forces that were regarded as undermining factors of the system of local government. It was also created as a country-wide programme intended to mobilize all government and society to embark on a concentrated effort to deal with the factors undermining local government and restore good performance of municipalities in the country (CoGTA, November 2009).

Ijeoma (2013: 117) lists these factors which among others include : (1) systematic factors that could be linked to the system of local government; (2) policy and legislative factors; (3) political factors; (3) weaknesses in the accountability systems; (4) capacity and skills constraints; (5) weak intergovernmental support and oversight; and (6) matters associated with the intergovernmental fiscal system.

The objectives of the LGTS were identified as the key drivers aimed to rebuild and improve the basic requirements for a functional, responsive, effective, efficient, accountable and developmental local government.

The notable goals of the LGTS include, but not limited, to improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management. The strategy also aimed to deepen democracy through refined Ward Committee model and as well as uprooting fraud, corruption, nepotism and all forms of maladministration affecting local government.

The LGTS sets *Vision 2014* and identified critical interventions in order to realize this vision. The intervention include, better planning and oversight over local government service delivery.

As part of intervention, national and provincial governments have to address constitutional and legislative weaknesses in municipal governance.

A typical example of this intervention includes is the amendment of the Municipal Systems Act, 2000, by incorporating section 56A on “limitation of political rights of municipal managers and managers directly accountable to the municipal manager” and section 57A of the Act on employment of dismissed staff and records of disciplinary proceedings. The former amendment address appointment of managers based to their political influence and the latter deals with the issue of continues appointment of managers who have been dismissed based to corruption related charges and this section allows the Minister of CoGTA to prescribe different periods of expiry before the dismissed person is employed in any municipality.

As part of intervention to improve performance of municipalities, the LGTS sets a need for professionalization and administrative stabilization.

In response to this intervention, the Minister of CoGTA issued Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers in the Government Gazette No. 37245, dated 17 January 2014. These regulations set norms and standards for appointment of senior managers including possession of relevant competencies, qualifications, work experience and knowledge for the job. The Consolidated Municipal Audit Outcomes of 2011-2012 pointed to the lack of professionalization in the local government sector. These audit outcomes affirm the nature and magnitude of the problems identified in the State of Local Government Report of 2009, published by COGTA.

The identified lack of professionalism in the audit outcomes has taken variety of forms and these include: (1) low human resources and financial capacity, (2) poor skills development programmes, (3) high turnover and vacancy rates, (4) ineffective leadership and institutional management, and (5) weak intergovernmental support and oversight.

The Constitution, 1996 envisages particular important role for local government as the sphere closest to the people in terms of providing basic service delivery needs of the communities. Therefore, a system of cooperative government is required to give effect the Constitution.

Van Niekerk (2012:55) denotes that since the end of 2002 all municipalities have consolidated their Integrated Development Plans (IDP) and budgets with the priorities of the Local Government Turnaround Strategy (LGTAS). This implies that all municipalities must incorporate their own tailor-made Municipal Turnaround Strategies (MTAS) into their Integrated Development Plans (IDP). In turn, they must incorporate the turnaround strategies into their budgeting, monitoring and evaluation and reporting processes. The aforementioned Local Government Turnaround Strategy (LGTAS) and IDP are the significant steps towards institutional transformation within the sphere of local government.

According to Van Niekerk (2012: 57-58) municipalities are required to develop credible Integrated Development Plans (IDP) that are in line with the Local Government Turnaround Strategy, which directs that municipalities encourage public participation in various stages of development by setting up Integrated Development Plan Representative Forums (IDP Rep Forums). This will help to facilitate community consultation and responsibilities of role players in the planning processes.

The study found that the Alfred Nzo District Municipality has incorporated the Local Government Turnaround Strategy in the municipality's Integrated Development Plan (IDP) Review of 2010-2011. Nevertheless, more work needs to be done by councillors to ensure that the medium-term priorities of the municipality are effectively implemented to promote good governance and effective service delivery of Alfred Nzo District Municipality. The study found that the Alfred Nzo District Municipality does not have a well-planned and well-structured public participation strategy in order to promote effective community engagement. The situation has been aggravated by the inadequate delegation of functions through the approved Delegation Framework for political office-bearers. It remains the responsibility of the three strategic offices to ensure that the municipality involves communities in its programmes. This includes strengthening relations with its local municipalities' counterparts through intergovernmental relations (IGR). The following sections will examine the IDP as a plan for planning, budgeting and implementation of community priorities and a measure to respond to the Local Government Turn-Around Strategy.

2.4. THE CONCEPT OF "INTEGRATED DEVELOPMENT PLAN" IN THE MODERN LOCAL GOVERNMENT

The Constitution, 1996 commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, health care, education, food, water and social security.

In terms of section B.1. of White Paper on Local Government (1998) the local government is best placed to implement development and as such termed as "developmental local government". The developmental local government has four interrelated characteristics, namely; (1) maximizing social development and economic growth, (2) integrating and coordinating, (3) democratizing development, and (4) leading and learning.

The White Paper on Local Government states that 'developmental local government must provide a vision and leadership and ensure that all efforts work together for common goals'.

Thus, integrated development planning (IDP) is the most important method for achieving greater co-ordination and integration at municipal level.

The IDP provides powerful tool for the municipality to facilitate integrated and coordinated service delivery within the local community.

The councillors play a central role in promoting local democracy by involving citizens and community groups in the design and development of the integrated development plan.

According to MFMA in Chapter 5, the municipal councillors are required to prepare a three-year capital and operational budget that is linked to the municipality's developmental priorities as set out in the IDP, as well those envisaged in the NDP, which have financial implications-such as the free basic services.

Therefore, the municipal councillors have a critical role to play in the process of IDP development that include, but not limited: (1) summarizing outcomes of consultation process; (2) aligning IDP with national, provincial and district priorities; (3) determining political priorities and linkages to the IDP; (4) determining free and subsidized basic services; (5) adopting and amending IDP, budget and budget related policies; and (6) discussing levels of rates, service charges and other fees.

It must be noted that prior 1994 local government in South Africa was mainly concerned with provision of services and enforcement of regulations. At that time, local government was characterized by lack of coordinated development, particularly in townships and remote rural areas. Recently, local government has adopted a comprehensive planning for development. Currently, the planning process adopted by municipalities is known as "integrated development planning", a vital tool for planning and development (IDP) (White Paper, 1998). The White Paper (2001) defines the IDP as "participatory approach to integrate economic, sectoral, spatial, social, institutional, environmental and fiscal strategies in order to support the optimal allocation of scarce resources between geographic areas and across the population to provide growth, equity and the empowerment of the poor and the marginalized".

Like all other municipalities in the country, the Alfred Nzo District Municipality is required to implement IDP to ensure that the available resources are optimally utilized towards the promotion of sustainable economic and social development, particularly focusing on viable service delivery.

It is deducted that the value of the IDP in Alfred Nzo District Municipality has not yet been realized, the evidence is contained in the findings of this study. The findings indicate huge backlog on essential services such as water and sanitation.

This indicates continuous socio-economic inequalities within the municipality. It therefore, suggested that the political leadership (councillors) of Alfred Nzo District Municipality has to deal with the daunting task ahead and ensure that all citizens in the municipal area enjoy and have access to basic services. They have to play a leading role to fight the scourge of poverty and inherited social inequalities by implementing an effective and credible IDP. In essence, the credible IDP will result to implementation of priority projects and economic use of available resources. The ultimate goal will be the achievement of predetermined IDP objectives with clean audit on annual financial statements and good governance.

2.5. THE CONCEPT OF 'GOOD GOVERNANCE'

Good Governance is concerned about how public institutions conduct the public affairs and manage public resources. It is an ideal that compares ineffective systems with viable systems. King III (2009:11) defines the term 'good governance' as the concept that refers to the effective leadership characterized by ethical values of responsibility, accountability, fairness and transparency. Furthermore, section 195 of the Constitution, 1996 of the Republic of South Africa ensures that the management of public institutions actively promotes a culture of ethical conduct. Section 195(1) of the Constitution provides that "public administration must be governed by the democratic values and principles as enshrined in the Constitution". In Chapter 7, section 152 of the Constitution, 1996, defines the objects of local government as follows: (1) to provide democratic and accountable government for local communities; (2) to ensure the provision of services to the communities in a sustainable manner; (3) to promote social and economic development, to promote a safety and healthy environment; and (4) to encourage the involvement of communities and community organizations in the matters of local government.

The glaring question for councillors and officials in municipal administration remains; how does one balance effective service delivery, political loyalty and the need for a governing political party to remain in power.

Section 153 of the Constitution defines "developmental duties" of local government.

Section 153(a) of the Constitution, states "a municipality must structure its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community".

In essence, local government objectives are about the provision of service delivery to the communities. The intention is to enable social and economic growth to improve the social wellbeing and uplift the living conditions of the communities.

The Municipal Systems Act, 32 of 2000 directs that the local government should establish a simple framework for core processes of planning, performance management, resource management and organizational change. Section 154 of the Constitution obliges national and provincial government to partake in cooperate government. Both spheres of government are required to support and strengthen the capacity of municipalities in order for them to manage their own affairs, to exercise their powers and to perform their functions.

The above mentioned legislation clearly places the onus of service delivery on municipalities. The municipalities through their leadership (councillors) are responsible for the promotion of the social and economic development of the communities. The role of councillors and the responsibility placed upon them, as leadership of local government, necessitates ethical values of responsibility such as accountability, fairness and transparency as underpinning good governance principles.

According to King III (2009: 2) municipalities have to conduct their businesses and report annually in an integrated manner. The reporting should state how the organization impacted on the economic life of the community.

The reporting should also state how the organization intends to enhance positive aspects and improve negative aspects. King III directs municipalities to develop a delegation framework that addresses the role of ethics and audit committees, risk management, stakeholder relations and corporate citizenship. Moreover, for improved good governance, local government officials and councillors have to prioritize local government legislation as it addresses several governance principles. Councillors as custodian of good governance in council should take active role in strategic planning and performance assessment of the municipality. McGrath (2011:72) proposes fundamental values of democracy and good governance to include; separation of powers, freedom of expression, responsibility, legitimacy government, accountability, transparency and limiting corruption.

In the case of Alfred Nzo District Municipality, good governance would be realized wherein councillors play a central role in service delivery by ensuring that the municipal administration undertakes its actions in a responsible manner to meet the public needs as oppose to the individual needs.

Therefore, the lack of clear separation of functions in the form of delegation framework for the three strategic offices of the mayor speaker and council whip defeats the good intention of good governance.

This challenge is espoused with poor public participation. For good governance to be accomplished in Alfred Nzo District Municipality, the speaker should be responsible for public participation and cause the Executive Mayor to account to the public on the implementation of the integrated development plan (IDP). In implementing the anchor priorities, the Alfred Nzo District Municipality's supply chain processes should be transparent and abide to the rule of law by complying with legislation of local government. Thus, the municipality will earn legitimacy to the public through deepening participatory democracy citizens in the affairs of local government.

2.6. PARTICIPATION

Smith (2007:240) refers to the extent to which the stakeholders and other members of the community are provided with equal access to the local government affairs irrespective of planning, implementation and monitoring of projects. In order to achieve this, Smith (2007:240) argues that a proper electoral and democratic system must be used for determining the relevant representation of social sectors and/or interests groups to local authorities.

Through these, he interprets that the capacity of local authorities can be strengthened, and the municipal council can gain the necessary public support that it requires to exist.

However, Ncube (2005:190) argues that public participation of all the stakeholders can only be effective if there is a high level of literacy in the community and if countervailing power has been fostered among weaker sections of society. Ncube (2005:190) points out that relationships of dependency, economic isolation, client list and populist modes of political incorporation, competition between the rural and urban poor and the tyranny of work may limit the effective community participation and limit realization of effective governance of the local authorities.

King (2009:12) argues that governance in municipalities has not so far not been as effective as envisaged in the legislation. Awareness and advantages of good governance in municipal councils should be promoted and both officials and political office-bearers should be held accountable. They have to account for the way community's tax money is spent or utilized and ensure this is done expressly to deliver services to which the community has a constitutional right.

King (2009:14) opines that the elected and appointed officials should work with citizens and groups within the community and abide to basic financial principles include sustainability of financial resources, transparency, good governance as well as accountability.

2.7. ACCOUNTABILITY

Kirillo (2005:12) states that the achievement of the desired strategic objectives and goals of the municipal councils can only be achieved if there is accountability of local authorities and leadership to the governed communities. His argument is based on the fact that the high levels of accountability among the local authorities and leadership enhances the extent to which the institution is able to effectively implement policies and programmes.

These policies and programmes are essential for realization of local government strategic objectives that are centered in service delivery to the communities and ultimately improve the performance of the municipalities. Kirillo (2005:12) also notes that accountability of local authorities and leadership results to minimization of resources' wastes and thus impacts on successful implementations of the organizational common law principles, development plans and policies.

Through, this, King III (2009: 2) argues that municipalities can be able to achieve the desired outcomes and performance through their leadership, which is responsible for the promotion of social and economic development of the community. He cautioned that the roles of local government leadership and responsibilities placed upon these leaders by statutes of local government necessitate ethical values of responsibility, accountability, fairness, transparency as underpinning good governance principles. However, Kirillo (2005:12) points out that the achievement of such strategic objectives will depend on the extent to which certain determinants for effective accountability are considered. As he notes, these determinants encompass; oversight, answerability and transparency and monitoring and evaluation.

Over and above local government legislation describes in detail how and when community participation should be sought from the citizens as the main stakeholders in municipalities.

This is necessary to enhance the reputation of municipalities, considering that successful basic service delivery is vitally important for political parties and councillors who strive to remain in office (King III 2009:2).

Council must all times act in a responsible manner and within its financial means, where finances do not allow the fulfillment of political promises, councillors should be held responsible for disseminating unrealistic information and thus the municipality will become transparent and a corruption free institution.

2.8. TRANSPARENCY

Smith (2007:240) posits that transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations outlined by the board of directors or councils. He added that it also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. Smith (2007:240) adds that transparency implies that enough information is provided and that it is provided in easily understandable forms and media. However, he points out that the difficulty with ensuring transparency is that only the generator of information may know about it, and may limit access to it.

Here, Smith (2007:240) argues that it may be useful to strengthen the community's right to information with a degree of legal and administrative enforceability. Nonetheless, King III (2009:11) also interprets that the effectiveness of good governance, essentially about effective leadership and municipality's performance, should be viewed within the norms and environment in which it operates-namely policy transformation for local government.

2.9. POLICY CONTEXT: KEY TRANSITIONAL STAGES IN LOCAL GOVERNMENT

This section highlights key policy changes in local government over the last decade as a background information against which to discover the challenges faced by local government, a government at 'grassroots level'. It also assess the oversight role of councillors in the general process of undertaking the objectives of local government in South Africa to ensure that communities have their needs addressed.

Local Government in South Africa has undergone three phases of transition and these are: phase one, focusing on political concerns of the amalgamation of Transitional Local Councils (TLCs) and Transitional Rural Councils (TRCs). A second phase focusing on developing a model for local government in accordance with the provisions set out in the Constitution, 1996 (Chapter 7) and the third phase focusing on those issues that concern the practicalities in the provision of services and broader development management within the Alfred Nzo District Municipality.

The Constitution, 1996 (Act 108 of 1996), section 2 provides as follows: "*this Constitution is the supreme law of the Republic; law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled*".

The *Bill of Rights* in Chapter 2 of the Constitution, 1996 contained an extensive list of rights, and provides inter alia as follows:

Section 7(1) and (2) has this to say “Bill of Rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The state must respect, protect, promote and fulfill the rights in the Bill of Rights”. Section 8 (1) says “the Bill of Rights applies to all law, and binds the legislature, the executive, the judiciary and all organs of state”.

The amalgamation of the transitional local and rural council had been driven by the Local Government Transitional Act, 1993 (Act 209 of 1993) and the Further Regulation of Local Government Act, 1996. Thakhathi (2014:13) posits that the Local Government Transitional Act, 1993 provides for transitional arrangements for local government during the period between 1994 to 2000. It was a step in the creation of new local government system in South Africa.

Importantly, Cloete (1997: 32) affirms that the Local Government Transitional Act, 1993 was the result of a long and complicated process of negotiations to obtain integration of the separate urban areas created for different groups resulted in new municipal institutions developing throughout the Republic of South Africa.

The powers and functions of the transitional regional councils (TRCs) or known as the “district councils” are listed in Schedule 2 of Act 209 of 1993. The principal functions include provision of bulk water supply, bulk sewage disposal, sanitation, purification, construction and maintenance of district roads, land-use planning and promote tourism and economic development. The transitional arrangements remained in force until the Parliament passed the legislation that gave effect to the provisions of Chapter 7 of the Constitution, 1996.

With regard to the model of developmental local government, the model was adopted in 1998. During the Parliamentary Hearings, April 1998, the author of the White Paper on Local Government when defining the concept of developmental local government says “developmental local government is a new vision, a new paradigm based on our Constitution”. The model of developmental local government is intended to deal two fundamental elements.

Concurrently, government intends to address massive poverty and to sustain the areas of the country that were previously disadvantaged with the ‘first world’ infrastructure and local institutions (municipalities). The model of developmental local government was concretized through legislation in the form of Local Government: Municipal Structures Act, 1998 and the Local Government: Municipal Systems Act, 2000.

Thakhathi (2014:13) states “the Municipal Structures Act and Municipal Systems Acts provide for permanent local government structures and progressively built local government into effective frontline development capable of integrating the activities of all spheres of government for social and economic upliftment of communities”. These acts devolve a variety of new competencies and functions to local authorities.

Gaynor et al (2010:10) speculate that in 2001 municipal entities were rationalized from 1000 284 municipalities. The aim was to promote effective local government in order to make better use of limited development resources, including finances.

However, municipalities have to conform to the provisions of the Constitution when facilitating development. Section 152 of the Constitution, 1996 lists as one of the objects of local government to ‘encourage the involvement of communities and community organizations in the matters of local government’.

A starting point, which is a statutory requirement, is the making and implementation of Integrated Development Plans (IDPs). To facilitate participative democracy as outlined in the Municipal Structures and Systems Acts, the Ward Committee system was introduced. The ward committee system, by 2004 became the main form of community participation in local government.

It became a fundamental platform of oversight over councillors as public representatives and an organized communal structure to hold councillors accountable. The major structural and policy change to local government between 1990s to 2000s placed an additional strain on this poorly-resourced local sphere of government. The service delivery problems over this period did not end. Section 154 of the Constitution obliges national and provincial government to partake in cooperative government and to strengthen and support municipalities to manage their own affairs, to exercise their powers and to perform their functions. The two spheres of government play their role to assist municipalities through legislative, institutional capacity building and other measures including oversight through Chapter 9 Institutions and effecting provisions of section 139 for interventions. The structural and policy review in local government was aimed at addressing the ongoing service delivery challenges facing local government. The purpose of the review was, among other things, to focus on assessing the existing systems participatory governance to improve the quality of community participation in decision-making at municipal level, in determining the content of Integrated Development Planning (IDP).

The outcome of this process was meant to lead to the development of a White Paper on Local Government, development of White Paper on the establishment of the Department of Cooperative Government and Traditional Affairs (CoGTA) and Turn-Around Strategy for Local Government, being implemented by CoGTA.

Sections 33, 79 and 80 of the Municipal Structures Act cement the oversight function of the municipal council, as a custodian of good governance by establishing structures that assist the municipal council which, is responsible for oversight and good governance.

Traditionally, the key role players in governance in the municipality are the councillors, municipal council committees and the municipal manager, who is also an accounting officer. The notion of this section is to prove that intergovernmental relation has change in South Africa after the promulgation of the new Constitution, 1996 and its inception of 'spheres' instead of 'levels' of government (Thakhathi 2014:38). For effective cooperative governance and to mitigate the risk of possible failure of local government, different approaches to deliver service are required, this includes measures of support intended to an able municipalities to fulfill the ideal of local government as envisaged in the Constitution, 1996 and White Paper, 1998. Then, the public should have an access to information for policy development, through consultation and continues implementation of the policy. The informed society will minimize the risk of public protests for services.

2.10 . FREEDOM OF INFORMATION

Ncube (2005:190) explains that freedom of information is essential for realizing improving accountability and good governance. He points out that freedom of information and free speech is essential for exposing corruption, the purchase of favours, unwarranted secrecy, and abuse of power and violations of human rights.

Smith (2007:240) construes that the extent to which these can impact on accountability would depend on the extent to which ordinary members can be able to force elected and appointed officials to explain and justify their actions and the use of powers entrusted to them by the electorates and statutes or policies governing local government. It also implies that the municipal council is able to provide equal opportunities of the rights to be heard to the groups in favour and against a particular programme or system. In order for this to be achievable, Smith (2007:240) states that there must be endeavours of ensuring that there are appropriate levels of cooperation within the spheres of government.

2.11. INTERGOVERNMENTAL RELATIONS

According to Thakhathi (2004:39) intergovernmental relations refer to mutual relations between government institutions. He argues that intergovernmental relations are essential because governments within a state are not only interrelated but also interdependent.

Thakhathi (2004:40) submits that the relationships between governments in a state are found on the principles governing the structures of a state and its political system.

In a federal system of government, with its constitutionally recognized sub-national governments, each with specific devolved powers and functions, more emphasis will be placed on cooperation and interaction. Here each government accepts that the other governments have a legitimate interest in the governing of their areas of jurisdiction, with a wide system of government. This contrasts with unitary systems, which subordinate subnational governments to the national governments.

This level of government will thus have an influence on relationships between governments because in the case where there is more than one level of government the phenomenon of intergovernmental relations will appear.

The relationship between the national and sub-national governments will be influenced by the fact that in a parliamentary system with more than one level of government, parliament will always remain the supreme legislative authority and all sub-national governments will remain subordinate and subject to the authority of the parliament. This constitution of a state will in this regard play an important role in stipulating and defining intergovernmental relations.

In the South Africa government context, a unitary state, the Constitution, 1996 establishes government as “national, provincial and local spheres of government that are distinct, interdependent and interrelated”. Each of these spheres is conferred functions which they are required to perform either singularly or concurrently. The Constitution uses the term “spheres” explicitly and does not refer to levels of government. Chapter Three of the Constitution, 1996 sets out the basic principles and values of cooperative government and intergovernmental relations (IGR Framework Act, 2005). This approach refers to an intergovernmental partnership in government, where all three spheres i.e. national, provincial and local spheres interact in a cooperative and coordinating manner on an equal basis.

The right of each sphere is respected in the process of participating governments aimed to serve their inhabitants in a manner that suits their particular requirements. This system of cooperative governance requires all spheres to work together for the achievement of development outcomes.

The Intergovernmental Relations Framework Act, 2005 (hereinafter IRFA) provides platforms in the form of IGR Forums as the structures vital to promote intergovernmental relations system by facilitating cooperative government through communication and consultation and joint decision making. To achieve these constitutional imperatives requires the collective efforts of all spheres of government.

The Former President Thabo Mbeki in his State of the Nation address of February 2006 stressed the importance of IGR and had this to say “integration of planning and implementation across the government spheres is...one of the prime areas of focus in our programme for next term of local government. We must in practice respect the system of cooperative governance, and within this context ensure that we empower local government to discharge its development and service delivery obligations”. The IFRA, within the principles of cooperative governance espoused by the Constitution, provides the overarching framework for “national, provincial and local governments to promote and facilitate the settlement of disputes by interacting and consolidating programmes and initiatives aimed to improve service delivery.

The Former President Thabo Mbeki further said “we will this year also finalize the proposal for the harmonization of systems, conditions of service and norms between the public service in the National, Provincial spheres on the one hand, and municipalities on the other hand”.

This statement refers to a Single Public Service an overarching legislation aimed at instituting common norms and standards for the unified public administration in all spheres of government. Thus, IGR will facilitate better government by all spheres of government in a more effective manner (national, provincial and local governments).

Local government in South Africa is characterized by a two-tier system. The Municipal Structures Act, 1998 provides a legislative framework for consolidation and rationalization of municipalities in line with the new Constitution.1996. The Act defines three different types of municipalities in South Africa; namely (1) Category A-delineated as metropolitan municipalities, (2) Category B-described as local municipalities, and Category C-demarcated as district municipalities. In terms of the Municipal Structures Act, 1998, district municipalities are entrusted with four functions. Firstly, they undertake integrated development planning for the district as a whole. Secondly, they deliver bulk water infrastructure and services to all residents within its area of jurisdiction. Thirdly, they play a critical role in building capacity within their local municipalities in order to perform their legislative functions. Finally, the district municipalities are mandated to promote equitable distribution of resources between its municipalities.

The district municipalities are expected to establish their District IGR Forums, which serve as a consultative forum for the district municipality and the local municipalities in the district. The objective of the forums is to discuss and consult each other (municipalities) on matters of mutual interest such as the provision of services in the district, coherent planning and development in the district. In compliance with section 27(5) of the IRFA the district forum is required to meet with the service providers, providing bulk infrastructure services, at least once a year.

The reason, which is potentially more useful for this interaction is to obtain progress reports on the implementation of large projects within the district (mayors and municipal managers are the main role-players of district IGR forums).

Recently, the assessment done by SALGA has shown that District IGR Forums are faced with a number of challenges. The challenges identified to weaken the functionality of the IGR include the following: lack of shared understanding of IGR and differing perceptions of intergovernmental relations between political and administrative arms. Furthermore, the issue of juniorization has been highlighted as the problem when it comes to the participation of the management of local municipalities and that of the provincial departments at district level.

Furthermore, it has been proven politically that IGR forums are faced with inadequate capacity and support. Moreover, there is no staff dedicated to follow through on resolutions agreed upon in the forums. At local municipal level the IGR decisions do not find space in the agenda of the local municipal councils. It must be noted that the agenda for the council is the prerogative of the speaker, the question of separation of powers comes in.

Significantly, the intergovernmental relations (IGR) serve as a mechanism to assist municipalities in reducing the burden of reporting to both national and provincial spheres of government. It is a central tool for service delivery for all spheres of government, a “single window” of one government, cooperating in action in order for the people to see a seamless government without being sent from pillar to post when looking for services.

For municipalities, the intergovernmental relations (IGR) are a practical mechanism in government that allows for sharing of information by all spheres of government. This also puts effect to the notion of working together that should be expressed all times. In the case of Alfred Nzo District Municipality, the intergovernmental relations (IDR) helps to address the challenge of coordination and integration of provincial and national priorities, as contained in the Provincial Growth Development Plan (PGDP) and National Development Plan (NDP), to the district municipality’s integrated development plan (IDP).

Here, the municipality is able to develop a single integrated planning, budgeting (including approved conditional grants) and reporting through the provincial reporting schedule.

The following sections will examine the model for separation of powers for effective oversight as the measure to respond to the Local Government Turn-Around Strategy and give effect to the Intergovernmental Relations within the local government system.

2.12. MODELS FOR SEPARATION OF POWER FOR MUNICIPALITIES

In South Africa, there has been much debate regarding the absence of a separation of powers at local government level.

Much of the debate is linked to the introduction of the office of the speaker in 2000. In addition, the fairly recent emergence of the office of the Council Whip has added dimension to the debate.

It could be argued that there are now three seats of political power in each municipal council: (1) the offices of the Mayor, Speaker and Council Whip.

The experience of the last decade or so has shown that the relationship between the office of the speaker and the office of the mayor has the potential to be fraught with tension if their roles and responsibilities are not clearly delineated.

Steyler and De Visser (2004) opine that “the introduction of the speaker was informed by the wish to establish a framework for municipalities to entrench mechanisms for ensuring oversight, accountability, integrity, discipline of office, and the efficient running of council meetings”.

The Constitution, 1996, does not separate legislative and executive roles at a local government level. Section 151(2) of the Constitution provides that the executive and legislative authority is vested in its municipal council. The municipal council is an executive decision maker and the Speaker presides over meetings where executive decisions are taken. According to Cloete (1997:26), the council makes decisions concerning the exercise of all powers and the performance of all the functions of the municipality, as provided in section 160(1) of the Constitution.

Cloete (1997: 27) affirms that the executive mayor/mayor remains a member of the municipal council after his or her election as the executive mayor/mayor and is entitled to participate fully in the proceedings of the municipal council.

The municipal council actively performs both legislative and executive functions. In many municipalities, the vast majority of the functions of the council are executive in nature rather than legislative or law making.

It could also be argued that the intention behind this dual role (legislative and executive) was to facilitate hands-on governance and synergy between elected representatives, the executive and administration within the municipality.

The proximity was meant to facilitate a more vibrant and responsive municipality that would ultimately result in efficient service delivery.

This system, however, demands checks and balances and role clarification in order to avoid role confusion, conflict and abuse of power.

Most aspects of the relationships among the various elements have not been legislated; the municipality must determine these. This, however, depends on the profile of the municipality. The “Oversight Model”, which is proposed by Robert J. McGrath, American Sociologist (McGrath, 2011) is sufficient in his regard. The theory is also interested on how oversight is undertaken by legislative authority (council) over the executive for checks and balances. The theory conforms to the implied powers of the Constitution, 1996 of the Republic of South Africa. In terms of the theory the oversight is made real by the existence of sound ‘delegation framework’ in a modern system of local government.

The Alfred Nzo District Municipality needs to adopt this theoretical approach of “oversight model”, by ensuring that councillors provide strategic leadership set up effective governance structures such as Municipal Public Accounts Committee (MPAC) and Audit Committee (AC). Moreover, the municipality needs to adopt a delegation framework, so that certain powers are delegated by council to the executive mayor (execution of policies) and Municipal Manager (as an Accounting Officer). The sound delegation framework will lead to good governance and improved service delivery. On the other hand, the speaker should be delegated public participation for purposes of ensuring that the executive accounts to the public. The speaker has to champion community engagement activities; this includes conducting Service Delivery Satisfactory Survey. The council whip should be responsible for constituency work. In essence, the constituency work requires that all councillors must report to their constituencies once per quarter and that they have to channel the concerns from their constituencies through the office of the council whip to find expression in the council agenda. It must be noted that the council whip remains the convener of the *Troika*, political study groups and ruling party caucuses. The following section will examine the key role-players within the structures of the municipal council for effective oversight over administration to improved services delivery.

2.13. ROLE PLAYERS OF OVERSIGHT

The Local Government: Municipal Finance Management Act, 2003, (MFMA) requires a certain level of oversight by the municipal council over the executive authority. The Alfred Nzo District Municipality is an “executive mayoral” type of municipality with the Executive Mayor and Mayoral Committee and the executive authority is delegated to the Executive Mayor. According to the Municipal Finance Management Act (2003) the municipal council is required to play oversight over on functional areas of the executive, which include, but not limited; consideration of the annual report, which includes the annual financial statements, the service delivery and budget implementation plan (SDBIP), and performance of the municipal manager and other section 57 employees. Under the Municipal Finance Management Act (MFMA), councillors’ policy making and oversight functions include: (1) setting the strategic direction for municipal activities; (2) setting policy to guide the municipality; (3) setting strategic objectives and priorities and (4) monitoring the implementation of policies and priorities (PFSA, 2006: 42).

The MFMA provides procedures and sets out the responsibilities of different role-players to make the separation of powers more clearly for anybody.

The following structures/ offices are to be put in place to exercise oversight and manage the finances of the municipality:

- (1. Council: In terms of section 4(2)(b) of the Municipal Systems Act, 2000 a Municipal Council has the duty to provide without favour or prejudice, democratic and accountable government. Generally, the Council which consists of elected councillors, is responsible for overseeing the financial affairs of Council. It sets strategic direction and goals through IDP and undertakes annual review and assessment of past performance outcomes (Municipal Systems Act, 2000). As an oversight function, the Council approves and adopts IDP and annual budgets, and monitors and evaluates the implementation of budgets and policies by Municipal Administration.
- (2. Executive Mayor: The Executive Mayor provides political leadership over the fiscal and financial affairs of the municipality. He/she oversees and monitors the budget process and the performance of the Municipal Manager and Chief Financial Officer in line with the MFMA Chapter 7 and section 52 specifically and tables draft budget and budget related policies to Council for approval. In terms of section 72 of the MFMA, 2003, the Executive Mayor oversees the submission of a mid-year budget and performance assessment report and facilitates the approval of the annual budget. He/she oversees compliance of the Municipal Manager and other officials’

performance contracts with the MFMA. The Executive Mayor approves a Service Delivery and Budget Implementation Plan (SDBIP). The Executive Mayor sets service delivery targets and outcomes linked to performance contracts for senior management.

- (3. Oversight Committee: The Oversight Committee is established in terms of section 79 of the Municipal Structures Act to put effect to the effect to the requirements in line with section 129 of the MFMA; to assist the municipal council to consider the municipality's annual report; and produce and oversight report. The functions of the oversight committee are aimed at holding the municipal executive and Administration accountable for their implementation of policies and budget. The committee, made up of councillors, provides oversight and supports to the Council in financial management (MFMA Circular No. 32, 2006). The committee focuses on municipal accounts and financial management.
- (4. Audit Committee: The committee is an independent advisory committee and it must comprise at least by three members with relevant skills and experience, but the majority may not be municipal staff. The committee helps the Council in the oversight function by advising on matters such as accounting practices, risk management, governance and financial accounting and reporting. It has to be independent because it must be in a position to identify and challenge failures in financial governance without fearing negative consequences from Council.
- (5. Auditor-General of SA: It is an independent Supreme Audit Institution established in terms of section 181(1)(e) of the Constitution, 1996 and section 3(1)(a) of the Public Audit Act, 2004 as the state institution supporting constitutional democracy. It audits the reported annual performance against predetermined objectives. It reviews the annual financial statements and annual performance report of the municipality. The audit by Auditor-General tells councillors and the public if the financial statements and annual report are a fair reflection of the financial state of the municipality. The report is based on a review of the processes and policies the Council has put in place. The auditor-General's investigations will reveal the state of the municipality's finances and strength of its financial systems.
- (6. Municipal Manager: The municipal manager acts as the Accounting Officer and the head of the administration. The municipal manager develops the organizational structure, which fits within the municipality's goals for service delivery and development.

The organizational structure is also expected to fit within the municipal budget and undertakes the implementation of the approved IDP through the SDBIP. The municipal manager is responsible for outputs and implementation of the IDP and budget of the municipality. In terms of Chapter 8, sections 60, 62 and 96 of the MFMA, 2003, the municipal manager oversees the municipality's financial functions and budget implementation.

According to Van Zyl (2009:50) 'oversight' is the sign of matured democracy and prevalence of the rule of law. He explains that 'oversight' is a continuous function to be performed by leadership (councillors) as key role players in governance of public institutions with the ultimate aim to improve poor governance, which is contently associated with corruption'. Bovaird and Loffler (2009) agree that the role of government is to provide 'public goods' or 'services', an essential role that has to be tactfully played by political leadership to repair the wounds and inequalities of the past within the society.

With reference to Alfred Nzo District Municipality, it has been evident that the structures that are meant to play oversight are very weak.

The adverse audit opinion point out to weak leadership. his suggests that for the people of Alfred Nzo District Municipality to realize their constitutional rights and have access to basic services, councillors have create stability, and develop retention strategy in order to attract skilled and competent employees. The appointment of competent management such as qualified municipal manager and chief financial officer will establish strong internal controls and systems that are necessary for the organization's ability to deliver services.

2.14. THEORETICAL FRAMEWORK

Theories are defined as concepts formulated to explain, predict and understand events or occurrences and, in many cases, to challenge and extend existing knowledge within the limits of critical suppositions.

The theoretical framework is the structure that holds or supports a theory for a research. The theoretical framework is made out of concepts that are used to define and explain the impression used for a particular research. In this study, the identified concepts such Good Governance, Oversight and IDP will be used. As the matter of fact, the theoretical framework strengthens the study by providing clear information of theoretical assumptions.

The theoretical framework also relates the researcher to the already available knowledge and works towards the direction that is provided by the relevant theory.

The theoretical framework provides the foundation for the alternatives of the research approaches that have to be applied in the research. Having a theory, the researcher will be able to identify the limits for generalization and key variables that influence a phenomenon of interest in the study will be specified.

Theories are used to assist the researcher in the design of research question. Furthermore, theories serve as a guide for selection of relevant data, interpretation of the data and proposing explanations of the primary causes of observed occurrence.

The study used an organizational theory of “Oversight Model”, which is proposed by Robert J. McGrath, American Sociologist (McGrath, 2011). The theory is concerned about understanding the social contract with communities through government branches and its contingent application in local state politics. The theory is also interested on how oversight is undertaken by legislative authority (council) over the executive for checks and balances.

The theory conforms to the implied powers of the Constitution, 1996 of the Republic of South Africa. In terms of the theory the oversight is made real by the existence of sound ‘delegation framework’ in a modern system of local government.

According to this theoretical approach of “oversight model”, councillors are expected to provide strategic leadership by effectively design institutional structures, such as internal controls and procedures that will allow the municipal council to delegate certain powers to the executive mayor (execution of policies) and managers (administration). The sound delegation framework will lead to minimal need for monitoring and evaluation.

The proponent of Public Administration, Woodrow Wilson (1885: 297) praised oversight and attributed it as the practice that is in coexistence to the formulation of policy and delegation of authority to execute the policy. He had this to say “quite as important as legislation is vigilant oversight of administration”.

Max Weber (1946: 233) accounts for an inherent relationship between elected (councillors) and unelected (employed) officials. He agrees with the Oversight Model and had this to say “the power position of ‘bureaucracy’ is always over towering. The ‘political master’ finds himself in the position of ‘dilettante’ (amateur) who stands opposite the ‘expert; facing the trained official who stands within the management of administration”. The theoretical approach usually seeks to understand the institutional structures under which councillors can effectively retain control over administration and ultimately realize the institutional strategic objectives that include implementation of IDP and delivery of services to the clientele, the community.

The theory believes that councillors can act as principals and at the same time try to harness the expertise of salaried officials, but equally carefully watching them from drifting too far from the municipal objectives and expected outcomes.

According to John Stuart Mills (1861:104), councillors as representative body have to watch and control administration and have to throw light of publicity on its acts. He had this to say “the proper office of a representative assembly is to watch and control government; to compel a full exposition and justification all of them, any one considers questionable; to censure them if found condemnable and if the man who compose the government abuse their public trust...to expel them from office, and either expressly or virtually appoint their successors”. This argument sustains the notion that oversight is vital in public administration. The oversight is supposed to ensure accountability and transparency. In the context of local government oversight has to provide a link between the policy implementation and the accomplishment of the will of the people served. The National Development Plan (NDP: Vision 2030) predicts that when there is a lack of true transparency and accountability of government to the people, public protests for service delivery are inevitable. This poses a danger to the success, order, stability and sustainability of the country.

In the case of Alfred Nzo District Municipality the oversight model is applicable as it advocates for a proper system of delegation framework. The model once applied in the municipality will make the council to play an overarching role, but delegated its oversight responsibilities to the section 79 committees (Municipal Public Accounts and Audit Committees) and the three strategic political offices. On the other hand, separation of functions as envisaged in the “oversight model” will ensure that there is checks and balance, something that will improve the level of accountability and good governance in Alfred Nzo District Municipality.

2.15. CONCLUSION

Conclusively, the chapter reveals that Munslow (2009:133) perceives that the notion of effective oversight for good governance goes beyond the formal governing using bodies like boards or councils to encompass other groups the form part of the partnerships within the local government, between stakeholders and across its various parts that make up its system of governance.

In the context of municipal council tracking of progress and maintenance of accountability should take a centre stage in the service delivery agenda.

Furthermore, the complex system of intergovernmental relations between the three spheres (national, provincial and local governments) needs to be simplified for operationalization of effective local government (Booyesen 2001). The constant demand to deliver services from municipalities to the community is increasing all the times, which means that more thought needs to go into how to ease the pressure to these municipalities. A concerted effort of support is required from the national and provincial spheres to municipalities in order to deal with service delivery backlogs.

What is needed is a coherent policy agenda; focusing on effective interventions this includes the need to fast-track the devolution of powers and functions particularly in the built environment to local government. A typical example is to facilitate the integrated human settlements and expedite the devolution of housing function to local government, beginning with the assignment of the function to metros and districts and building progressively onto that.

On the other hand, the national and provincial governments are required to support municipalities to ensure that they are able to effectively build capacity, budget planning, and assets management, accountable and responsive in order to win the trust and integrity from the communities they serve.

This includes the ability of local government to tackle the matters of essential requirements for living and overall social upliftment in terms of education, housing, water, sanitation, food and electricity. Moving forward, part of the turnaround strategy and doing things differently, councillors should depoliticize local government and appoint incumbents who meet the grade with required qualifications, work experience and knowledge. The recent CoGTA assessment report points to political infighting and conflict of interests between councillors and senior managers on human and material resource issues both, elected and appointed officials blatantly ignoring proper accountability and succumbing to politics of patronage and rank-seeking behaviour. In most cases councillors cannot differentiate between 'interference' and 'intervention'. Municipalities would thus require a legal framework that can further clarify roles, and responsibilities of the legislative and executive institutions in local government affairs. The legal frame work can further clarify roles, especially a wide range of issues such as delegation of authority in relation to the mayor's office, the office of the speaker, the office of the council whip and the municipal manager (Ijeoma, 2013:123).

Service delivery is a constitutional mandate of South African local government and councillors have to undertake an effective oversight role to ensure that every citizen is entitled to better services.

When implemented effectively, the local government turnaround strategy is more likely to ensure that, municipalities; meet the basic service needs of communities. Again, it is likely to build clean, effective, efficient, responsive and accountable local government; improve performance, professionalism in municipalities. It will also improve national and provincial policy, oversight and support and strengthen partnerships between local government, communities and civil society.



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CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter describes the research design, methods and techniques which were used in the study. The research methodology chosen for this study is the intensive case-study design with a focus on qualitative analysis. Qualitative research was chosen for this study because it is descriptive and stresses the importance of context, setting and participants' frames of reference. According to Okecha (2011:17), qualitative researchers rely on four techniques for gathering information, namely: (1) analyzing documents and material culture, (2) observing directly, (3) participating in the setting, and (4) interviewing in-depth. All four techniques were utilized in this research. In qualitative analysis, several secondary and specialized techniques of data collection supplement these techniques to overcome the disadvantages of any method (Clifford and Valentine, 2003; Flowerdew and Martin, 2006; Phillip, 1998).

Considering that the main objective of this study is to conduct an assessment of councillors' oversight roles in service delivery in the Alfred Nzo District Municipality, it is revealed in this chapter that it is perceived that using qualitative research techniques would enable in-depth sufficient information to be obtained. Producing sufficiently in-depth information was perceived to render it possible for determining whether such main objective of the study has been fulfilled. Based on such a conclusion, the following sections in the chapter examined; research design, target population and sampling, data collection method, data analysis, validity and reliability and ethical considerations.

3.2 QUALITATIVE RESEARCH DESIGN

Despite several research designs, Smit (2003:130) interprets that the selection of the research design is dictated by the nature of the study and the kinds of objectives that the study intends to achieve. While using Smit's (2003:130) postulations, this study uses qualitative research methods and techniques because by the very nature of the main research objective, this study seeks to obtain as much in-depth information as possible in order to render an assessment of councillors' oversight roles effectiveness on service delivery in the Alfred Nzo District Municipality possible. In general, Saunders, Lewis and Thornhill (2003:62) theorize that a research design refers to the outline or sketch of the processes prescribing techniques, methods and tools which are used in the primary data collection, analysis, presentation and interpretations in the light of the research objectives and questions.

In a view consonant with Smit's (2003:134) interpretations, Saunders et al. (2003:62) construe that the main objective of a research design is usually to determine the extent to which the chosen method can lead to the eliciting of information which is relevant to the issue raised in the research objectives and questions.

According to Smit (2003:134), there are two main types of research designs; qualitative and quantitative. He stated that qualitative research refers to the methodology which requires respondents to provide detailed explanations of the nature of the problems being researched. In order to achieve this, qualitative research uses methods including; case study, observation, structured and unstructured interviews, as well as focus groups. Unlike, qualitative research, Smit (2003:22) stated that quantitative research on the other hand requires respondents to provide summarized non-numerical responses, and usually uses non-experimental research designs. This means that in the main, qualitative research deals with language than with numbers.

Maree et al (2009:57) define the qualitative research as an approach through which data is collected from people engaged in the study of everyday life in which the study is being framed. Welman et al (2005:188) as well as Brynard et al (2006:39) agree with this statement and indicate that a qualitative study does not provide the researcher with step-by-step plan to follow, but it is determined by the researcher's choices and actions. Welman et al (2005:188) as well as Brynard et al (2006:39) agree with this statement and indicate that a qualitative study does not provide the researcher with step-by-step plan to follow, but it is determined by the researcher's choices and actions.

This study however, uses qualitative research because it is perceived that it will enable the study to undertake in-depth analysis of the effects of councillors' oversight roles in service delivery at Alfred Nzo District Municipality.

Therefore, the study was conducted using a single 'case study' method to collect data, which is Alfred Nzo District Municipality. This implied that the researcher has focused on one setting and its processes without comparing it with other case studies or settings.

As indicated from chapter 1, the primary research objective of this study is to examine and analyze the effect of oversight role played by councillors to improve service delivery in the Alfred Nzo District Municipality in order to suggest appropriate improvement strategies. The secondary objectives for this study are:

- to evaluate the effectiveness of internal controls and leadership structures.
- to make recommendations to the municipal council for suitable practices of oversight and models.

In order to achieve the above outlined primary and secondary research objectives of the study; chapter 1 indicates that the entire research process will be guided by the following research questions:

- How effective is the oversight role played by councillors as political leadership of Alfred District Municipality?
- How effective are the internal controls as measures for the attainment of strategic long term goals and objectives of Alfred Nzo District Municipality?

It is expected that through the application of qualitative research techniques, the research will be able to effectively examine the relationship between key determinants and strategies and the successful achievement of effective oversight in the Alfred Nzo District Municipality. The steps which were used in the sampling process are described in the following section.

3.3 THE TARGET POPULATION (SAMPLING FRAME)

Hussy and Hussey (1997:66) assert that the target population refers to the subjects who are the main focus of the study.

On the other hand, Welman, Kruger and Mitchell (2005:52) posit that the target population concerns the individuals, groups, organizations, human products and events which are the subjects or objects of the study. Bryman and Bell (2007:153) perceived the target population as the total collection of all units of analysis about which the researcher seeks to make specific conclusions regarding the issue raised in the research objective, questions and hypothesis.

Jackson and Stent (2007:5/17) defines population as entire set of data from which a sample is selected and about which the auditor/researcher wishes to draw conclusions. A population may be divided into strata, or sub populations with each stratum being examined separately.

The Alfred Nzo District Municipal Council is constituted by 40 councillors. The local representatives (Local Reps) constitute 60% of the total seats and the Party Representatives (PR) councillors constitute 40% of the total seats. Therefore, the population of this study was 20 participants, consisting of both Party Representatives (PR) councillors, local community members (who receive the serves of the district municipal council). The effect is that 10 participants from local communities were interviewed, 5 participants from PR and 5 Members of the Mayoral Committee were interviewed, and the total number of 20 respondents was interviewed.

The respondents were from different backgrounds, with regard to the term of office, as the municipal councillors were in diverse in terms of gender and political backgrounds.

The members of community interviewed were selected from the four local municipalities. However, Bryman and Bell (2006) stated that it is usually not reasonably feasible to include all the units during a particular study due to costs and time constraints. In order to maneuver such challenges, they suggested that appropriate sample for the study must be determined using the appropriate strategies.

3.5. DATA COLLECTION PROCESS (STRUCTURED INTERVIEW QUESTIONNAIRE)

Welman et al. (2005:52) posit that qualitative research methods and techniques include; case study, observation, structured and unstructured open-ended interviews. In this study, structured interviews using pre-designed questionnaires were the principal primary data collection methods for this study. In that the questionnaires that contained structured open-ended questions, which were presented to the participants.

The participants in return, were expected to provide detailed explanations on effects, determinants and strategies for improving oversight and accountability in the municipal structures for the ultimate enhanced good governance.

The sections and questions in the questionnaires were generally aligned to the sections in the research questions and objectives in order to ensure that all issues contained in the research objectives and questions are effectively answered.

On that basis, Section A evaluates factors determining the effectiveness of the oversight role played by the leadership structures in the Alfred District Municipality. This section was not only formulated in line with the first research objective and question, but also mainly derived from the literatures and theories in chapter 2. It is noted in chapter 2 that the effectiveness of oversight is influenced by the extent to which certain core components or pillars of oversight are consistently considered and completely undertaken thereof. It was prominent to note that these pillars of effective oversight include; role players, accountability, participation, freedom of information, and transparency.

On the other hand, a consensus also exists among theorists such as Price (2009:13), Carrim (2011) and Driscoll (2010:1) that there are certain key principles that influence the effectiveness of oversight and good governance in the organization.

They identified five main principles, such principles include: principle 1; policy context in the transitional stages in local government, principle 2; oversight role of councillors in the South African system of local government, principle 3; local government turn-around strategy, principle 4; intergovernmental relations, principle 5; models for separation of powers for municipalities.

These principles are briefly discussed in chapter 2 above with the aim to support the conclusions and recommendations of this study in chapter 5.

Section B assesses the effects of effective oversight in the Alfred Nzo District Municipality. Although aligned to the second research question, there was significant reliance on theories in chapter 2 of the literature review as well.

The second part of the literature review reveals that the effective oversight and good governance result into; improved quality of services delivered to the communities and providing opportunities for local government professionalism, providing adequate leadership and internal controls that are aimed to improve accountability of councillors to the public.

Furthermore, considerations were also undertaken in order to ensure that the statements or questions are structured and worded in the manner that can be easily understood by the participants. This was accomplished by allowing participants to rate their responses to the given research questions. The research question in this section was sub-divided into smaller and understandable questions. The questionnaires also provided a space for comments by participants, if they want to articulate more on the subject. The data collection process was accomplished through face to face interviews. The researcher, before starting the interviewing process, requested for appointments and the requests were sent to the selected councillors of Alfred Nzo District Municipality in advance. After the appointments granted, the interview processes commenced by distributing the questionnaires and giving certain duration, upon which on expiry, they could be collected. The questionnaires were not only be accompanied with brief explanations outlining the purpose and objectives of the study.

The researcher's contact numbers were also included so that the researcher could be contacted by participants if there were wanted to raise any queries. When data collection was completed, the analysis was accomplished according to the processes which are described in the next section.

3.6. DATA ANALYSIS (THEMATIC ANALYSIS)

After the completion of data analysis, there were intense assessments and analysis of the contents of the collected responses in order to determine common themes.

Thereafter, codes for the determined themes were created, and the responses for each theme were allocated in order to determine the total percentage of responses per theme. All these processes were accomplished according to the two sections that are aligned to the outlined research objectives and questions. As indicated above, these sections are; Section A; Factors determining the effectiveness of the oversight role played by the leadership structures at Alfred District Municipality. Section B; Effects of effective oversight in the Alfred Nzo District Municipality, and Section C; Strategies which are used for improving oversight and good governance in the Alfred Nzo District Municipality.

Diagrams were mainly used in presenting and illustrating the findings and during the discussions assessments were undertaken in order to determine whether the research objectives for the study have been fulfilled. Validity and reliability, as well as all ethical issues were also considered throughout the research process for this study.

3.8. RESEARCH ETHICAL CONSIDERATIONS

During the entire processes of the study, a number of measures for enhancing ethical considerations were considered.

A research ethics is construed by Neuman (2005:452) to refer to a set of acceptable norms, regulations, rules and codes which prescribe and govern what is acceptable or unacceptable during the undertaking of a research process. In other words, research ethics govern the interaction between researchers and the study objects.

Certain professional bodies advocate that ethics must cover issues such as; collaborative relationships among researchers, mentoring relationships, intellectual property, fabrication of data and plagiarism among others (Neuman, 2005:452). During the study, the researcher eliminated all possibilities of engaging in certain unethical practices which would have affected the validity and reliability of this study. The following principles of ethical conduct were followed:

- 1) The researcher submitted a letter, requesting consent to conduct the study from the speaker of Alfred Nzo District Municipality. The letter was also to make the municipality aware of the purpose of the study and to get permission to interview councillors by means of a structured questionnaire.
- 2) The researcher applied and signed the research ethics forms containing different codes, including wanted and unwanted practices in the process of undertaking research project.

In addition, the researcher undertook extra care in the performance of the study in order to avoid getting trapped in unethical conducts.

- 3) When undertaking the selection of the samples, the researcher identified respondents that have to participate in the study without discriminating on the basis of political allegiance, age or disability, although the biographical information section had to be removed from the questionnaire.
- 4) The researcher acknowledges all sources cited in the research. This was done in order to avoid plagiarism, an unethical exercise in the research process.
- 5) The researcher also avoided unrealistic information in the research process, something that could be classified as unethical conduct in the research process. In addition, the researcher assured respondents that their information remains protected and used only for purposes of the study. This was accomplished by avoiding to disclose the sources and informants remained anonymous. The anonymity protects the respondents from suffering any unusual stress, emotional injury, embarrassment and loss of self-esteem.
- 6) The researcher maximized the act of transparency by requesting the respondents to point out anything in the questionnaire or research process that they perceived to be uncomfortable with.

In the research process, respondents at times expressed concerns on the sensitivity of some of the information. They also complained that the nature of the study would affect their political integrity or reputation.

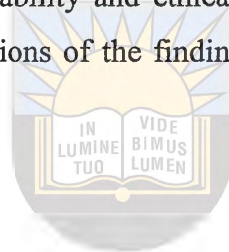
The researcher constantly advised the respondents that the research process was purely for academic purposes and not intended for any personal victimization or causing anybody harm. The researcher has informed about the research ethics and the intent of receiving consent before undertaking any study process. The researcher also informed the respondents about the nature of the study.

It was indicated that the respondents were free to participate or choose not to participate. In addition, it was also stated that the respondent was at liberty to withdraw participation, if chosen to participate, at any time during the research process.

Thus, all respondents were assented to participate; and the participation in this study was purely involuntary. The researcher observed the right to privacy for respondents and all information and responses received were strictly treated confidential. Finally, the proper levels of sincerity were maintained as part of the research ethical compliance.

3.9. CONCLUSION

From the above discussions, it is clear that chapter 3 provides an accurate description of the research design, methods and techniques which were used in the primary study. Then, considering that the main objective of this study was to conduct an assessment of the effectiveness and efficient oversight roles played by councillors in service delivery in the Alfred Nzo District Municipality, it was apparent that the use of qualitative research techniques would provide in-depth and sufficient information required for the purposes of the research. Sourcing sufficiently in-depth information is indicated in chapter 3, and it has been anticipated that to render it would possible determine whether the main objective of the study has been accomplished. Basing on such a conclusion, it is also noted that the later sections in the chapter examined; research design, target population and sampling, data collection method, data analysis, validity and reliability and ethical considerations. The next chapter provides the discussions and interpretations of the findings in the light of the issues in the research objectives and questions.



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CHAPTER 4

FINDINGS AND DISCUSSIONS

4.1. INTRODUCTION

It is common cause that the primary research objective of this study is basically about the examination and analysis of the effectiveness of oversight role played by councillors to improve service delivery in the Alfred Nzo District Municipality. Therefore, this chapter presents the interpretation and deliberations of the interview findings. The aim is to determine whether such primary research objective has been fulfilled.

The data presentation and interpretation process is structured into sections that are derived from the research objectives and research questions. The sections are simulated from the research questionnaire. The research is mainly qualitative, but this chapter used certain elements of quantitative research in an endeavour to be simplistic. In this case, the data presentation is codified and analyzed in graphs.

The process of data presentation was concluded in into two sections that encompass the following:

- Section A -Factors determining effectiveness of leadership structures for oversight and accountability in the Alfred Nzo District Municipality
- Section B - The effect of internal controls used to improve the performance of the Alfred Nzo District Municipality.

The analysis and interpretations of data were accomplished through the discussions of the primary research data findings compared to findings in the secondary research data. This was done mainly to determine whether all the issues described in the research objectives and questions are successfully achieved.

4.2. SECTION A. FACTORS DETERMINING EFFECTIVENESS OF LEADERSHIP STRUCTURES FOR OVERSIGHT AND ACCOUNTABILITY IN THE ALFRED NZO DISTRICT MUNICIPALITY

The first section of this chapter, Section A, is derived from the first research objective and question of the study. This section brings to light the first section of the structured and open-ended questionnaire. Here, the interviews were about examining factors that determine the effectiveness of leadership structures for oversight and accountability in the Alfred Nzo District Municipality. The findings made in this section were captured and discussed in the following sub-sections:

4.2.1. Briefly explain how the following factors are considered as determinants of effective leadership for oversight and accountability in the Alfred Nzo District Municipality?

Here, in section A, the questions are directed to the interviewed participants. They were requested to explain their experiences and perceptions about the leadership role played by councillors of Alfred Nzo District Municipality in order to impact positively on service delivery.

It has been noted in the literature review that local government is at the coal face of service delivery (Voice of Local Government, Issue-12 October 2014). It is therefore imperative to note that municipalities are at the forefront of improving the lives of the communities they serve. They have to create conditions for inclusive economic and job creation. As such, it is clear that communities have positive experiences about local government, which is to fulfil their unlimited needs with limited resources.

This requires an effective caliber of leadership (councillors) that has to put service delivery high on the local government list of priorities and make extra efforts to reach out to their communities.

Van Zyl et al (2009:6) argue that 'one useful way to gain understanding of leadership in the business organization is to examine various roles carried out by leaders'.

The role in this context is an expected behavior or activity stemming from the one's job or position. Essentially, the understanding of the roles, responsibilities and expectations of councillors in local government is very important in order to achieve their effective oversight role and accountability. The understanding of these roles and responsibilities by councillors would enable them to comprehend on what is expected from them by the communities they serve. Nevertheless, it is critical to understand that section 151(2) of the Constitution, 1996, vested both legislative and executive authority in a Municipal Council.

Summarily, the findings in this section indicate the following:

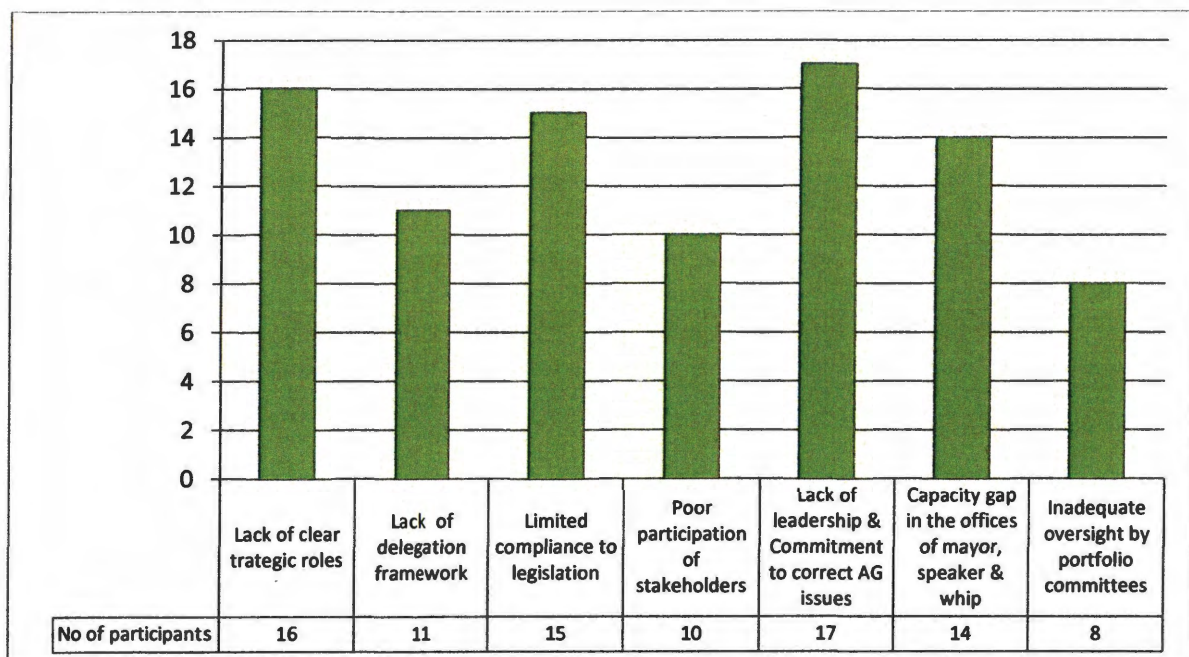
- 1) Lack of delegation framework and strategic roles for political office-bearers and other designated councillors;
- 2) Limited public participation with identified capacity gaps in the three strategic offices of the mayor, speaker and council whip;
- 3) Limited compliance with legislation and lack of credibility of the Integrated Development Plan (IDP);

- 4) Lack of monitoring, evaluation and reporting systems something that makes the portfolio committees and/or governance structures not to be able to detect early warnings of maladministration and corruption.
- 5) Lack of human and financial resources support provided to governance structures such as Municipal Public Accounts Committee (MPAC) in order to optimally play its oversight role.
- 6) Ineffective intergovernmental relations (IGR) structures, this resulted to poor information sharing, poor performance management and lack of customer care services.

4.2.1.1. Factor 1: Understanding the role of the political office-bearers for oversight and accountability as a measure for transparency and accountability to the stakeholders in the Alfred Nzo District Municipality

The findings of the interviews in figure 4.1 point that 16 of the 20 interviewed participants indicated that to some extent the strategic roles of the three critical seats of political power in the municipality (executive mayor, speaker and council whip) that constitute the so-called political management or *TROIKA* of the municipality are not clearly defined. For example the interviewed participants stated that sometimes, it is difficult to understand whether who is responsible for public accountability on the performance of the municipality. The problem is crystal clear on stakeholder relations.

Figure 4.1: Factor 1: Understanding the role of political office-bearers for oversight and accountability as a measure for transparency and accountability



The respondents pointed that the office of the executive mayor is regulated on how it has to consult the public in the drafting process of the IDP. Section 30 of the Municipal Systems Act, No. 32 of 2000, states that 'the executive mayor must, in accordance with section 29 of the Act, manage the drafting of the municipality's integrated development plan'. The executive mayor is also required to submit the draft IDP, which has taken into account the public comments to the municipal council for adoption. Section 121 (3)(a-k) requires that the executive mayor must ensure that the Annual Report, which contains the information on predetermined objectives and the record of the activities of the municipality during the financial year to which the report relates, complies with the requirements of the Act. According to section 49 of the Municipal Structures Act, No. 117 of 1998, the mayor required to manage and preside over the meetings of the executive committee. In this regard the mayor is also expected to perform ceremonial functions as the public figure.

In terms of section 49(b) of the Act, the mayor is expected to exercise the delegated powers assigned to him/her by the municipal council or the executive committee.

The Executive Mayor remains the most politically visible office-bearer with the responsibility to represent the municipality politically, and also to communities. Therefore, it is appropriate to locate the function of community liaison and public participation (community consultation outreach) required for the approval of IDP and annual budget to the executive mayor. This correctly, positions the executive mayor to be responsible for prioritizing community needs and/or defending municipality's policy positions.

On the other hand, section 160(1)(b) calls for a Municipal Council to elect its chairperson, but the Constitution does not stipulate specific roles and responsibilities of that chairperson. The White Paper on Local Government is silent on the issues of the speaker. Section 36 of the Municipal Structures Act interprets section 160(1)(b) of the Constitution by naming the chairperson to be elected by the municipal council as the speaker. The implementation of the constitutional directive by the Structures Act has resulted in a separation of the chairperson of the municipal council from the mayor. Thus, the speaker is regarded as the custodian of the municipal council's general roles and responsibilities, this includes oversight role over the executive on the implementation of council decisions. This role emanates from the position he/she is occupying. Section 37 of the Municipal Structures Act, states the regulated functions of the speaker of a municipal council as to; (a) preside at meetings of the municipal council, and (b) perform the duties and exercise and exercise the powers delegated to the speaker in terms of section 59 of the Municipal Systems Act.

It was noted that the compliance responsibilities conferred to the speaker by section 37(e) of the Structures Act is only limited the conduct of councillors in the conduct of their businesses as public representatives, as contained in Schedule 1 of the Municipal Systems Act, within the municipal council and committees. The statutory position of the speaker warrants him/her as the champion of the Code of Conduct. It was noted that prior to 2000, during the pre-interim and interim phases, there was no speaker in local government.

Steytler and De Visser opine that “the introduction of the speaker was informed by the wish to establish a framework for municipalities to entrench mechanisms for ensuring oversight, accountability, integrity, discipline of office, and the efficient running of council meetings”. The effective system of delegation and clear terms of reference for each political office will realized the idea separation of functions to ensure effective oversight and accountability in pursuit of good governance. The function of stakeholder management in the form of petitions /complaints management and customer care would be better placed in the office of the speaker.

With regard to the roles and responsibilities of the Council Whip, the local government legislation is silent. For example 17 of the 20 interviewed participants noted that the office of the chief whip plays less role in providing strategic leadership for the municipality to address AG queries, whereas it plays a central role in terms of ensure that councillors as public representatives are timeously reporting to their constituencies about the developmental programmes undertaken by the municipality. The office of the chief whip is the centre within the council that coordinates political programmes; this includes continuous assessment on the implementation and fulfillment of the manifesto for the ruling party. It was noted that the office of the council whip only performs its functions in terms of the system of delegation as provided in section 59 of the Municipal Systems Act. Since, 14 of the 20 interviewed participants urged for the attention of capacity gap and the implementation of the system of delegations, including clear terms of reference for political office-bearers such as the Executive Mayor, the Speaker and Council Whip. It was noted that the system might clarify the role of the council whip and thus will maximize administrative and operational efficiency and provide for adequate checks and balances. Furthermore the system may delegate powers (excluding certain non-delegable powers) to political structures, political office-bearers, councillors and senior managers. The system of delegation may also enhance service delivery without sacrificing accountability.

It must be in writing and recognize the distinction between strategic, political and policy setting role of the political structures and operational role of administration, this will ensure good governance.

4.2.1.2. Factor 2: Understanding the role of councillors in the achievement of predetermined objectives as set out in the integrated development plan (IDP) of the Alfred Nzo District Municipality.

The integrated development plan (IDP) is the strategic plan of the municipality. The IDP process is designed to be participatory in nature in order to determine the municipal priorities for development. It contains the most important features of “developmental local government” such as local economic development (LED). Ijeoma (2013: 256) opines that “IDP is the central instrument of local government in South Africa and functions as a principal planning instrument, which serves as a bedrock for local government budgets, financial plans, performance management and service delivery processes”. It was noted that councillors have to adopt a plan for developing the municipality during their term office. Linked to the IDP is the budget that projects costs for the plans set out in the IDP. It was also noted that councillors have also to check that the IDP fits the development plans of other institutions (growth plans of state departments and IDPs of local municipalities) in the area.

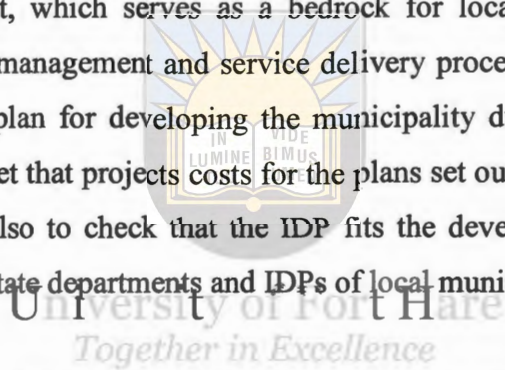
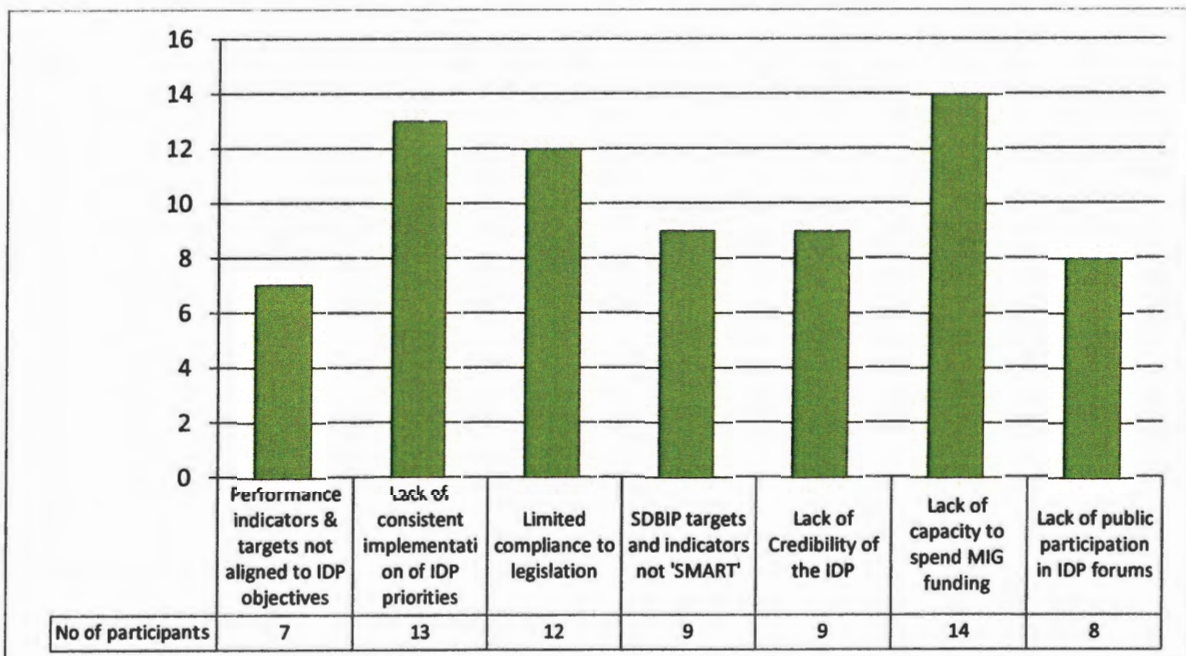


Figure 4.2: Factor 2: Understanding the role of councillors in the achievement of predetermined objectives



It was observed that councillors are required to conduct public roadshows and report on the progress of implementing IDP and budgets plan.

In this process they have to account for the actual results achieved against the planned targets. In the consultative process, highlights should be provided in the following areas, but not limited;

- Amendments made to the IDP and proposed changes to the budget related policies such as tariff charges, credit control and indigent policies,
- Political priorities and linkages of the IDP to the National Development Plan (NDP) and Provincial Growth and Development Plan (PGDP),
- The past and current performance of the municipality by indicating achievements, major priorities for the past and current periods, and
- Outlined service delivery standards, expected outcomes with timelines for achievement and financial implications.

Here 14 of the 20 interviewed participants indicated lack political leadership and oversight over the MIG expenditure by councilors. They argue that once the IDP and budget approved by the Council; the executive mayor is expected to discharge his/her responsibility by receiving and signing the 'service delivery and budget implementation plan (SDBIP)' that has been generated by the Accounting Officer. The aim is to ensure that there is a strong and clear plan for financial and non-financial governance and/or accountability. By definition, the SDBIP is an implementation and management tool for municipal IDP and budget within a given financial year. The executive mayor approves the SDBIP together with the annual performance agreements of the Municipal Manager and seniors managers. The management performance targets contained in the SDBIP and annual performance agreements should be aligned to the predetermined measurable performance objectives of the municipality as contained in the IDP and budget approved by Council. Then, the Council and its committees have to monitor and evaluate the implementation of the plan through monthly, quarterly and mid-year reports. This will assist to detect early warnings against the spending patterns on the municipal infrastructure grant (MIG).

The interviewed participants in this case contended that councillors seem to be relaxed and leave the implementation process to the mercies of salaried officials once the IDP, budget and SDBIP approved. It was noted that the SCM processes for the Alfred Nzo District Municipality were almost lacking political oversight.

This argument to a certain extent is substantiated by the fact that more often the Auditor-General SA has made similar findings on the weakness of leadership and internal controls; this includes deviations from the SCM policy and poor management of contract documents.

This in turn imposes risk and becomes the breeding ground for corrupt practices and maladministration of the public funds and institution.

The local government legislation has made provisions for continuous monitoring and evaluation of the implementation of the predetermined IDP objectives. Section 37(d) of the Municipal Structures Act, No. 117 of 1998, in defining the functions of the speaker, warrants that “the speaker of a municipal council must ensure that the council meets at least quarterly”. This mandatory obligation is concealed by sections 71 and 72 of the Municipal Finance Management Act, No. 56 of 2003. The main objective of the Act is to cause the council to assess the performance of the municipality and municipal entity on quarterly and mid-year basis. What caused concern to the interviewed participants was the fact that in all these statutory intervals of reporting, councillors are unlikely to detect the improper practices of maladministration and corruption.

In certain instance, 13 of the 20 participants argued against the inconsistent implementation of IDP priorities. They had a strong view against the claim of involvement of councillors in the achievement of predetermined objectives, highlighting the fact that in certain cases projects undertaken by the Alfred Nzo District Municipality are prioritized by the executive and senior managers. The other members of council are merely given progress report with less monitoring role to play and more often projects are left incomplete, due to poor monitoring. The cited example in this regard was the Mvenyane Bulk Water Schemes, which covers 25 villages, that was started in 2007 at the budget of 38 million. It was noted that the scheme had been implemented by various companies before completion i.e. three (30) professional consultants and five (5) contractors. The municipal management would be frustrated by poor or none performance of the appointed service provider/s.

It must be noted that project as a bulk water infrastructure project was funded by the Municipal Infrastructure Grant (MIG). In the process of trying to improve the spending patterns, as required by the conditions of the MIG, the management would terminate the contract with the problematic service provider. Clearly, in this case, the SCM processes would be flouted and known potential companies in the database are nominated and requested to for the remaining portion of the project. At times these changes are only known by the executive committee led by the Executive Mayor. In turn, they get expression in the Council agenda as the progress report submitted to Council by the Executive Mayor. Certainly, the elements of divisions, political instability and blackmailing are eminent against the Municipal Manager (who signed deviation) and the Executive mayor being accused to conspire with the administration and front companies of their cronies.

Once the divisions are noted inevitable, political instability is evident, low staff morale witnessed and industrial actions ensued and later provincial and national intentions were made by evoking relevant sections of the national legislation.

The following section will consider applied mechanisms that are aimed to enhance oversight for transparency and better financial accountability in the Alfred Nzo District Municipality.

4.2.1.3. Factor 3: Enhancing coordinated oversight for transparency and better financial accountability

The main aim of the local government turn-around strategy, as alluded in chapter 2, was to build clean, effective, efficient, responsive and accountable local government. It was also created as a country- wide programme intended to mobilize all government and society to embark on a concentrated effort to deal with the factors undermining local government and restore good performance of municipalities in the country (CoGTA, November 2009). The concept 'oversight' refers primarily to the critical role played by authorities (national assembly and legislatures) in reviewing and monitoring the actions of the executive organs of government.

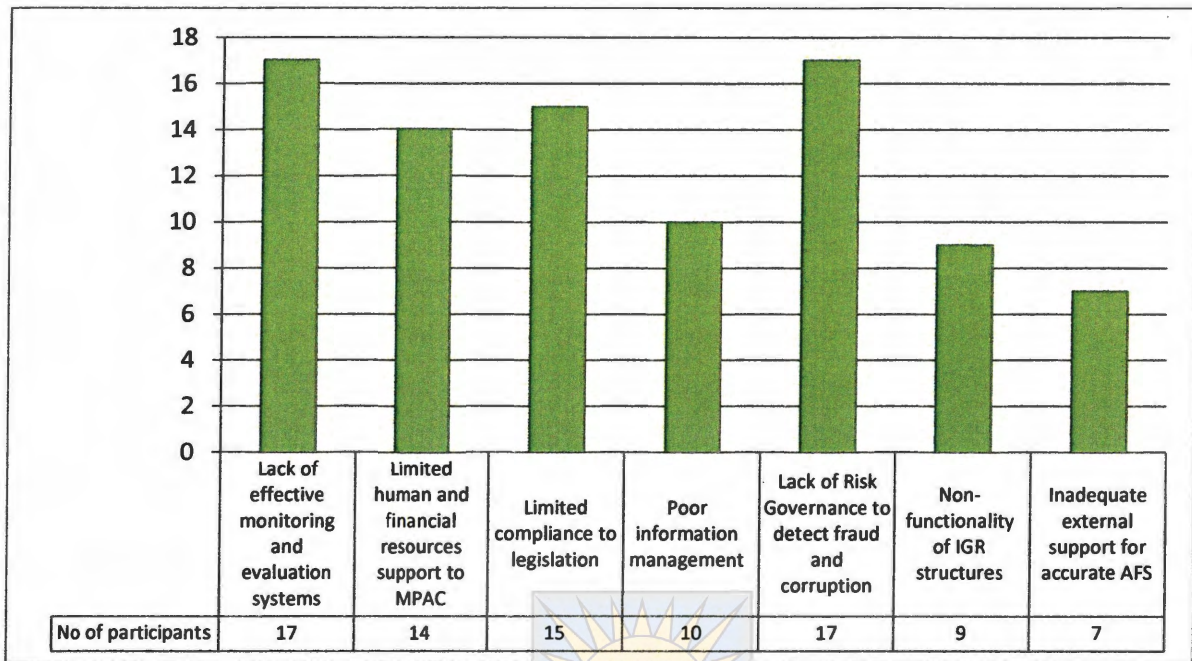
Section 55(2) of the Constitution, 1996, requires the National Assembly to provide for mechanisms to ensure that all executive organs of state in the national sphere of government are accountable to it.

Section 114(2) of the Constitution, 1996, requires the Provincial Legislature to provide for mechanisms to ensure that all provincial executive organs of state in the provincial sphere of government are accountable to it.

In the context of local government, there is no neat distinction between the executive and legislative. To a greater extent, in the municipality, the executive and legislative functions are jointly performed by the Council. This poses a daunting task to the members of Council to fully understand the justifications and rationale behind accountable local government and the purpose it serves. The oversight role in municipalities would be mistaken with policing aimed to find transgressors. It is often seen as the responsibility of political parties alone, designed to police and expose maladministration and corruption.

Then, such a view is limited and deficient because there is a close link between effective oversight and effective accountability. What is important to note is to realize that the performance of effective accountability directly impacts to the effectiveness of oversight.

Figure 4.3: Factor 3: Enhancing coordinated oversight for transparency and better accountability



The 17 of the 20 interviewed participants pointed out that the municipality lacks effective monitoring and evaluation systems. They argued that the function of oversight by councilors is supposed to be an all year process. This requires the key role-players (councillors) to be diligent and consistent in executing their responsibilities. For example 17 of the 20 participants stated that the lack of risk governance, non-functionality of Audit Committee, lack of capacity to Internal audit and risk units poses challenge for the municipality to be unable to detect signals of fraud and corruption.

Section 129 of the Municipal Finance Management Act, No. 56 of 2003, directs the municipal council to consider the annual report of the municipality and its entity and adopt an oversight report.

Then, 15 of 20 participants reasoned that the Alfred Nzo District Municipality has limited compliance to the legislation. Moreover, it was noted that the Alfred Nzo District Municipality has appointed a Municipal Public Accounts Committee (MPAC) in accordance with section 79 of the Municipal Structures Act in order to address this shortcoming. Accordingly, the MPAC has been tasked to compliment the council and provide complete oversight over the executive and administration. Therefore, the Municipal Public Accounts Committee will thus ensure compliance with the prescripts of local government by the municipality. This function will be cemented by the quality assurance provided by the Audit Committee to compliance matters.

The interviewed participants pointed limitations in the process of appointing the MPAC; this includes lack of clear guidelines on the role played by the position parties in the oversight. The Guidelines issued by SALGA on the establishment of MPAC do not indicate accurately the role to be played by the position parties in MPACs. A point in case, the chairpersons of SCOPA in the National Assembly and Legislatures are members of the opposition. In municipalities, it is upon the discretion of the municipal council to decide on the designation of MPAC chairperson.

It was observed that the introduction of designated fulltime MPAC chairpersons by Minister for Cooperative Governance and Traditional Affairs (COGTA) in the Government Gazette No. 52... dated 10 December 2010 on Upper Limits resulted to the ruling party phasing out the opposition to lead the MPAC (Government Notice on Upper Limits, 2012). The interviewed participants viewed this change as a compromise intended to weaken the oversight role played by MPAC over executive due to political loyalty of the chairperson to the ruling party. It was stated that this arrangement, in turn will contrive an assortment plan to make people believe that all is well in the local state (Mashele, 2014:140). The belief is that the deployed member of council to chair MPAC would be someone vetted thoroughly by the party leadership to ensure that nothing get reported in the oversight report that might embarrass the governing party.

On the other hand, it was noted that the municipality was under section 139(b) of the Constitution, 1996, in 2008 and since then it had operated without the Audit Committee until 2011. The interviewed participants indicated that the Internal Audit Unit was administered by the personnel seconded from the provincial government to support the Administrator during this period and the time of gradual phasing out of the provincial intervention in the following years.

With regard to the Audit Committee, section 166 of the Municipal Finance Management Act, 2003, requires each municipality to have an Audit Committee. The audit committee is an independent advisory body that casts an expert eye on internal controls and strategies developed by the internal audit unit and implementation thereof. The committee is a committee of the municipal council, as contemplated in section 79 of the Structures Act, 1998. The mandate of the Audit Committee is further clarified by MFMA Circular 65 issued by the National Treasury. The MFMA Circular 65 requires the chairperson of the audit committee to report on the committee activities and the operations of internal audit, on a quarterly basis, or more frequently if required, to the Council.

While the Audit Committee is responsible for providing an expert advice to the municipal council, the committee is also to provide an independent and objective view of the effectiveness of the municipality's risk management processes.

The interviewed participant indicated that the Audit Committee was appointed in 2011 after the start of the current political term for the new Executive Mayor.

Clearly, for quit sometime there has be a pause in the municipality to get the professional advice on the adequacy of internal controls and expert opinion on the strategic risk register. The possibilities for high risk of fraud, corruption and maladministration during the period wherein the municipality operated without the Audit Committee cannot be overruled.

Also important for the realization of effective oversight is the application of factor 4 which requires good governance for integrity and sustainability of the municipality.

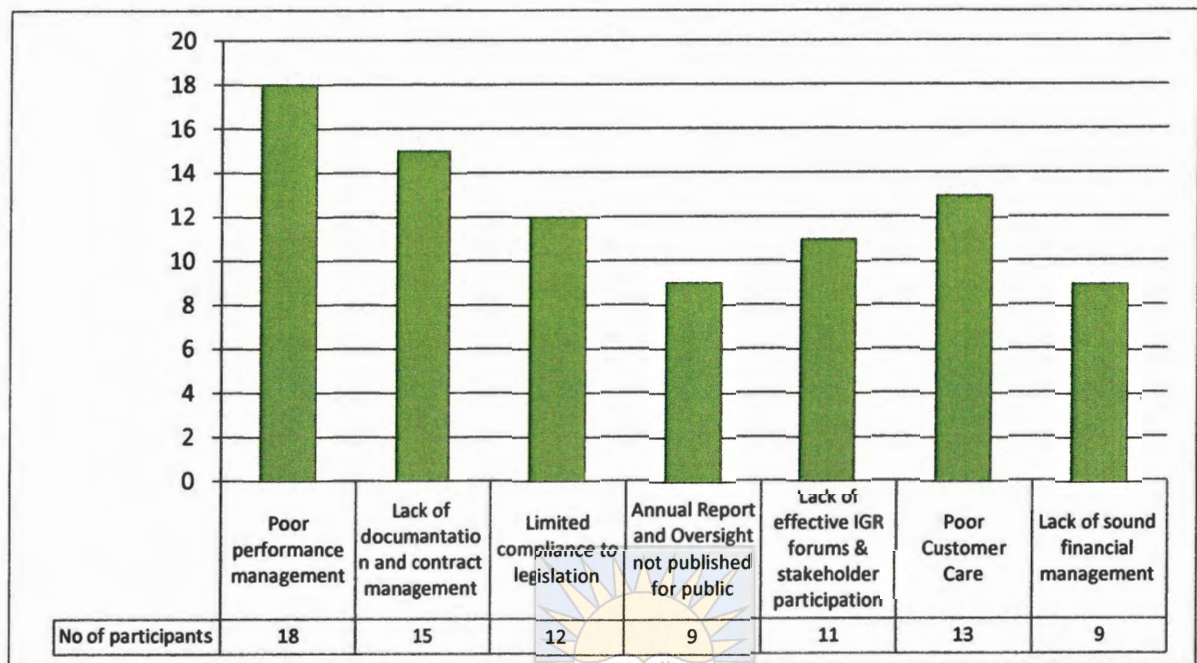
4.2.1.4. Factor 4: Good Governance through understanding the role of councillors in service delivery and municipal performance

Just as significant as factor 3, it is also important to note that the effective oversight is mainly about the consistent maintenance of good governance. This will assist to ensure that business ethics and values are maintained. Again, the critical point here is the culture of an organization to comply with the legislation governing local government for clean administration and delivery of services with honest and impartiality. Such a view resonates Bovaird and Loffler (2009:217) postulations in the literature review that 'good governance has eight major characteristics; namely participatory, consensus-orientated, accountable, transparent, responsive effective, efficient, equitable and inclusive and follows the rule of law'.

The interviewed participants, 18 of the 20 interviewed participants, claimed that poor performance management declines the performance status of the municipality, whilst on the other hand; the councillors of the municipality have good dreams to improve the lives of the community they serve.

The cited example was the decision taken by the council to purchase and maintain the fleet of plant machinery with the aim to fast-track the provision of services like construction of access roads and thus boosting the capacity of local municipalities that are sitting at huge infrastructure backlog.

Figure 4.4: Factor 4: Good Governance through understanding the role of councillors in service delivery and municipal performance



Then, 12 of the 20 participants pointed out that although the idea was good, lack of performance management made the idea unsuccessful. The critic was that there were no performance contracts in place for senior managers at that time under study, as results there was complete poor asset management with no consequential measures in place. It was noted that the question of poor asset management, especially fleet management led to the Alfred Nzo District Municipality to unilaterally cease to operate the plant machinery.

In response to this allegation of deserting the initial plan of owning plant machinery by municipality, the Executive Mayor indicated that the function has since been devolved has been devolved to local municipalities to construct access roads. On the other and, the function of maintaining the district roads remains with the provincial department of public works. Given the above scenario the council seemed not reached a consensus on the matter to dispose its assets. Some participants had a strong view that the district municipality has constitutional responsibility to enhance the capacity of its local municipalities. In that score, the district could have maintained its fleet and lease to local municipalities at a reasonable rental price. To this point, Bovaird and Loffler (2009:217) assert that ‘good governance assures that corruption is minimized and the voices of the minority and most venerable in society are heard in decision-making’.

Gildenhuis and Knipe (2009: 91) affirm that 'good governance refers to the state where government attains its ultimate goal of creating conditions for good and satisfactory quality of life for each citizen'. This suggests that councillors have to be factual in executing their responsibilities. They have to be principled and abide to the rule of law as opposed to the prerogative or discretionary authority. Moreover, councillors' position is reliant on popular support from their constituencies in the form of votes. Therefore, they have to subject their actions to regulations and procedures in order to command clean governance and thus remain in power. In other words, good governance is the bedrock for stable society. It represents the integrity of the municipality to the public more than mere provision of public goods. Good governance can be also related to government's ability help individual citizens to realize their potential and achieve individual satisfaction and material prosperity.

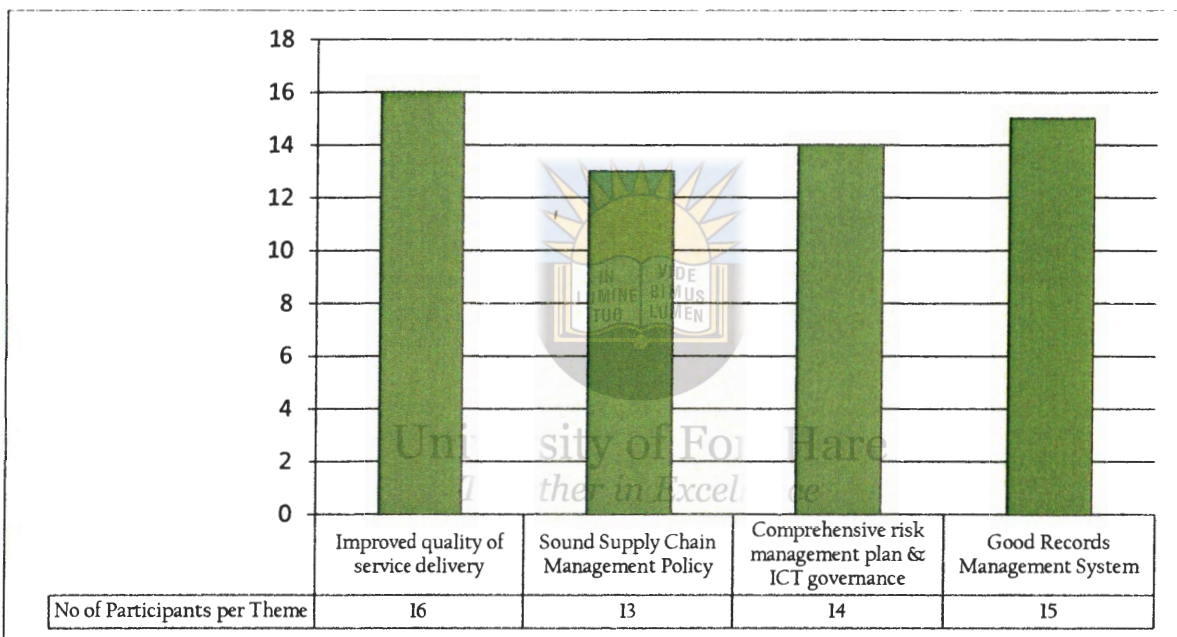
The interviewed participants reasoned that key for good governance in local government is the application of *Batho Pele* Principles. Councillors have to consult communities they serve through public meetings (*Imbizos*), suggestion boxes and customer care line (to lodge complaints when dissatisfied by the services provided). The other methods proposed for good public governance include IDP and budget outreach programmes. This approach also incorporates intergovernmental relations (IGR). The other method is the management-by-results. This approach aligns the aspects of measuring results and getting things done within set timeframes. This method is contained in the SDBIP, a management tool.

The other critical approach for good governance is performance management and compliance to legislation by means of reporting. It was noted that the annual report, which is a comprehensive report of all municipal activities undertaken during the financial year is the ideal tool for compliance and accountability. The annual report should include annual financial statements (AFS) that have to be prepared for audit purposes with evident documentation supporting the reported expenditures in the AFS. For effective and efficient oversight, councillors have to ensure that there is accountability and transparency on the management of public resources. Here, 15 of the 20 participants indicated the lack of documentation and contract management has been noted as a challenge that leads to non-compliance by the municipality. The assurance would be through the establishment of adequate internal controls with the intention to improve municipal performance. The following section will focus on the required internal controls for good governance in local government.

4.3. SECTION B. THE EFFECT OF INTERNAL CONTROLS USED TO IMPROVE THE PERFORMANCE OF THE ALFRED NZO DISTRICT MUNICIPALITY

The second section of this chapter, Section B, is derived from the second research objective and question of the study. This section brings to light the second section of the structured and open-ended questionnaire. Here, the interviewed participants were required to indicate their experience and perceptions about the effect of internal controls which are used to improve the performance of the Alfred Nzo District Municipality. The findings made in this section were captured and discussed in the following sub-sections:

Figure 4.5; The effect of Internal Controls used to improve the performance of the ANDM



4.3.1. Describe how internal controls have resulted to improved quality service delivery and clean audit in the Alfred Nzo District Municipality?

The internal controls are essential measures designed for the effective operation of the public or private institution.

To simply put it, the internal controls are basically the activities or procedures designed to provide reasonable assurance that the operations of the institution are ‘going according to the plan. Internal controls are management tools and without the adequate internal controls, the management has less assurance that the organizational goals and objectives will be achieved. Here, properly designed and functioning controls reduce the possibility that significant risk, errors or fraud will occur and/or remain undetected. The internal controls also assist to ensure that departments like budget and treasury office (BTO) are performing as expected.

The interviewed participants proposed that the internal controls should be basically about control procedures or activities for the management to effectively execute its responsibilities. It was noted though that the council's responsibilities for internal controls, primarily involve the oversight, the approval of internal controls and provision of ethical leadership. It was observed that councillors do not design the internal controls. In other words, councillors do not write policies, but rather they adopt them. Councillors rely solely upon management, especially the municipal manager, the accounting officer, to create the necessary policies needed to ensure that services are provided effectively and municipal assets are safeguarded. The municipal manager in turn relies upon the heads of departments (HODs) to draft, recommend and implement the procedures intended to mitigate the identified risks. The municipal manager, within the managerial ranks, is expected to provide the leadership required to establish and guide processes for development of integrated internal controls framework.

The interviewed participants raised the issue of political appointment of municipal managers as a serious challenge in local government.

It was indicated that the expertise, skills and competence of the municipal manager in this regard play a critical role. The municipal manager as the head of administration needs to establish positive 'tone at the top' by running the municipal affairs in an honest and ethical manner and demonstrating the willingness to establish accountability procedures at all levels of the organization. In the event that the municipal manager does not demonstrate strong support for internal controls, the municipality as a whole will be unlikely to practice good controls.

In terms of section 165 of the Municipal Finance Management Act, 2003, each municipality is required to have an Inter Audit Unit. The unit would be best situated in the office of the Municipal Manager, as the municipal manager is the accounting officer of the municipality.

The functions of the Internal Audit Unit include the following, but not limited;

- To prepare a risk-based audit plan and internal audit activity plan for each financial year,
- To advise the accounting officer and report to the Audit Committee on the implementation of audit plan and matters relating to internal controls, accounting procedures and practices, risk and risk management, performance management, human resource and ICT management, loss control and compliance with MFMA, the annual Division of Revenue Act (DoRA) and any other legislation.

During the interaction with participants in this study, it was observed that the Alfred Nzo District Municipality was placed under section 139 interventions during 2008-2009 financial year. It was noted that during this period the management systems of the municipality collapsed and the municipality was unable to deliver services. Therefore, 15 of the 20 participants interviewed agreed that there were no proper internal controls in place.

The provincial government invoked the provisions of section 139(b) of the Constitution, 1996. The main objective of the intervention was to put in place sound financial management and administrative systems and bring about large-scale stability within the Alfred Nzo District Municipality. The intervention, as part of the provincial government obligation was also made to ensure that, was to ensure that there is sound exit strategy after an intervention such as necessary skills transfer.

It was noted that the Alfred Nzo District Municipality managed to establish a fully-fledged Internal Audit Unit and appointed an Audit Committee late in 2010-2011 financial year. It is evident that in 2008-2009 financial year there were low levels of professionalism, integrity and leadership in the Alfred Nzo District Municipality. The elected councillors were unable to provide adequate safeguards to ensure that the municipality is working efficiently and effectively and in the best interest of the people they serve. The next section will examine the financial systems used by the Alfred Nzo District Municipality.

4.3.2. Does the municipality have sound Supply Chain Management Policy? Councillors are representatives of the community that they serve and they are regarded as the custodians or guardians of the municipality's finances. In providing leadership role in Council, councillors required to pass by-laws and municipal budget. They have to approve the setting of rates and other taxes and/or approve loans where necessary with the intention to finance the approved budget. In turn, councilors have to oversee the financial management and service delivery of the municipality.

In executing the oversight role on financial management, councillors have to consult the community. They have to set service delivery priorities and provide direction, determine policies and delivery of essential services. Councillors have also an obligation, as part of financial oversight, to monitor the outcomes of policy and budget implementation. It must be borne in mind that councillors are prohibited by the MFMA prescripts to be physically involved in the acquisition or selling or letting processes of any goods or services.

In terms of section 62(1)(c)(i) of the MFMA the accounting officer of the municipality must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The management has to maintain and improve financial management in the municipality. It has to ensure that the supply chain management (SCM) forms the integral part of the financial management system of the municipality.

The interviewed participants, 8 of the 20 participants indicated that the Alfred Nzo District Municipality maintained a SCM policy. It was noted that the Auditor-General's report for 2008-2009 financial year had lifted some limitation in the SCM policy for the municipality. The audit reported showed that the persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act or the code of conduct for staff members issued in terms of the Municipal Systems Act. Again, the SCM officials or other SCM role players who or whose close family members or partners or associates had a private or business interest in contracts awarded by the municipality participated in the process relating to that contract, in contravention of SCM regulation 46(2)(f). The audit pointed out that measures to combat the abuse of the SCM system were not implemented as per the requirements of SCM regulation 38(1), because the audited information proved that there were awards made to service providers who had failed to perform satisfactorily on a previous contract with the municipality. In the same vein some contractors given contractors had committed a corrupt or fraudulent act in competing for the contract and abused the SCM system of the municipality by conniving with corrupt officials and enjoyed preferences.

The list of litigations and criminal cases were evident that the SCM policy was abused and councillors did not undertake the due diligence in terms of playing oversight over the SCM policy.

Therefore, the implementation of the municipal supply chain management regulations and accountability thereof are vested to the municipal manager as the accounting officer.

In literature review Gildenhuis and Knipe (2009:72) assert that "contracting is a viable alternative to management performance as a means of promoting economy, efficiency, competition, variety of choices and flexibility". In the same vein they postulate that contracting is associated with profiteering, corruption, waste and public immorality.

It is interesting to note that most interviewed participants from all parties in the council showed common perceptions that the use of consultants made the municipality to cope with ever increasing demand for services within the municipality.

Therefore, the interviewed participants stressed a strong view that sound SCM policy and better control mechanisms are required. The SCM policy should be implemented in line with written delegation framework for purposes of accountability and transparency in the conduct of municipality's business. This will also mitigate chances of conspiracy and ultimately defrauding the municipality or quoting with inflated prices by service providers. Furthermore, the municipality has to maintain a comprehensive risk management and ICT governance. The next section will consider risk governance and ICT management.

4.3.3. Does the municipality has and maintains a comprehensive risk management plan and governance of Information, Communication and Technology (ICT)?

In terms of section 95(c) of the Municipal Finance Management Act, 2003, the accounting officer of a municipality is responsible for managing financial administration of the municipality. For this purpose the accounting officer of a municipality must take reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal controls. According to the Act, the accounting officer must ensure that the internal audit is complying with and operating with any prescribed norms and standards.

In this regard councillors have to provide strategic direction by ensuring that the council approves risk management policy, this includes a risk register, which is continuously maintained on annual basis.

The interviewed participants, 7 of the 20, responded that the Alfred Nzo District Municipality did not have necessary expertise or qualified personnel to draw policy of procedures to mitigate risk in 2008-2009 financial year. This has be the case in 2009-2010 financial year. It was noted that the audit report released by the Auditor-General SA for 2009-2010 revealed that the municipality had paid ghost employees, the report included the inability to identify or detect the responsible officials that manipulated the payroll system.

It was clear through this finding that the municipality lacked controls operating effectively over the addition of new employees into the payroll system. The impact of the identified deficiencies by the audit report was that the municipality was unable to achieve its predetermined IDP objectives, as the control activities were not functioning properly.

The interviewed participants, 11 of the 20, expressed concern that the Alfred Nzo District Municipality, as both Water Service Authority and Water Service Provider, did not implement adequate systems for cost-recovery. For example it was indicated that the Auditor-General's report for 2010-2011 found that all meters on reservoirs that contain water were not working and that situation did not allow for accurate readings of water in order to determine water losses. The impact of the finding was that all water losses might not be identified as there was no comparison could be made between water pumped and water sold, as water pumped could not be measured.

Section 63(1)(a) of the MFMA states that "the accounting officer of a municipality is responsible for the management of the assets of the municipality, including the safeguarding and maintenance of those assets. It was clear from the participants interviewed that the management did not develop and monitor the implementation of the actions plans for the previous audit findings in order to address internal control deficiencies; this includes the installation of accurate water reading devices on all water supply sources. It was noted that the negative impact of this finding was that the billing for water consumed was inevitable inaccurate, leaving the rate-payers with disputable large sums of money to pay. Then, the possible unintended consequences are that rate-payers become frustrated and reluctant to pay their municipal accounts and this in turn has a bearing to the rate of uncollected debt and revenue collection of the municipality.

The King III (2010:8) attributes the above stated risk to the inaccuracy of the ICT systems. King III (2010:8) states that 'one of the major concerns in municipalities is the state and accuracy of ICT systems, more specially the billing systems'.

With regard to manipulation of payroll system, it was clear that the human resource and financial management systems of the municipality were not aligned.

This also indicates that proper risk management and ICT governance were not maintained. Since, 14 of the 20 interviewed participants indicated that the Alfred Nzo District Municipality operated without the IT Manager and Risk Manager in 2008-2009 financial year. The IT unit was operated under the supervision of the HR Senior Manager, using junior officials and experiential trainees (Interns). The services of the Risk Manager were employed in 2010-2011; the function in the previous financial years was performed in the Internal Audit unit. It has been also noted that there were risk register and assets register maintained, particularly during 2008-2009 because there was no adequacy assurance provided the independent body of experts i.e. the Audit Committee.

The next section has to examine the existence of records management systems, as complementary systems to the risk governance and ICT management to form integrated system of internal controls.

4.3.4. Does the municipality has and maintains good records management system for purposes of accurate reporting, accountability and external audit of annual financial statements?

Sections 121 to 134 of the Municipal Finance Management Act, 2003, prescribe the content of the annual report of a municipality. However, the limitation is that the Act does not prescribe the principles of integrated reporting.

The above challenge requires the leadership to set the correct tone at the top with the intention to entrench the culture of clean administration. The focus by the leadership on clean administration is the only sustainable strategy to ensure progression towards improved audit outcomes. Financial disclosure should be done in line with sustainable disclosure such as contextualization of financial results.

This includes transparent reporting to structures responsible for oversight of municipal performance of either positive or negative impact of municipality's operations.

King III (2010:10) contends that 'the sustainability disclosure and reporting may cause political damage e in cases of mismanagement of municipality's resources, but on the other hand, it may force the municipality to consider certain actions before implementing them". This will result to effective, efficient and economic usage of financial resources of the municipality and enhance its image and yield positive public perceptions.

Section 41(c) of the Municipal Systems Act Section 121(4)(d) of the MFMA requires that the IDP should form the basis for the annual report. This also requires consistency of objectives, indicators and targets between planning and reporting documents. All reported objectives, indicators and targets reported in the Annual Performance Report of the municipality are expected to be consistent with those in the IDP. Equally, the planned objectives and indicators included in the IDP should be consistent with the SDBIP.

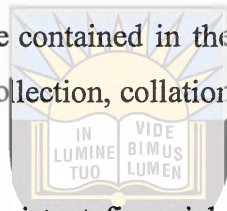
With regard to proper *record management* of the municipality in order to provide the proof of expenditure incurred and ultimately to present evidence to external auditors.

It was noted that the municipality operates with weaknesses record management systems. This problem has been identified as a problem that resulted to the receipt of adverse audit

opinion from AG. It was noted that at times transactions do not always have adequate supporting documentation. When the information or the supporting documentation provided it happens not to be sufficient or readily available for audit purposes.

It was observed that these internal control weaknesses have been identified in the previous financial years, but there was a lack of urgency from the management of Alfred Nzo District Municipality to correct the document management system. The participants commented that clearly documents and files were not stored in sequential order and therefore the retrieval of the documentation became time challenging and, in some instances, not possible to be produced and presented for audit purposes.

Furthermore, Auditor-General's Report (2009-2010), resonates that 'the municipality did not have a proper system of record management that provides for the maintenance of information that supported the reported performance contained in the annual performance report. This includes information that relates to the collection, collation, verification, storing and reporting of actual performance information'.



It was also noted that for the three consistent financial years (2008-2009, 2009-2010 and 2010-2011), the municipality experienced numerous limitations and disagreement misstatements identified in the financial statements. In this case, the possibilities of fraud were not ruled out.

This called into question the reliability of evidence obtained and the authenticity of the accounting records and documentation. Further, this was highlighted as the rationale for the application of section 139 interventions and forensic investigation by the Special Investigating Unit (SIU) by the provincial government (SIU Report, 2010).

With regard to *conditional grants* such as the Municipal Infrastructure Grant (MIG), the allocation is required to be spent in accordance with the applicable grant framework as stipulated in section 16(1) of the Division of Revenue Act.

It was observed that the Alfred Nzo District Municipality has a challenge in this regard. Proper evidence could not be provided in order to be assessed by the external auditors whether the municipality had evaluated its performance in respect of programmes or functions funded by the Municipal Infrastructure Grant allocation. This was against the requirements of section 12(5) of the Division of Revenue Act and the AGSA's report discovered misappropriated of MIG funds amounting to R 28 million during 2008-2009 and 2009-2010 financial years (SIU Report 2010).

On *revenue management*, section 62(1)(f)(iii) of Municipal Finance Management Act, 2003, requires that the municipality must maintain and implement a credit control and debt collection policy. Therefore, 15 of the 20 interviewed participants agreed that the Alfred Nzo District Municipality has and maintains Credit Control and Debt Collection Policies. The policy is timeously reviewed and adopted with the budget every financial year. The notably challenge was attributed to the lack of capacity in the BTO personnel and inadequate IT systems used, particularly on data processing and billing. For example the data cleansing was cited as a challenge wherein the physical addresses were at times not accurate for purposes of distributing bills to municipal debtors.

This has negative impact to the revenue collection and revenue reconciliation of the municipality. Consequently, the gross misstatement of financial statements and lack of sufficient appropriate evidence for external audit was experienced by the municipality.

With regard to *contract management*, it was noted that the municipality had lacked capacity on the contract management for suppliers of goods or services. This was attributed to the shortage of key personnel at the SCM Unit, particularly the vacant position of the SCM Manager.

It was noted that for quit sometime, the municipality under-performed on contract management. It was unable to submit sufficient appropriate evidence for audit purposes. It resulted to the AGSA not able express opinion whether all contracts and quotations were awarded in accordance with the legislative requirements or whether the municipality had followed the procurement process which was fair, equitable, transparent and competitive because the management had failed several times to provide information in this regard within the required time period.

On *disclosure of interests*, 18 of the 20 interviewed participants agreed that the municipality has and maintains the disclosure of interest system. Both councillors and senior officials are made to declare their financial and business interests annually. For officials, particularly those participating in the bid committees, section 5 of Schedule 2 of the Municipal Systems Act, 2000, requires them as staff member of a municipality to sign or declare their business interests and/or close family members in suppliers to service of any other state institution business interests whenever the committees meet.

It must be noted that the local government legislation does not prohibit such awards but compliance with the legislation and policies is required in an endeavour to ensure that the conflict of interests does not result in the unfair awarding of contracts or acceptance of unfavourable price quotations. This also serves as a requirement to ensure that employees have to obtain approval for performing remunerative work outside their employment, if any. For audit purpose a register of Disclosure for Interests is maintained.

On *asset management*, section 63(2)(a) of the Municipal Finance Management Act, 2003, directs that the accounting officer of a municipality must ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality. It was noted that the implementation of the asset register had limitation. As a result numerous moveable assets could not be verified during audit. The MPAC made the same finding one when it considered the 2010-2011 annual report.

A case in point was the assets used in the zone centers used for manufacturing material for construction of sanitation structures. It was noted that the asset movement controls have not been implemented which resulted in inaccurate location of information within the fixed asset register. The centers were given to service providers for management and there were reports on assets be it fixed (land and buildings) or moveable assets (working material, inventory). The other critical evidence put forward was based to the findings made by the AGSA on the line item of property, plant and equipment. The AGSA's report indicated that 'the municipal assets amounting to R32 million and non-infrastructure assets amounting to R7,4 million could be physically verified' (AGSA' Report (2010-2011)).

With regard to *human resource management*, the municipality, the AGSA' report for 2009-2010 and 2010-2011 reflected that the Alfred Nzo District Municipality operated with the staff establishment that was not approved by the municipal council. This was in contravention with the provisions of section 66(1)(a) of the Municipal Systems Act, No. 32 of 2000. Section 66(1) directs that 'a municipal manager, as the head of administration, within a policy framework determined by the municipal council and subject to any applicable legislation, must develop a staff establishment for the municipality, and submit that staff establishment to the municipal council for approval. It was also raised as a matter of concern that the finding made by AGSA for 2010-2011 financial years uncovered that the municipality had employed the service of the chief financial officer (CFO), who did not have the minimum competencies, as required by Municipal Regulations on Minimum Competence Level Regulation 16(2).

It was also noted that prior to 2009-2010 financial year, the municipality had been unable to implement performance management system (PMS) and as such both the organizational and individual performance could not be measured. As a result the performance status of the municipality degenerated to alarming levels. It was indicated that this, of course, was once of the contributory factors that led to the municipality being placed under section 139 intervention. On employee costs inadequate internal systems led to over expenditure on personnel costs, the AGSA' report for 2010-2011 showed that the AFS misstated councillors remuneration as the AFS did not agree with payroll system by an amount of R1,5 million. In the same financial year bonuses to deserving employees were paid twice and overtime and leave forms were on employee files and supported with sufficient appropriate audit evidence. On *compliance with laws and regulations*, section 127 (2) states that 'the mayor must, within seven months after the end of the financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or share control. It was observed that the municipality had continuously presented inaccurate performance report on basic service delivery, good governance and public participation development priorities/objectivees. For example, the AGSA's report (2010), showed that the planned targets and performance indicators were not aligned with the IDP objectives in the annual report. On *financial management*, it was reported that the municipality had been unable to submit the annual financial statements (AFS) within the prescribed timelines for audit purposes due to the reliance to the expertise of consultants.

At the same time, the quality for financial statements could not improve in the three financial years under the study; the AFS had gross material errors and omissions.

The other glaring challenge raised by interviewed participants was that the Alfred Nzo District Municipality did not monitor and also annually reviewed the performance of its municipal entity, Alfred Nzo Development Agency (ANDA), as required by the provisions of section 93B(b) of the Municipal Systems Act, 2000. On review of the AGSA's reported it was observed that the municipality did not comply with the requirements of section 129 (3) of the MFMA by not *making public* the *council's oversight report* of 2010-2011 annual report, after it was adopted by the municipal council.

4.4. CONCLUSION

Initially, the approach employed to deal with chapter 4 was to discuss the primary findings and focused on examining the factors determining the effectiveness of oversight and accountability role played by councillors in the Alfred Nzo District Municipality. The discussions in this chapter examined four factors, namely: factor 1; understanding the role of the political office-bearers for oversight and accountability as a measure for transparency and accountability to the stakeholders in the Alfred Nzo District Municipality, factor 2; understanding the role of councillors in the achievement of predetermined objectives as set out in the integrated development plan (IDP) of the Alfred Nzo District Municipality, factor 3; enhancing coordinated oversight for transparency and better financial accountability and factor 4; good governance through understanding the role of councillors in service delivery and municipal performance. In considering the above factors, it was noted that there are limitations in the application of these for effective oversight and accountability.

The noted limitations include, lack of clear delegation framework, rules of order not specific about the responsibility of the council whip to enforce the Code of Conduct for Councillors, lack of oversight by portfolio or standing committees on the implementation of predetermined IDP objectives and poor performance by governance structures like Audit Committee and MPAC.

In the second instance, the discussions of the primary findings considered the effectiveness of internal controls and systems as instruments used to improve the performance of the Alfred Nzo District Municipality. However, it was noted that there still ineffective application of sound internal controls. Therefore, in order to improve the situation the next chapter will present conclusions and recommendations as listing solutions to the identified challenges facing councillors to take due diligent and enforce effective oversight, accountability and ultimately improve service delivery in the Alfred Nzo District Municipality.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1. INTRODUCTION

This chapter examines the general findings, conclusions and recommendations of the study. In this chapter the process is accomplished with the aim of responding to the research objectives that deal with determining a framework which can be recommended for improving councillors' oversight roles over the administration for improved service delivery and good governance in the Alfred Nzo District Municipality.

5.2. PROFILE OF THE MUNICIPALITY

The Alfred Nzo District Municipality (ANDM) is located on the north-eastern side of the Province of the Eastern Cape and stretches from the Drakensberg Mountains, borders Lesotho in the North, Sisonke District Municipality in the East and O.R. Tambo District Municipality in the South. In preparation for the 2011 Local Government Elections, the Demarcation Board in terms of the Demarcation Act of 2008, as amended, declared the changes in some municipalities (inter- boundaries) where some local municipalities were to be moved from other district municipalities to the others and also the amendment of municipal wards boundaries. Through that ANDM became one of the affected district municipalities where it was declared that two Local Municipalities from O.R. Tambo District Municipality being Mbizana and Ntabankulu were incorporated under ANDM in the process. The Alfred Nzo district is described as a poor rural district in many documents, including the Integrated Sustainable Rural Development Strategy.

The economy of Alfred Nzo District Municipality is based on agriculture and tourism. The growing tourism sector is concentrated on tourism related activities in the coastline of Mzamba Tourist region located within the Mbizana Local Municipality as well as Matatiele area which is linked to the uKhahlamba-Drakensberg World Heritage Site. The municipality is suffering from high unemployment and a large indigent population, which is dependent on government grants and subsidies.

The municipal council has currently 40 councillors, after 2011 elections, but before it had 25 councillors. With the exception of six, the rest of members are ANC councillors.

Table 5.1: Members of Municipal Council

Political Party	Number of Seats	Females	Males
ANC	34	16	18
DA	02	0	02
COPE	02	0	02
AIC	02	1	1
TOTAL	40	17	23

AND Annual Report 2012/2013

On Infrastructure Development and Sanitation, the municipality provides core services; which are divided into two groups such infrastructure services and community services. The infrastructure services are basically about water and sanitation. The community services include disaster, fire and emergency services and sports, arts, culture and recreation and heritage services.

The Alfred Nzo District Municipality is both the Water Services Authority (WSA) and Water Service Provider (WSP) for its area of jurisdiction namely; Umzimvubu, Mbizana, Ntabankulu and Matatiele Local Municipalities.

The Municipality has developed a Water Service Development Plan (WSDP), which is amongst the key sector plans of the IDP.

With regard to water backlogs, the district municipality has a water backlog of about 47% of households with no water and 9% of households having access to water below RDP standards. Mbizana and Ntabankulu Local Municipalities are the municipalities with high water backlogs in terms of households with no water estimated at 89% and 75% respectively. The situation in as far as the water backlogs is concern is summarized on a table below:

Table 5.2. Water Backlogs-Source: Municipal WSDP

Local Municipality	Total No. of Households	Water Provision					
		Households			Percentages		
		No Water provision	Below RDP Standards	RDP and Above	No Water Provision	Below RDP Standards	RDP and Above
Matatiele	54,207	8,778	4,269	41,160	16.2%	7.9%	75.9%
Umzimvubu	47,802	10,976	5,991	30,835	23.0%	12.5%	64.5%
Ntabankulu	27,930	20,947	3,242	1,062	75.0%	11.6%	3.8%
Mbizana	48,408	43,083	2,429	1,500	89.0%	5.0%	3.1%
TOTALS	178,347	83,784	15,931	74,557	47.0%	8.9%	41.0%

ANDM IDP Situational Analysis 2013/14

The District Municipality has many stand-alone schemes and this is due to lack of big dams where various schemes will be connected.

In response to high water services and redress stand-alone schemes the district municipality has conducted Regional Bulk Study.

A study commissioned has recommended the following options: Single Scheme-Option A or Four Wall to Wall Schemes-Option B (Ntabankulu).

The municipality study (Community Survey 2013) indicates a substantial high backlog for water and sanitation, after the inclusion of Mbizana and Ntabankulu local municipalities. Furthermore, the municipality could reach national water targets, which state that every households must be served or have access to proper water services by 2014.

With regard to sanitation backlog, the waterborne sanitation is only provided in urban areas. In urban areas like Ntabankulu and Mbizana towns, sanitation is basically served with Septic Tank Systems and the district municipality is working towards providing waterborne sanitation systems connected to sewer system linked to proper water system. Toilets in rural areas comprise VIP latrines. There is a rural sanitation programme in place and the bucket system has been totally eradicated. The municipality has established the following sanitation zone centres to address the backlogs in sanitation: (1) Madiba; (2) Mt Ayliff; (3) Mt Frere; (4) Maluti; (5) Nopoyi; (6) Mpakamisi Mhlaba; and (7) Shinta.

The municipality has since outsourced the implementation of VIP toilets where a total of two service providers have been appointed to assist the municipality to fast-track the process of addressing the sanitation backlogs. The situation of sanitation backlogs is summarized on a table below:

Table 5.3: Sanitation Backlogs- Source ANDM WSDP

Local Municipality	Total Households	Sanitation			
		Households		Percentage	
		Served	Un-served	Served	Un-served
Matatiele	54,207	20,974	33,233	38.7%	61.3%
Umzimvubu	47,802	24,517	23,285	51.3%	48.7%
Ntabankulu	27,930	8,397	19,551	30.0%	70.0%
Mbizana	48,408	25,903	22,505	53.5%	46.5%
Totals	178,347	79,773	98,574	43.4%	56.6%

ANDM IDP Situational Analysis 2013/14

The situation above shows that there is a need for the municipality to speed up the process of rural sanitation rollout especially in Ntabankulu where there is a high percentage (70%) of households with no access to proper sanitation facilities followed by Umzimvubu Municipality with 61.3%.

Generally, there is a challenge with provision of proper sanitation facilities within the district where over 56% of the households have no access to proper sanitation facilities and this situation can contribute towards increasing health hazards and could result in high disease outbreak such as cholera. Furthermore, the district should try to speed up the process in order to meet national sanitation targets which states that every households must be served or have access to proper sanitation facilities by 2014

5.3. CONCLUSIONS AND SUMMARY OF THE RESEARCH KEY FINDINGS

This study endeavoured to provide the Alfred Nzo District Municipality with the opportunity to evaluate the existing strategies aimed to improve the performance of the municipality and ultimately achieved good governance, which includes clean administration and improved service delivery. Furthermore, the study attempted to enable the municipality to examine its internal controls and the extent to which the approach on internal controls systems including performance management system have resulted to improved performance of political leadership and administration across the continuum of the municipality. The review and implementation of existing strategies will also help the municipality to identify the elements that might prevent the achievement of effective oversight and accountability. This will also afford the municipality with the opportunity to apply appropriate measures or remedial solutions towards the application of enhanced and integrated oversight played by political leadership structures.

The recommendations of this study are going to help the political officer-bearers especially the speaker and the executive mayor, as senior councillors in the municipality. They will serve as key instruments in setting the tone for resident-councillors interactions for purposes of accountability, transparency and information sharing. The adoption of suggested improvements or best practices will yield best results in the performance of the municipality. This research will assist the municipality to develop a strategies and harness the potential of communities it serves through public participation. The study will also contribute in the body of knowledge as it will attract more interests to academics to explore the areas of limitation of this study. This study will provide additional theories onto existing literature and theories of public administration.

The primary and secondary findings of the study are summarized in the following sections.

The primary findings are based on the instrument i.e. questionnaire used to conduct interviews. The secondary findings are based on the reviewed literature and were presented in the following manner:

5.3.1. SECONDARY FINDINGS

The summary of the secondary findings was presented in the following sections and aligned to the research objectives and questions.

5.3.1.1. Factors Determining Effectiveness of Leadership Structures for Oversight and Accountability in the Alfred Nzo District Municipality

According to the literature review, local government is at the forefront of service delivery. There the leadership structures of the municipality have to be strengthened in order to critically understand the state of service delivery within the institution.

Van Zyl et al (2009:119) state that the effective leadership structures implies the accountability chain, which normally gets interrupted where there is a lack of capacity by those who are supposed to hold government accountable. There oversight is a key concept is a key function of governance that is aimed at ensuring that the activities are implemented as planned.

Cronje et al (2004: 177) define the leadership as the ability to influence and direct the behaviour of individuals and groups within an organization, and to induce them to work willingly for the accomplishment of the organization's predetermined goals. The definition of leadership given above implies that one in leadership position has to understand the aspects of authority, power, influence, delegation, responsibility and accountability.

Therefore, this suggests that the political office-bearers and councillors serving in the committees have to provide strategic direction to ensure that the policies and procedures of the municipality are met. This could be achieved by instituting final controls, including independent audit advices provided by the Audit Committee, and introducing the tracking procedures of the implementation of key recommendations by administration.

Mateme (2014:2) states that 'the leadership of the institution drives strategic vision, which is to build an effective people-orientated organization (municipality) that is responsive to the needs of the people it serves'. Summarily, in this case, the mission of political leadership (councillors) within the municipality is to represent the and act as the voice of the local community in fulfilling the municipal council's constitutional functions of passing by-laws and overseeing execution of adopted policies and procedures for good governance and ultimately improved service delivery.

According to Bernard Marr (2009:3) the organization, in order to be successfully, it must introduce performance management and delegation framework as an appropriate instrument to measure whether it is still on route to its destination or not.

Thus, this will provide clear route map with everybody in the organization clearly understands the strategic objectives and priorities and accept the responsibility to deliver for the improvement of the organizational performance and realization of the set objectives. For this effect the strategic objectives and priorities of the Alfred Nzo District Municipality are contained the IDP, as strategic document. Councillors, through IDP set direction for municipal activities/priorities. They take into consideration the views of the community in planning stage for services, budgeting and review of the performance of the municipality (PFSA, 2008).

They have to align the IDP priorities with the municipal budget and adopt these documents with finance policies such as credit control, debt collection and indigent policies that have financial implications, such as free basic services. The IDP, as a municipal plan, is implemented by the municipal administration, which has to ensure that the assets of the municipality are well managed and accountable for. Therefore, councillors have to adopt an effective mechanism for effective oversight and holding administration accountable. Beside the political-office bearers, as define by the Municipal Systems Act and given statutory oversight roles, the Alfred Nzo District Municipality has established the Municipal Public Accounts Committee (MPAC) and Audit Committee (AC), as the best mechanism for effective oversight and good governance.

With regard to delegation framework, the secondary findings, in the theoretical framework indicate that the proponent of “oversight model” Robert J. McGrath (2011), which has been resonated by theorist like Woodrow Wilson (1885:297) that for the organizations’ leadership to maintain their ethical values, integrity and authenticity they have to provide strategic leadership and effectively designing oversight institutional structures with delegated powers for ‘checks and balances’. However, Max Weber (1994:233 and John Stuart Mills (1861: 14) construe that the ability and confidence of leadership (councillors) command the sustainable positive influence within the organization and that the effective, efficient ‘oversight model’ determine the level of compliance, respect, loyalty and commitment from the bureaucracy of the institution. Here, the separation of functions with clear roles and responsibilities of councillors will produce best results on the effective oversight and accountability. This will also improve service delivery in the Alfred Nzo District Municipality.

5.3.1.2. The Effect of Internal Controls which are used to Improve the performance of the Alfred Nzo District Municipality

According to literature review, the King III (2010:8) states that ‘the organization (municipality) must subscribe to the principle of good cooperative governance, which requires the conducting of business to be done an honest and transparent fashion’. Section 67(1)(d) of the Municipal Systems Act, 2000, directs that a municipality must develop and adopt appropriate systems and procedures that are consistent with any uniform standards prescribed in terms of section 72(1)(c) of the Act. The main aim is to ensure that there is fair, efficient, effective and transparent personnel administration, including monitoring, measuring and evaluating of the performance of staff.

According to Dinapoli (2010:1), internal controls that constitute internal systems, are activities or procedures designed to provide reasonable assurance that the adopted organizational activities are executed according to the plan. This means that the properly designed and functioning internal controls are can reduce the likelihood of significant errors or fraud that may occur or remain undetected. Key to the effective internal controls is the flow of information. The information in the form of reporting, takes to account for the resources of the organization that they are used effectively, efficiently, economically and transparently. For this purpose the annual report, which is the comprehensive report of the municipal activities, mirrors the image of the IDP. The annual report looks back at what has been achieved against the set targets in the IDP.

Councillors’ role in playing oversight against the internal controls includes mentoring to ensure that plans are carried out in an effective efficient manner with positive or adverse impact.

Monitoring is basically about determining whether or not the policies and procedures designed and implemented are being effective and ripping the expected outcomes.

Ijeoma (2013:320) defines “monitoring” as systematic collection of information and data during the implementation of a project with the aim to improve efficiency and ensuring that the best standards are met within the process. Therefore, it can be concluded that appropriate internal controls or systems will result to effective political oversight and accountability over the executive and administration.

An in-depth analysis and interpretation of internal controls using primary data has been dealt with in chapter four above. The following sections will present the conclusions and recommendations on the primary findings.

5.3.2. PRIMARY FINDINGS

The primary findings of the study are summarized in the following sections that are aligned to the research objectives and questions.

5.3.2.1. Section A. Factors Determining Effectiveness of Leadership Structures for Oversight and Accountability in the Alfred Nzo District Municipality

Generally, the findings in figure 4.1 indicate that the statutory oversight roles and responsibilities for the speaker, mayor and council whip are not clearly defined. The three political offices operate primarily based on the party loyalty and mutual trust.

It was noted with concern that the application of factor 1, on understanding the role of the political office-bearers for oversight was accounted by unclear roles.

There was not mention of the existence of delegation framework in order to accommodate the new office of council, which does not have statutory delegated duties.

The proposal for development and implementation of written delegation system remains valid in order to enhance political accountability.

With regard to factor 2 on IDP implementation, the findings in figure 2 indicate that councillors, through the standing committees do not perform oversight on the implementation of oversight. The monthly, quarterly and mid-years reports should be considered in a manner that compares the performance indicators and targets achieved in the SDBIP against the IDP objectives for aligned. This will improve the performance of the municipality on the predetermined objectives. At the same vein, when considering the expenditure report, councillors would be able to detect low expenditure patterns on the MIG and provide leadership on the project priorities for purposes of spending the conditional grant within the accepted period and avoid wasteful, unauthorized and fruitless expenditures through poorly managed contract agreements. The glaring challenge identified was that there is a need to develop the capacity for councillors in the fields of leadership and management.

The other key aspect in this regard is the implementation of effective Intergovernmental relations (IGR) between the district municipalities and its local municipalities. As part of limitations of the study, it was difficult to receive clear responses in this regard. For example, the office of the Executive Mayor indicated the District Mayor's Forum (DMAFO) was regularly convened, but it was not clear whether was there any impact it made to the service delivery and have a dent on infrastructural backlog at ward level.

With regard to factor 3 on enhanced and coordinated oversight, the findings pointed out that there was inadequate functioning of coordinated oversight during the period covered by the scope of the study.

According to figure 3 the oversight is supposed to be played by all role-players throughout the year. It has been noted that there has been a period wherein the municipality operated without the Audit Committee.

Clearly, during this period the municipal council operated without proper advice of the independent body of expertise. It was also noted that the MPAC came into operational during the financial year of 2010-2011. It during this period that the committee had an proved work plan and terms of reference as guided by Salga Practical Guide on Establishment of Municipal Public Accounts (MPACs), issued in November 2011. Moreover, it was clear that the MPAC and Audit Committee became strong and operational during 2011.

This left the municipality with the possibility of risk of fraud, corruption and maladministration being inevitable during the period wherein the municipality operated without the Audit Committee. It was noted that the SIU Report (2010) during period, pointed out on regularities of 2008-2009 and 2009-2010 financial years, ranging from missing invoices, missing documents for audit, unauthorized expenditure, irregular and fruitless expenditures all of which transpired during the period where there was no Audit Committee, only the Oversight Committee. According to the SIU Report the unaccounted for invoices amounted to R35 million and this of course was one of the main contributing factors that led to the application of section 139 of the Constitution, 1996, by the Provincial Legislature.

The Oversight Committee was established in terms of section 129 of the MFMA without the terms of reference, except to consider the annual report at the tail-end of the financial year.

5.3.2.2. Section B. The Effect of Internal Controls used to improve the Performance of the Alfred Nzo District Municipality

Considering the above findings in factor four, one can conclude that the internal controls and procedures were totally collapsed. The findings on figure 4.5 above indicate that the internal controls were very low. For example the participants indicated the SIU Report (2010) on performance management indicated that twenty seven (27) councillors were overpaid R 466 700.40 each during 2009-2010 due to weak payroll and financial systems. Again, it was proclaimed that the record keeping of the municipality was very poor and as a result some of the employees in the payroll were declared as 'ghost' as they were unable to be physically verified by the investigators.

The investigators were given a list 195 officials, but when doing physical counting discovered 290, which means the services of some officials were employed without the organizational structure.

At Supply Chain Management it became clear from the interviewed participants that the unit experienced serious problems during the period covered in the scope of the study. The filing system at the SCM unit and Project Management Unit were inadequate. The important documents including tender documents, timesheets, contract agreements, quotations, requisition forms, invoices and payment information were not contained in the files for audit. The findings also revealed that the municipality could not account for the alleged procurement of goods processes by its employees at its Sanitation Zone Centres, which were not in compliant with the procurement policies and legislation. Clearly, from these findings, the caliber of administrators at the period of 2008-2009 and 2010-2011 had completely ignored their mandate and the very objective that justified their engagements and existence as service delivery agents. This finding clearly spelt out that the Performance Management Systems, as critical tools to measure the performance of an individual were could not be implemented. This might be attributed to the lack of political leadership to provide direction and prioritize PMS for purposes of accountability and reporting to the public on the municipal performance.

5.3.2. RECOMMENDATIONS

When considering the primary and secondary findings of the study in the preceding chapter, it can be recommended that the Alfred Nzo District Municipality must consider and apply the following measures in order reach its vision and objectives and ultimately achieve good governance through effective and efficient oversight played by councillors.

5.3.2.1. Application of Factors Determining Effectiveness of Leadership Structures for Oversight and Accountability in the Alfred Nzo District Municipality

The primary findings revealed that the Alfred Nzo District Municipality had in effective application of factors determining an effective oversight role played by councillors. On the other hand the secondary findings revealed that theorists of public administration agree that the 'oversight model' in public institutions is the instrument that directly establishes accountability. This also presents an urgent need about the local state's response mechanism and approach to ensure that it is indeed the most to credible, people-centered and responsive sphere of government.

Looking at the educational levels on the region given chapter 1, councillors can vary in their capacity to engage official and general members of the public. This is due to the fact that there are no prerequisite for minimum requirements to become a councillors.

It assumed that councillors can read, analyze and understand the reports created and presented by officials to the standing committees. The other challenge is that councillors, especially new councillors have to learn municipal procedures and protocols and here the question of capacity comes forth.

Based to the argument on statutory roles and responsibilities, it was clear that the roles and responsibilities for the mayor are clearly delineated in the local government legislation.

The MFMA warrants the mayor to conclude IDP and budget consultation processes through public participation. This also includes the signing of the SDBIP for achievement of the IDP objectives.

Therefore, it is recommended that the capacity of councillors with lower educational qualifications should be improved. This should be done to avoid the limited capacity of councillors to interrogate reports developed and presented by officials. It must be noted that the limited capacity of councillors to engage officials undermines their capacity to monitor the progress of projects implemented.

It also recommended that the municipality should adopt the model of separation of functions and at the same time the office of the speaker should be delegated to prioritize and monitor the capacity building programmes for councillors and account by reporting to the municipal council.

It also recommended that in order to mitigate the potential of tensions, if the roles of the council chief are not clearly delineated, the Council Whip should be responsible for receiving and approving the application of leave of absence to both the municipal council and its committees. The speaker as the chairperson of the council should invite the Council Whip to present the report on the application of leave of absence by members of council. Additionally, the Council Whip should be delegated in writing to assign members to portfolio committees and assist the speaker in the application of the Code of Conduct for Councillors. The rationale is that the Council Whip has a direct mandate to represent the ruling party's interests in terms of implementing the political party's manifesto and other political in the council.

The councillors of the ruling party have responsibility to submit constituency work reports to the chief whip of their party who ultimately conveys those reports through the caucus structures.

5.3.2.2. Application of the Effective Internal Controls to Improve the Performance of the Alfred Nzo District Municipality

The Alfred Nzo District Municipality has to employ simple tools and internal systems in order to achieve clean administration and its constitutional objectives.

Making effective use of the oversight structures like Audit Committee and Municipal Public Accounts Committee can offer the prospect of enhancing oversight and accountability of for credibility, trust and reputation amongst the municipal stakeholders.

It is recommended that the Alfred Nzo District Municipality should made efforts in turning around and professionalizing the municipality to ensure that it has positive spin-offs and enhanced its constitutional objectives of effective, efficient and economic service delivery provision to the communities it serves. The municipality has to solicit necessary financial and human resource support from the provincial CoGTA and Treasury Office to ensure that the municipality has an adequate capacity to deal with challenges it faces.

With regard to PMS, the other important aspect to be considered is the constant implementation of the PMS in the municipality in order to measure the organizational and individual performance against the predetermined objectives.

In compliance with the requirements of the PMS implementation, the political leadership should do due diligent and compensate or incentivized those deserving, thus to mitigate despondencies and disgruntlement amongst those being assessed and achieved or outperformed in achieving their targets and performance indicators.

Given the above recommendations, it could be deducted that the main reasons for dismal performance by the municipality during the period assessed was as the result of to produce a credible and meaningful IDP. Therefore, logical sequence of IDP processes informed by the realistic budget should be developed, because if it is not true, it is not a reflection of the needs of the communities.

On records management, it is recommended that the municipality should develop and maintain sound financial and ICT management systems for proper filing to ensure that records of financial affairs are properly kept. This includes filling of payment invoices and adopting clear plan for addressing queries raised by the Auditor-General SA during the prior year audit report. The municipality should adopt a sound system to track the implementation of the recommendations made by governance structures to the council like Audit Committee and Municipal Public Accounts Committee (MPAC).

With regard to human resource management, the Alfred Nzo District Municipality should employ competent personnel. For example, the municipality to reach clean administration has

to employ committed municipal manager and chief financial officer (CFO) with right qualifications and experiences. The right CFO and key staff at BTO are the key ingredients of achieving clean administration and unqualified audit with no findings. Moreover, the municipality needs to fill all the critical posts in the organogram and tie the contractual posts with signing of performance agreements and include the personnel development plans (PDPs).

It is further recommended that the municipality should introduce and maintain retention strategy and offer better remuneration packages.

Again, to attend to development of skilled manpower, the municipality should introduce the strategy of mentorship. This will assist to equip young graduates from tertiary institutions with limited experience so that they can take over when the senior staff retires.

On Supply Chain Management, the municipality should develop and maintain adequate controls by following laws or procedures and approved SCM policy when awarding tenders. From the analysis and interpretation of data in chapter 4, it has been noted that councillors are prohibited from being involved in the acquisition, selling or procuring of any goods or services with the prescripts of the MFMA, 2003. The Accounting Officer, in terms of sections 62 and 95 is fully responsible for the expenditures relating to SCM.

It therefore recommended that Accounting Officer should designate members of the Bid Committees and delegate them in writing. There should be no supply chain duties assigned to low rank officials, but senior management for purposes of accountability and reporting, this includes signing of contracts and approval of payments. The municipality should also undertake the system of getting an analyzed report from the Audit Committee that reflects the verification of the annual disclosures and public the report thereof for public.

Furthermore, the municipality should develop and maintain an asset management system to ensure that the management assets of the municipality is good and ensure that effective controls are in place.

5.4. CONCLUSION

In conclusion, the councillors interviewed reflected on the achievements in performing their role and functions despite the challenges faced by the municipality during the studied period. It was reported that a tremendous work has been done by the current political leadership to turn the situation around. This includes the filling of all critical posts of senior managers, including signing their employment and performance contracts. As results, recently, the Alfred Nzo District Municipality has achieved an unqualified audit opinion for 2013-2014 financial year.

It was also indicated that the Alfred Nzo District municipality has created strategic partnership with Ostersund Municipality in Sweden and that the partnership had yielded many benefits in this regard, through job-shadowing programmes and best practices in the document management. In responding to the national call on job creation, the initiative, which ultimately paid off because the municipality in 2010-2011 obtained a National Award as number one in job-creation by creating 2000 EPWP jobs.

Furthermore, it was reported that the Alfred Nzo District Municipality defied all odds and achieved the “Blue Drop” status of 64% being number four in the province the almost impossible, given the municipality’s background on infrastructure backlog that has been made worst by dilapidated water infrastructure.

Given the above scenario, it is concluded the councillors should harness the expertise of management by creating a conducive environment for good working relations and order. Thus, will guarantee job security and professionalism confidence and amongst managers and make them to exercise their authority, executive their responsibilities and account freely for their actions without being undue pressure and influence on matters of administration.

This is mainly subscribed to the external environment of political instability and factionalism with the party in power at the time.

The Municipal Manager, as the Accounting Officer, should be given a space to form a team-building for Change Management exercise comprising, of course, by political leadership (councillors) and salaried officials of the municipality. The municipal manager should focus on professionalization of the municipality and participate as active driver of service delivery and good governance of the municipality.

The Alfred Nzo District Municipality should take a lead of coordinating District IGR Forums and consolidate functions of all the four local municipalities it serves by providing support where necessary.

The prospects of effective and efficient oversight role played by councillors of Alfred Nzo District Municipality would be realized when it works tirelessly towards achieving a clean audit opinion. It has also to instill the culture of professionalism and accountability amongst all managers and staff general and to take the matters raised by the Auditor-General SA serious and undertake required corrective and attention of the municipality.

Finally, there is a need to institutionalize feed-back relations between councillors and municipal administration. Furthermore, the municipality has to recover money owed by municipal debtors by means of effective cost-recovery solution reached on mutual agreement with debtor on a payment plan.



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APPENDIX 1

RESEARCH INSTRUMENT (STRUCTURED OPEN-ENDED INTERVIEWS)



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RESEARCH QUESTIONNAIRE

APPENDIX 1

RESEARCH INSTRUMENT (STRUCTURED OPEN-ENDED INTERVIEWS)

Programme: MPA 2014

ASSESSMENT KEYS

RATING	RATING DISCRPTION
5	Excellent
4	Above average
3	Average
2	Below average
1	Poor

ASSESSMENT GUIDE

Purpose of the Survey:

The purpose of the survey is to examine the oversight roles played by councillors in service delivery at Alfred Nzo District Municipality.



Note to Respondents:

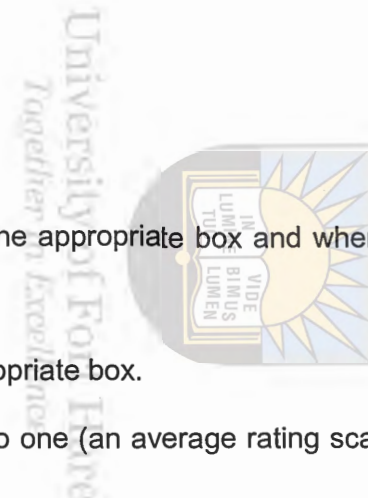
I would humbly appreciate your willingness to assist in this research project. Please note that you are not compelled to partake in the survey, but your contributions to the interview will be of great importance and will remain private and confidential, no one will be able to trace your responses back to as an individual. Your permission to use your responses is merely solicited for academic purposes only for this study.

Thank you in advance for your participation.

SECTION A

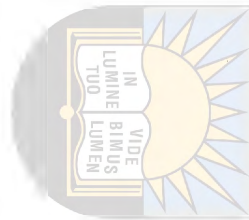
Please use a pen to mark your responses by placing a cross in the appropriate box and where applicable, write your comments or detailed information in the appropriate space provided.

1. Complete the questions given below by marked 'X' in the appropriate box.
2. The scores of an individual participant will be consolidated into one (an average rating scale as shown in the column above). The scores per thematic area will be summarized and represented by average score.



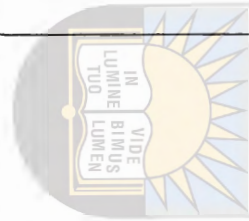
<ul style="list-style-type: none"> • Calendar Month for Portfolio Committees 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Audit Committee exist and perform its external independent assurance on the financial statements 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Oversight Committee exist to consider and evaluate the content of the annual report 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • In-year financial and non-financial information to evaluate service delivery 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Receive and consider in time the monthly and quarterly financial reports (Secs 71&72 reports); this includes: 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Reviewed and implemented SCM policy, 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Updated Asset Register and insurance of assets 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Reviewed and implemented Indigent Policy 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Reviewed and implemented Strategic Risk Register 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Adopt credible IDP aligned with accurate budget 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Proper procedures for HR management, this includes; 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Approved and updated Delegation Framework 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Adopted and implemented Organogram 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Approved Salary Structure 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Report on selection and recruitment processes for vacant positions 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <ul style="list-style-type: none"> • Report on leave management, 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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<ul style="list-style-type: none"> • Reviewed and implemented SCM policy, • Updated Asset, insurance of assets and contract registers for information management • Reviewed and implemented Indigent Policy for free basic service to destitute households. • Update report on the functioning of District IGR structures 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><u>Comment(s)</u></p>								

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<p>Factor 4: Good Governance through understanding the role of councillors in service delivery and municipal performance</p>	Yes	No	N/A	1	2	3	4	5
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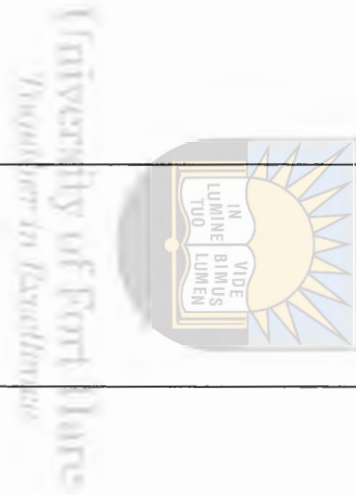
Are the following systems in place for councillors to play effective oversight

Adopt credible IDP aligned with accurate budget

- Performance Management Systems, this includes;
 - Approved and updated Delegation Framework
 - Adopted and implemented Organogram with approved Salary Structure
 - Customer Care Policy
 - HR and Financial Management
 - Reviewed and implemented Strategic Risk Register

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment(s)



2. SECTION B: THE EFFECT OF INTERNAL CONTROLS USED TO IMPROVE THE PERFORMANCE OF THE ALFRED NZO DISTRICT MUNICIPALITY

2.1. Describe how internal controls have resulted to improved quality service delivery and clean audit in the Alfred Nzo District Municipality?

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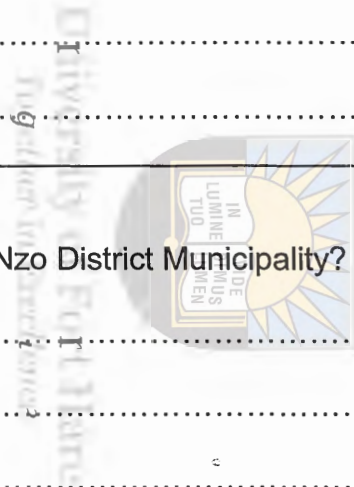
2.2. Briefly explain the internal systems used by the Alfred Nzo District Municipality?

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2.3. Does the municipality have sound Supply Chain Management Policy?

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2.4. Does the municipality has and maintains a comprehensive risk management plan?

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2.5. Does the municipality has and maintains a comprehensive governance of Information, Communication and Technology (ICT)?

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2.6. Does the municipality has and maintains records management system for purposes of accurate reporting, accountability and external audit of financial statements?

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