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GOVERNANCE PRACTICES IN WESTONARIA LOCAL MUNICIPALITY

by

Dihapilwe Letooane

A research report submitted to the Faculty of Management, University of the Witwatersrand, in 50% fulfilment of the requirements for the degree of Master of Management in Public Policy.

June, 2017

ABSTRACT

The notion of good governance in municipalities has gained prominence in the discourse around the performance of local government which is at the coal face of service delivery.

The study aimed to explore the governance practices prevalent in Westonaria Local Municipality by examining how the rule of law is maintained through the enforcement of policies and by-laws in the municipality; how the executive is held to account for performance by the Council and the extent to which the community is involved in the affairs of the municipality. The study sought to understand the governance challenges experienced in the municipality that contribute to poor audit outcomes and to propose recommendations for improvement.

The study found that human and financial resource constraints affect municipal performance. Furthermore, the study established that effective oversight by council and enforcement of consequence management by management are necessary in fostering good governance in the municipality.

Key words: Governance, good governance, oversight, accountability, performance management, consequence management.

DECLARATION

I, **Dihapilwe Letooane,** declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management in the field of Public Policy (MMPP) in the University of the Witwatersrand, Johannesburg. It has not been submitted before any degree or examination in any other university.

_____

Dihapilwe Letooane

June 2017

DEDICATION

This study is dedicated to my late parents, Seipati and David Letooane, whose love for education and hard work forever inspired me to pursue my goals and to never give up on my dreams. Your legacy lives on!

ACKNOWLEDGEMENTS

Let me firstly direct all praise and glory to the Almighty God for his guidance and Lordship in my life, for in Him all things are possible (Matthew, 19:26).

To my loving husband, Kamogelo Mkenku, thank you for your unending love, patience and support while I was completing this project. I would also like to thank my family for their encouragement and support.

I am most humbled and appreciative of the support of the South African Local Government Association (SALGA) towards my studies.

To the leadership and staff of Westonaria Local Municipality, thank you for affording me the opportunity to conduct this research in your municipality and making time in your busy schedules to give interviews.

Finally, I would also like to express my utmost gratitude to my supervisor Dr Manamela Matshabaphala. Sir, your invaluable guidance and encouragement throughout the writing of this report has enabled me to complete this project and for that I'm forever indebted to you.

LIST OF ABBREVIATIONS

AFS	Annual Financial Statement
AGSA	Auditor-General South Africa
AU	African Union
CFO	Chief Financial Officer
COGTA	Department of Cooperative Governance and Traditional Affairs
DM	District Municipality
DORA	Division of Revenue Act
GCRO	Gauteng City Region Observatory
GEAR	Growth, Employment and Redistribution Strategy
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
KPI	Key Performance Indicator
LGES	Local Government Equitable Share
LGSETA	Local Government Sector Education Training Authority
LGTAS	Local Government Turn-Around Strategy
LM	Local Municipality
MDB	Municipal Demarcation Board
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
NDP	National Development Plan
NEPAD	New Partnership for Africa's Development
PMS	Performance Management System
RSA	Republic of South Africa
SADC	Southern African Development Community

SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SDG	Sustainable Development Goals
UNESCO	United Nations Economic and Social Council
UNDP	United Nations Development Programme
UN	United Nations
WLM	Westonaria Local Municipality

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CHAPTER 1
INTRODUCTION

1.1 PURPOSE OF THE STUDY

The study aims to explore governance and the clean audit outcome challenge in Westonaria Local Municipality, the only municipality in Gauteng Province marred by poor administration. The study was undertaken through a qualitative research approach by conducting semi-structured interviews and documentary analysis to collect data. The report presents findings and recommendations on how governance in the municipality can be enhanced to promote improved audit outcomes and performance.

1.2 CONTEXT OF THE STUDY

The democratic dispensation in South Africa following the demise of the apartheid regime brought about significant improvements in the delivery of services. However, local governments still face many governance challenges around the quality of services, financial misconduct and corruption, lack of leadership and poor performance that run counter to the outcomes envisioned in outcome 9 of the service delivery agreement (The Presidency, 2010).

This phenomenon is not unique to South Africa. Many local governments around the world, such as Indonesia and Brazil, for example, also experience governance challenges at sub-national levels. Basri and Nabiha (2014) concede that there are concerns over the mismanagement of resources, inefficiency and ineffectiveness and lack of accountability in Indonesian local government. It is therefore necessary to tackle governance challenges around inefficiency and poor service delivery by carefully analysing the performance of municipalities (Aveline, 2007).

African countries also face the challenge of local governance. For instance, Kiwanuka (2012) argues that good governance in Uganda is affected by the legal framework in that policies need to be more inclusive to ensure greater involvement

and participation of all citizens so as to strengthen local governance. The ineffectiveness of local governments in Uganda can be attributed to the inability to meet service delivery demands due to revenue generation challenges as well as the national politics impacting on local governments and poor leadership (Manyak and Katono, 2010). Similarly, in other African countries such as Kenya, local governments are faced with the challenge of urbanisation that places increased demands on service delivery, including insufficient revenue base, mismanagement, weak institutional capacity and poor planning (Barasa and Eising, 2010).

One of the Southern African Development Community (SADC) countries that have remained intact, despite the governance challenges of underdevelopment and poverty it experiences, is Botswana. Sebudubudu (2010) argues that good governance in Botswana paved the way to facilitate development and positively impact on stability and reduction of poverty in the process of attaining a developmental democracy. The success of Botswana in tackling the challenges of good governance can be attributed in part to the commitment by the African Union (AU) member states to the notion of good governance as a key indicator of development and the peer review mechanisms facilitated through the New Partnership for Africa's Development (NEPAD) (Sebudubudu, 2010).

At sub-national level, Botswana has made great strides to achieve a developmental local government where there is stability, prevalence of the rule of law and participation of the public in policy making processes (Sharma, 2010). However, Sharma (2010) concedes that despite these achievements, Botswana still faces the challenge of limited capacity that negatively impacts on the functioning of local governments.

In South Africa, the government is divided into three spheres of national, provincial and local government that are "distinctive, interdependent and interrelated" as espoused by section 40(1) of the Constitution Act of South Africa No. 108 of 1996. As a sphere of government, local government is expected to achieve specific objectives as set out in section 152 of the Constitution of 1996. The Auditor-General of South Africa is constitutionally mandated to strengthen the South African

democracy so as to enable accountability, governance and oversight in the public sector that will build the confidence of the public through auditing (AGSA, 2015).

The Presidency (2010) entered into 12 service delivery agreements with various departments and key stakeholders with the aim of accelerating services by 2014 and outcome 9 was allocated for municipalities underpinned by an overarching vision of "A responsive, accountable, effective and efficient local government system". The service delivery agreement on outcome 9 sought to address seven critical challenges experienced in local government through a differentiated to:

- "Develop a more rigorous, data-driven and detailed segmentation of municipalities that better reflect the varied capacities and contexts within municipalities and lays the basis for a differentiated approach to municipal financing, planning and support;
- Ensure improved access to essential services;
- Initiate ward-based programmes to sustain livelihoods;
- Contribute to the achievement of sustainable human settlements and quality neighbourhoods;
- Strengthen participatory governance;
- Strengthen the administrative and financial capability of municipalities; and
- Address coordination problems and strengthen cross-departmental initiatives" (Presidency, 2010, p.9).

Despite the differentiated approach undertaken in the service delivery agreement, municipalities still experience a range of challenges largely as a result of the institutional arrangements in local government. Previous interventions such as Project Consolidate were not effective due to lack of coordination of support initiatives to municipalities and lack of sustainability of those interventions (Presidency, 2010).

Local governance has become a focal point for expediting service delivery and sustained livelihoods not only in South Africa but also globally. The adoption of the Sustainable Development Goals (SDGs) by the United Nations is indicative of a

commitment by international leaders to local development (UNDP, 2016). The sustainable development goals were preceded by the Millennium Development Goals (MDGs) adopted in 2000 by international governments including South Africa with the aim of alleviating poverty and accelerating human development. The MDGs represented the commitments made by governments across the national, provincial and local government levels, including in South Africa. However, it was the South African Local Government Association's view that to achieve accelerated implementation, MDGs should be institutionalised at sub-national level (SALGA, 2011).

In order to institutionalise the MDGs at local government level, the United Nations Development Programme (2005) embarked on the localisation of the MDGs in an effort to "address disparities and marginalization at the sub-national level; providing an integrated framework for development through the inter-relationships between the MDGs; linking global, national, sub-national concerns through the same set of goals; providing a framework for accountability through the setting of targets and indicators; supporting marginalized groups in democratic governance and participatory decision-making processes; and lastly, supporting good governance" (p.4).

Klees (2014) notes that there are a number of considerations that could serve as barriers to localising millennium development goals as suggested by the Global Forum on Local Development in 2010, such as insufficient resources, skills requirements, lack of clear inter-governmental frameworks for governance, institutional barriers and political obstacles and absence of policies aimed at MDG localisation at sub-national level.

The 17 Sustainable Development Goals were constructed on the foundational success of the Millennium Development Goals, and are aligned with regard to the role of developmental local government with the South African Vision 2030. The target number 11.(b) of Sustainable Development Goal 11 of the SDGs makes provision that countries must "support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning" (UN, 2016, p.28). The methodology to be employed to assess and track progress on urban development and implementation includes a

number of indicators such as urban governance systems, infrastructure development, improved local fiscal framework and response to population dynamics, amongst others (UN, 2016).

African countries through the member body, the African Union, adopted Agenda 2063 that explicitly sets out the vision that African member states want to achieve by 2063. Vision 2063 was developed through engagement with a number of key actors involved in the governance of African countries. The vision explains what needs to be implemented to achieve the targets of 2063 (African Union, 2015). Likewise, South Africa as a member of the African Union must ensure that the Vision 2063 finds expression at national and sub-national level.

There is an emphasis on integrated planning across all spheres of government and the overarching strategy and vision for development in South Africa as espoused in the National Development Plan (NDP). The NDP provides a vision of 2030 aimed at eliminating poverty and reducing inequality. The plan serves as a blueprint for achieving these goals through "growing an inclusive economy, building capabilities, enhancing capacity of the state and promoting leadership and partnerships through society (NPC, 2012, p.14). The national and provincial departments have incorporated the National Development Plan into their strategic frameworks and at local government level municipalities are expected to align their plans as expressed in the Integrated Development Plans with the NDP. This was reiterated by the President of the country following the endorsement of the NDP by Cabinet in 2012 during the Presidency's budget debate in Parliament (SA News, 2013). For local government a number of chapters can be incorporated in the integrated development plans such as chapter 8 on spatial transformation; chapter 12 which relates to building safer communities; chapter 13 on building a capable and developmental state; chapter 14 on fighting corruption; and chapter 15 on nation-building and social cohesion (NDP, 2011). When developing integrated development plans, municipalities must ensure alignment of all developmental agendas and visions adopted globally, continentally, nationally and provincially to facilitate accurate reporting of progress on implementation.

A number of municipalities in the country are, however, still struggling to remain financially viable which ultimately affects the ability to achieve the developmental local government agenda presented in the NDP Vision 2030. The report of the Auditor-General on municipalities indicates that only 40 municipalities out of the 278 in the country achieved financially unqualified audit opinions (also referred to as clean audits), which equates to 14% for the 2013/14 audit cycle (Magubane, 2015). This number improved to 54 in the 2014/15 audit cycle for municipalities and although the achievement is commendable, a significant number of municipalities in the country are still not achieving the required level of performance. There are a number of reasons to which poor performance can be attributed, as cited by the Auditor-General, including:

- Reliance on consultants to prepare financial statements;
- Lack of proper and accurate reporting of performance and service delivery information;
- Non-compliance with relevant key legislation such as the Municipal Finance Management Act;
- Contravening supply chain management processes and inadequate contract management; and
- Findings on Irregular, Unauthorised and Fruitless and Wasteful Expenditure (AGSA, 2015).

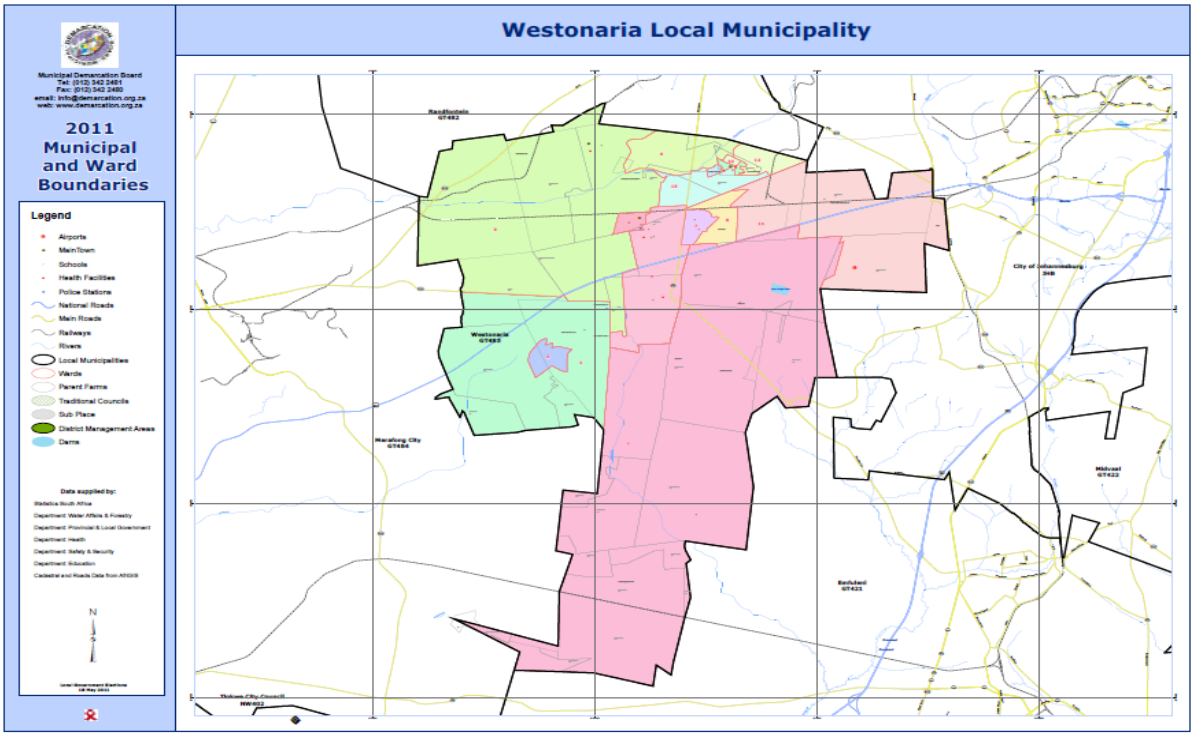
The performance of Gauteng municipalities has, however, improved with four municipalities out of 12 receiving clean audit outcomes (AGSA, 2015). Four municipalities including a metro within the Gauteng province sustained their clean audit status in the 2014/15 audit cycle. The Auditor-General attributed the achievements of these municipalities to their performing the basics correctly through implementation of rigorous plans to strengthen internal controls, provision of effective leadership and continued oversight on performance and achievement of targets, and ensuring compliance with financial management laws and regulations (AGSA, 2016).

Although the Gauteng province has performed well with regard to audit outcomes, the exception is the Westonaria Local Municipality, which is the worst performing municipality in the province for the 2013/14 financial year due to non-submission of the annual financial statements within the legislated timeframe, which resulted in the

municipality being given an adverse opinion (AGSA, 2015). Unfortunately, Westonaria Local Municipality did not manage to improve on this outcome in the financial year that followed in 2015 but continued to sustain an adverse opinion from the previous financial year (AGSA, 2016).

Westonaria Local Municipality forms part of the West Rand District Municipality which consists of four local municipalities, namely Mogale City, Randfontein, Merafong City and Westonaria Local Municipality. Westonaria was proclaimed in 1938 and is commonly known as a mining town in that mining represents about 64% of economic activity in the area, with a population of just over 110 000. It is situated approximately 60 km from the economic hub of Gauteng, namely Johannesburg, Pretoria and Midrand (IDP, Westonaria LM, 2015). The N12 and the R28 national and provincial roads respectively, as well as the railway line, provide easy access to the area. The allocated municipal code is GT483 with a 616km^2 municipal area consisting of 16 wards. The greater Westonaria consists of a number of satellite towns, being Westonaria, Hillshaven, Glenharvie, Venterspost, Libanon, Waterpan, Bekkersdal, and Simunye as contained in the Integrated Development Plan of Westonaria Local Municipality (WLM, 2015). This is depicted in Figure 1 below.

Figure 1: Westonaria Local Municipality – 2011 Municipal and Ward Boundaries



The Department of Cooperative Governance and Traditional Affairs made a proposal for a number of municipalities to be re-determined following an assessment of the viability of these municipalities, taking into account four indicators: “tax sustainability, economic viability, financial viability and dependence on inter-governmental transfers”. This financial viability assessment was conducted in line with the Back-to-Basics programme of the Department and not only proposed the amalgamation of municipalities but also interventions in terms of section 139 of the Constitution and strengthening of district municipalities to provide support to local municipalities (Parliament, 2015).

Westonaria Local Municipality is one of the municipalities identified to be re-determined following the Local Government Elections in 2016. The municipality will be merged with another municipality within the West Rand region. The re-determination of municipal boundaries is provided for in terms of section 22 of the Municipal Demarcation Act. The Demarcation Board is mandated to, in terms of section 85, “consider the capacity of District and Local municipalities to perform their function and to exercise their powers, and provide advice to MECs responsible for Local Government” (Demarcation Board, 2016).

The merging or incorporation of municipalities along certain boundaries has been undertaken over a number of years. For instance, there was a total number of 1 262 local government institutions prior to the democratic dispensation which came into effect in 1994. This number reduced to 843 in 1996 following the adoption of the Constitution of the Republic of South Africa which made provision for the categories and boundaries of the country to be nationally determined through enactment of the Municipal Demarcation Act and Structures Act in 1998. The rationale for the re-determination of municipal boundaries is premised on the notion that the amalgamation will result in improved financial viability and functionality of the specific municipality. The extent to which previous municipal re-determinations have yielded result as anticipated has not been the case in the City of Tshwane that incorporated two local municipalities, Kungwini and Nokeng tsa Taemane, and a district municipality, Metsweding, following the 2011 local government elections. The City of Tshwane (2013) reported at Council that the amalgamation of these municipalities resulted in serious cash flow constraints for the City in the amount of R1 billion and a

further infrastructure backlog of R5.8 billion. There are a number of cost implications associated with demarcation that have been of concern, more especially on the performance of re-determined municipalities. In 2015, the National Treasury through the Division of Revenue Act allocated an amount of R139 million over the medium-term expenditure framework to provide for transitional measures of affected municipalities. Westonaria Local Municipality will also benefit from this demarcation grant (DORA, 2014).

Westonaria Local Municipality has experienced challenges of underperformance in provision of trading services, thus losing potential revenue as a result of these backlogs and this affects the sustainability and long-term financial viability as to whether the municipality is a going concern as cited by the Auditor-General in the 2014/15 Audit Report (AGSA, 2015). In order to understand the reasons for poor performance and the negative audit opinion of the Auditor-General, this research study explored the governance practices in Westonaria Local Municipality.

1.3 PROBLEM STATEMENT

The developmental mandate of a democratic society can only be realised through a system of local government that is accountable, responsive and participatory and maintains the rule of law (White Paper on Local Government, 1998). However, this is not always the case as the governance of municipalities is marred by. *inter alia*. serious service delivery backlogs, leadership and governance failures, corruption and fraud, poor financial management and insufficient capacity, and inadequate platforms to facilitate public participation (State of Local Government, 2009). This necessitates the need to investigate the root causes of poor governance in Westonaria Local Municipality. The study explored the institutional arrangements and the relationship between the governance practices and audit outcomes. The study makes recommendations aimed at ameliorating the governance challenges experienced in the Municipality around improved audit outcomes.

1.4 PURPOSE STATEMENT

The purpose of this exploratory study was to identify factors that contribute to poor audit outcomes, to examine how the Municipality responds to governance challenges and to propose measures to improve governance in Westonaria Local Municipality.

1.5 RESEARCH QUESTIONS

Research studies are guided by a set of questions that attempt to address the research problem. Jesson, Matheson and Lacey (2011) emphasises the importance of research questions that are crucial in providing structure, focus and direction for the research. Furthermore, research questions are representative of the type of inquiry the researcher intends to undertake, whether descriptive, explanatory or exploratory (Miles *et. al*., 2014, p. 25). To answer the main research question, the following primary and secondary questions provide guidance to the study.

1.5.1 Primary research question

- What are the governance practices in Westonaria Local Municipality?

1.5.2 Secondary research questions

- How are rules made and enforced in the Municipality? (Rule of law)
- How is the executive held to account by the legislature in Council? (Accountability, Transparency and Leadership).
- To what extent is the community involved in the affairs of the Municipality? (Public participation).
- What can be recommended to improve the governance in municipalities?

1.6 RESEARCH GAP

Although the adverse opinion expressed in the audit report by the Auditor-General is an important indicator of the performance of Westonaria Local Municipality, other underlying factors do not find expression in the A-G report. The approach of the audit is to investigate a sample of the issues and not conduct a thorough in-depth analysis

of the factors leading to poor performance beyond the predetermined scope of the audit. The research study therefore provides an opportunity to examine the root causes of governance failures in Westonaria Local Municipality.

1.7 SIGNIFICANCE OF THE STUDY

The local government has a Constitutional mandate to provide services to the community. However, this is not always optimally achieved as there are governance challenges affecting municipal performance. This study proposes recommendations to address governance challenges in Westonaria Local Municipality thereby providing a basis for best practices that can be used by other local authorities. The study moreover anticipates imparting knowledge in academia for further research.

This section seeks to define the concepts of governance and good governance as espoused by various scholars and different organisations, particularly the World Bank, including the concepts closely associated with governance i.e. accountability, transparency, the rule of law and participation.

Governance: This refers to enlightened public policy fostering openness and the rule of law that imbues professional ethics and accountability by the executive arm of local government with strong civil society participation in the affairs of the municipality (Chowdhury and Skarstedt, 2005). Governance involves a number of actors within the local government space with authority to make and inform decision-making and to enforce accountability. The Institute of Governance on their webpage defines governance as making reference to determining “who has power, who makes decisions, how other players make their voice heard and how account is rendered” (2015). Governance makes reference to processes and institutions developed and designed to promote elements of accountability, responsiveness, rule of law, sustainability and stability, transparency and participation (UNESCO, 2016). Additionally, governance involves a set of values underpinning the form of interaction on public affairs and issues in an inclusive and transparent manner informed by the underlying culture, institutions and the environment within which stakeholders and public policy actors from government and the community at large participate.

Good governance: This calls for improved decision-making processes, institutional performance, enhanced state-society interaction, efficient and effective allocation and spending of public resources and better delivery of services (Grindle, 2005). Kaufmann (2003) in Hyden (2007) defines good governance as the exercise of authority through public institutions to achieve common good by formulating sound policies and promoting engaged citizenry. Hyden *et. al*. (2004) in Grindle (2005) identifies five dimensions along which good governance can be measured through the formation and stewardship of rules to regulate the public, namely "participation, fairness, decency, efficiency, accountability and transparency in each of the six arenas i.e. civil society, political society, government, bureaucracy, economic society and the judiciary" where these actors engage to make decisions (p.15). The King III Report on corporate governance (2009) asserts that good governance is "essentially about effective leadership" in that leaders are expected to play a leading role in defining and providing strategic direction, laying the foundation for ethical leadership and values towards high and sustainable performance achievements (p.12).

Accountability: Accountability refers to taking responsibility for actions or non-action for the responsibility assigned to an actor or an institution either through election or appointment. The concept of accountability is deemed to be "one of the most original tasks of government, and right accountability for citizens as one of the original citizenship rights in the public sector" (Fatemi and Behmanesh, 2012, p.46). There are different types of accountability such as public accountability, social accountability, management accountability and financial accountability. At local government level the municipality must give an account of how it expended the money collected through rates and taxes in pursuance of service delivery, management of cash and systems of internal control to mitigate risks that might undermine the achievement of strategic goals. The entrenchment of sound financial management is enforced through the Municipal Financial Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000, including supporting regulations to hold to account the municipality for policy decisions, financial management and service delivery.

Transparency: Transparency relates to the openness with which decisions are made in relation to policy objectives, implementation and financial management and

the ease with which this information is readily available to the public. Municipalities are meant to ensure the highest level of transparency and ethical conduct in the procurement process and budgetary considerations in line with the Supply Chain Management Regulations such that corruption is reduced and irregular and wasteful expenditure is minimised as required by the Municipal Finance Management Act.

The rule of law: Compliance with all laws and regulations by the municipality is paramount. In South Africa the Constitution is the supreme law and no citizen, civil servant or government is above the law. All stakeholders are expected to act within the ambit of the rule of law. A municipality can face litigation from the community in instances where rules are not applied fairly and consistently. The Municipal Systems Act 32 of 2000 makes provision for municipal councils to pass by-laws to enforce policies.

Participation: "Public participation is the process by which Parliament and provincial legislatures consult with the people and interested or affected individuals, organisations and government entities before making a decision. Public participation is a two-way communication and collaborative problem-solving mechanism with the goal of achieving representative and more acceptable decisions" (SA Legislative Sector, 2013, p.7). One of the primary aspects of good governance is the participation of civil society in the design and formulation of the Integrated Development Plans (IDPs), budgetary processes and other key policies through a consultative process that incorporates their views. An engaged citizenry is a key indicator of deepened and mature democratic governance at work (SA Legislative Sector, 2013).

Audit outcome: The Auditor-General of South Africa (AG-SA) expresses audit opinions based on the findings of the audit on financial statements, audit of predetermined objectives and compliance with laws and regulations (www.agsa.co.za). These audit opinions can be expressed as a clean audit outcome, a financially unqualified audit opinion, a qualified audit opinion, an adverse audit opinion or a disclaimer of audit opinion.

(i) **Clean Audit Outcome** – In instances where there are no financial misstatements and no material findings on performance objectives and compliance with legislation.

(ii) **Financially Unqualified** audit opinion – No material misstatements on financial management with findings on predetermined objectives and/or non-compliance with legislation.

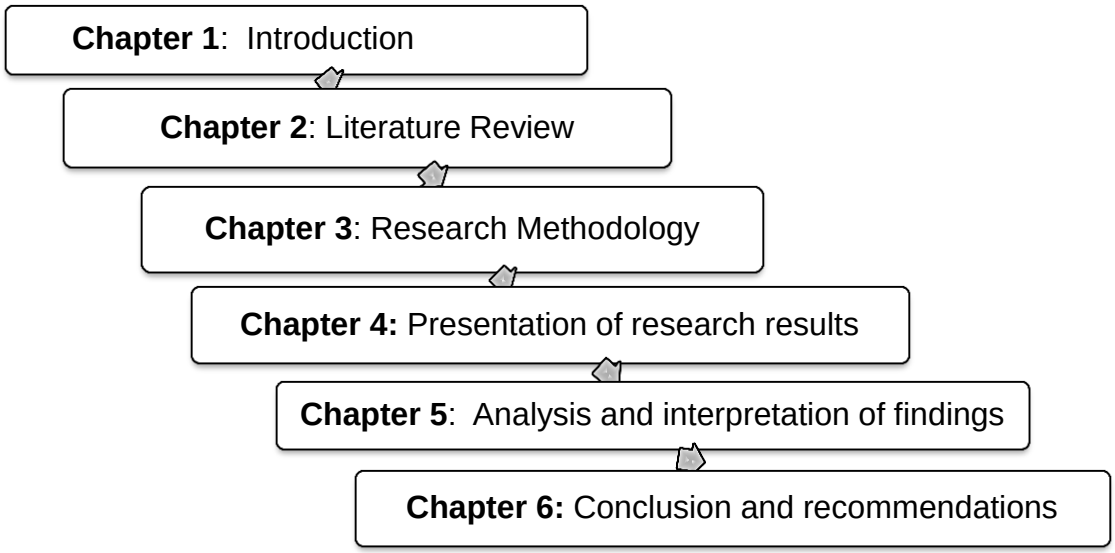
(iii) **Qualified** audit opinion – Material misstatements on financial statements on certain amounts, insufficient evidence for AGSA to conclude that amounts in the financial statements are not materially misstated.

(iv) **Adverse** audit opinion – A substantial portion of the financial statements contains material misstatements including findings on performance objectives and compliance with legislation.

(v) **Disclaimer** of audit opinion – The municipality (auditee) provided insufficient documents for the audit resulting in insufficient evidence such that the Auditor-General cannot express an opinion.

1.8 RESEARCH OUTLINE

Figure 2: Sequence of the research report



1.9 STRUCTURE OF THE REPORT

Chapter One: Introduction

This chapter introduces the study and provides the context of the study. Additionally, the problem statement and the purpose of the study are discussed including the objectives of the research. This chapter further outlines the significance of the study and key concepts are defined. The structure of the report and the flow of the research study are explained in the introductory chapter.

Chapter Two: Literature Review

The literature review outlines the concept of governance as this relates to local government. The theories of governance are reviewed and the conceptual framework on institutional analysis provides the research lens for the study. This chapter further reviews literature on the reasons for governance failures in municipalities and interventions proposed for improvement.

Chapter Three: Research Methodology

The research methodology chapter focuses on the paradigm within which the research is located and the philosophical approach to the study. The study explains the data collection methods, the research design and how reliability and validity of the qualitative study will be confirmed. The analysis of the data collected for interpretative purposes is outlined in this chapter.

Chapter Four: Presentation of Results

The data collected from the respondents using the research tool and documentary analysis are presented in this chapter with supporting quotes from participating respondents.

Chapter Five: Data analysis and interpretation of findings

The findings obtained from interviews with participants and documentary analysis is extensively discussed in relation to the objectives of the study and the literature review. The findings obtained from the interviews are cross-validated with the literature obtained from documentary analysis.

Chapter six: Conclusion and Recommendations

Chapter six provides the conclusion and recommendations emanating from the research, highlights the limitations of the study and suggests future research topics.

1.10 CONCLUSION

Westonaria Local Municipality continues to experience poor performance and negative audit outcomes thus necessitating an exploratory study to investigate governance practices prevalent in the Municipality and to make recommendations on areas of improvement. A qualitative research approach was used to answer the research questions, collect data and present findings. This chapter provided the general orientation of the study, the structure of the report and the sequence of the chapters.

CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

A literature review describes literature relevant to the chosen field of research by outlining what others have written and the theoretical framework informing the research. Cronin (2008) observes that the body of literature consists of using selective material to build up relevant studies and knowledge through critical analysis, summarising and synthesising. A good literature review is a critical, comprehensive and contextualized positioning of the theory base and a thorough survey and analysis of publications that relate to the investigation (Hofstee, 2006). One of the key points of the literature review as Jesson *et.al.* (2011) highlights, is that it "is a re-view of something that has already been written" (p.9).

Bennett (2007) explains that literature review is not "an annotated bibliography, nor a summary of [each of your] sources listed one by one or just a descriptive summary of the historical background to the topic" (p.2). Bennett (2007) further identifies different sources of information that can be used in the literature review and classifies them into primary, secondary and tertiary sources (p.2):

- Primary sources – original research material from journal articles, historical and conference documents.
- Secondary sources – syntheses, evaluation or criticisms of original work.
- Tertiary sources - generally scope of material derived from secondary sources to give an overview, e.g. a textbook.

2.2 SIGNIFICANCE OF LITERATURE REVIEW

The significance of the literature review can be amplified through the purpose of the literature. Hofstee (2006) defines a good literature review as showing that the researcher is aware of the current pertinent issues in the field of the chosen topic, the underlying theoretical basis for the research, how the research is contextualised

in relation to previous works and that the research will result in new knowledge. In addition, Bennett (2007) cites the five Cs that the literature review must encompass: keeping to the primary focus on the research by citing, comparing and contrasting various theories, arguments and methodologies, critique of the validity of the literature findings and hypotheses, and lastly by connecting the literature to the research work (p.2).

The literature review focuses on the legislative framework governing local government in South Africa. The theories of governance are explored with the view to positioning the conceptual framework for the research including definition of terms. Furthermore, the literature review provides possible reasons for poor governance and negative audit outcomes in Westonaria Local Municipality.

2.3 THEORETICAL FRAMEWORK FOR GOVERNANCE IN LOCAL GOVERNMENT

The term governance originates from the Greek term “kybernesis” that refers to the stewardship of resources and steering by the state (Morrell, 2000, p.539). Governance as defined by various authors refers to the manner in which the government of the day deals with enhancing the management of the political-societal interface with the objective of ensuring improved public policy implementation and accountability.

Fukuyama (2013) defines governance as the ability of the state in making rules and the enforcement thereof including service delivery, done without regard for the current political regime whether democratic or autocratic, and the performance of the state in implementing the mandate of the political principals. Fukuyama (2013) further states that governance focuses on execution (p.351). Governance deals with steering by the government and to this extent societies collectively demand and influence the decisions about resource allocation to implement a range of issues agreed upon; and holding people accountable for setting and implementing goals (Peters, 2010). Governance refers to the ability of local government to manage the economy, the allocation of resources, and the rule of law conducive for improvement in the livelihoods of individuals and communities (Chowdhury and Skarstedt, 2005).

Plattner (2013) asserts that governance refers to how the council manages power and formulates policy and the instrument through which this is implemented. These concepts are summarised in Table 1 below.

Table 1: Principles of good governance

Legitimacy and Voice	**Participation** – everyone should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their wishes and intentions. Participation of this manner is built on freedom of association and speech as well as capacities to constructively participate. **Consensus orientation** – good governance serves as a mediator between opposing interest to reach a compromise and consensus on what is in the best interest for all.
Direction	**Strategic vision** – leaders and the public have a broad and long-term perspective on good governance and human development including what is needed for development within the context of the historical, cultural and social complexities in which that perspective is grounded.
Performance	**Responsiveness** – institutions and processes try to serve all stakeholders. **Effectiveness and efficiency** – institutions and processes produce results that meet needs while making the best use of resources.
Accountability	**Accountability** – decision-makers in government, the private sector and civil society organisation are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the institutions and whether the decision is internal and external. **Transparency** – transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.
Fairness	**Equity** – Equal opportunities to improve or maintain well-being of everyone **Rule of Law** – legal frameworks should be fair and impartially enforced, particularly laws that pertain to human rights.

Source: Principles of Good Governance (UNDP, 2006).

The concept of governance as it relates to government has been prominent in the public administration discourse, particularly regarding the distinction between policy and politics on one side and administration and implementation on the other (Frederickson, 2004). The term has been widely used in contemporary public administration practices in reference to a range of actors involved in implementing public policy. Frederickson (2004) further asserts that performance accountability has been accentuated beyond just achieving policy objectives within the confines of the law. The United Nations Development Programme (2006) adopted good governance principles grouped into five thematic areas of legitimacy and voice (participation and consensus orientation), direction (strategic vision), performance (responsiveness, effectiveness and efficiency), accountability (transparency) and fairness (equity and rule of law).

The section that follows describes the theories of governance as they relate to local government with the aim of developing the conceptual framework for the study.

2.3.1 Theories of Governance

Peters and Pierre (2000) identifies a number of governance theories including the network steering, rational choice theory and institutional analysis theory of governance. The following section explains these theories.

2.3.1.1 Network Steering Governance Theory

Stoker (2009) defines governing as managing the relations and operation of networks of actors and organisations that are complex in nature. Network steering refers to the inability of government to govern independently as a result of evolved societies and markets that have the capacity to self-govern with the limited role of the state (Peters & Pierre, 2000). This necessitates state-society cooperation where government and societies have a complementary and cooperative role; a concept is referred to as policy networks describing varied forms of state-society cooperation inclusive of both interest groups and public agencies (Ansell & Gash, 2012).

2.3.1.2 Rational Choice Theory

Rational Choice theory considers human behaviour in the making of decisions and choices (Green, 2002). Rational choice in governance can be likened to a traditional top-down approach where the principal or political heads determine and control the behaviour of the executive or administration through contractual obligations and institutional arrangements (Peters & Pierre, 2000, p.44). The rational choice model can be closely linked to the delegation theory that assumes that delegation is central to effective governance (Stoker & Chhotray, 2009). The delegation theory provides the necessary understanding of how governance operates. Furthermore, Stoker and Chhotray (2009) maintain that the desired outcome can be achieved through alignment of incentives as roles and responsibilities are shared between various agencies. Rational choice theory can be compared to the authoritative management of the state and the principal-agent theory where the objectives of the principal are deemed to be legitimate and representative of the policies of government and should be implemented as such by the agent (Peters & Pierre, 2000; Stoker & Chhotray, 2009).

2.4 CONCEPTUAL FRAMEWORK FOR THE STUDY

2.4.1 Institutional Analysis Theory

The institutional theory of governance refers to the role of institutions in the governance process (Peters & Pierre, 2000). Peters and Pierre (2005) in Stoker and Chhotray (2009) contends that accountability in governance requires particular focus on state institutions that provide legitimacy and function in the interest of the public. Mark and Rhodes (2001) maintain that institutions create a pathway between the intentions of the principals through policy and the implementation by agents resulting in unintended consequences. March, Olsen and Hall in Mark and Rhodes (2001) defines institutions as structures with formal rules and standard operating procedures that uphold the interests and relationships between the state, community and economy.

The institutional approach provides a basis to examine the role of institutions to determine patterns of governance practices, behaviour of state and society and

outcomes of policy processes. Thoenig (2002) affirms that public institutions shape polities and that political principals obtain legitimacy from the electorate; thus, institutions are considered as pillars of political order and outcomes of societal values.

The conceptual framework for the study will focus on the questions central to any institutional analysis (Hall & Taylor, 1996) in examining how actors in institutions behave and the manner in which institutions affect behaviour of actors supported in historical institutionalism. The study explores the influence of institutional arrangements on governance practices and the resultant audit outcome in Westonaria Local Municipality with a particular focus on the policy environment of networks where the state and society engage, the rule of law, resource allocation and accountability. The study argues that governance challenges faced by Westonaria Local Municipality stem from the institutional arrangements.

The main governance challenge that arises in local governance in the capacity of municipalities to achieve the developmental mandate of local government as reflected by poor audit outcomes. For the 2013/14 financial year, Westonaria Local Municipality was not able to submit the audit report within the legislated time-frame as required by the Public Audit Act (AGSA, 2016). The poor audit outcomes depict a situation of poor governance in municipalities and this often affects the level of public trust in those municipalities. Mkandawire (2007) argues that this negative perception is further exacerbated by the governance challenge of ensuring an inclusive society that promotes citizen participation in the affairs of local government as espoused by African scholars. The participation of society as an aspect of governance implies that the decisions of council are legitimised through consultative participation and deliberative policy and adherence to the laws and by-laws governing the municipality (Davids *et al.* in Govender *et al.*, 2011). This fundamental principle is informed by the Constitution with the aim of strengthening democratic society by ensuring that government is accessible to the community (Maseng, 2014).

Plattner (2013) states that the community has an understanding of the distinction between a good government and a bad one regardless of the prevailing regime in their country, and also that participation in government promotes values of safe, secure and prosperous communities. Bad governance is regarded as a system of

government undermined by corruption, increasing levels of crime and slow development as a result of poor policies and lack of financial management. Mguni (2016) cites Koeble who believes that a number of local government failures are as a result of inadequate capacity of municipal technical officials who are not appropriately skilled to manage their units.

2.5 LEGISLATIVE FRAMEWORK FOR LOCAL GOVERNMENT IN SOUTH AFRICA

The landscape of local government in South Africa in its current form underwent a number of structural reforms in an effort to address some of the developmental inconsistencies that were the result of the legacy of apartheid policies. A number of the challenges experienced by municipalities were inherited from the previous political regimes that date back to colonial and apartheid periods. Fast and Kallis (2004) concedes that the development disparities prevalent in local government are due to spatial asymmetries resulting from segregation policies along racial lines, such as the Bantustans. As a consequence, local government is faced with the challenge of addressing spatial inequalities and infrastructure backlogs in underdeveloped areas. This necessitated the reform of the local government sector through enacting enabling legislative framework to accelerate service delivery in municipalities.

2.6 INSTITUTIONAL ARRANGEMENTS FOR MUNICIPAL GOVERNANCE IN SOUTH AFRICA

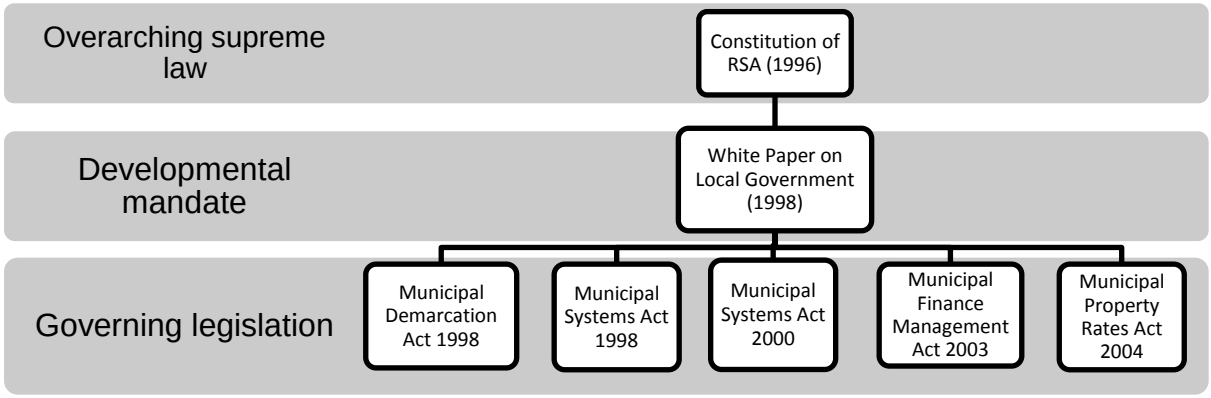
The Constitution of the Republic of South Africa of 1996 is the overarching supreme law of the country to which municipalities similar to other organs of state, institutions and individuals alike are expected to adhere and within which they must operate. Furthermore, municipalities do not exist in isolation but must function within a cooperative system of governance with other spheres of government in accordance with section 40(1) of the Constitution which provides that the three spheres are “distinctive, interdependent and interrelated”. The mandate of local government is clearly defined in chapter 7 of the Constitution of the Republic of South Africa (1996) that enables and empowers a municipality to determine its affairs together with the

community members within its jurisdiction, and to function within the ambit of the governing legislative framework. The objectives of local government are outlined in section 152, which requires municipalities:

i. “To provide democratic and accountable government for local communities;
ii. To ensure the provision of services to communities in a sustainable manner;
iii. To promote social and economic development;
iv. To promote a safe and healthy environment; and
v. To encourage the involvement of communities and community organisations in matters of local government”.

Local government is the third sphere of government in South Africa, comprising 257 municipalities following the 2016 local government elections, from a total of 278 municipalities that comprised eight metropolitan municipalities, 266 local municipalities and 44 district municipalities. These are all mandated to fulfil the objectives of local government as envisaged in section 152 of the Constitution. The Municipal Structures Act 117 of 1998 determines the category of municipality: A for metropolitan municipalities, B for local municipalities and C for district municipalities (SA Government, 2016). The relevant legislation is depicted in Figure 2 below.

Figure 3: Enabling legislation for local government



The developmental mandate of local government following the demise of the apartheid regime post-1994 was provided for in the White Paper on Local

Government of 1998. The White Paper sets out four pillars on which local government development is based (White Paper on Local Government, 1998):

i. Economic growth maximisation and social development: the powers and functions of local government should be exercised in a manner that optimally maximises economic growth and the achievement of social developmental goals for the benefit of communities.
ii. Coordination and Integration: local government must ensure that activities and interventions that take place within their jurisdiction are done in a coordinated and integrated manner.
iii. Developing democratic local government through public participation: the local government provides a platform through which citizens are able to inform the vision and mission to be pursued by local government to ensure that their needs are considered.
iv. Leadership and learning: municipalities must provide leadership through building social capital and exploring alternative solutions towards sustainable development.

These four basic pillars provide a basis for how the governance of local government should be informed by transparent and effective considerations so that municipalities promote the rule of law, maximise economic growth and social development and ensure an engaged citizenry in the affairs of council.

In addition, there are other important legislative provisions that enable and empower municipalities to fulfil their constitutional mandate, such as the Municipal Systems Act 32 of 2000, the Municipal Structures Act 117 of 1998 and the Municipal Finance Management Act 56 of 2003. The Municipal Systems Act regulates municipal planning, organisational, service delivery and participatory systems. The Municipal Structures Act defines the structures of local government. The Municipal Finance Management Act regulates the finances of local government and is aimed at modernising municipal financial management. These pieces of legislation collectively make provision for a framework that enables accountable, democratic and developmental municipalities as envisioned by the 1998 White Paper on Local Government and the Constitution of South Africa. To ensure compliance with the

constitutional mandate of local government, the office of the Auditor-General South Africa as governed by the Public Audit Act, No. 25 of 2004 (PAA) is tasked with the responsibility of building public confidence to strengthen South African democracy through auditing the governance of municipalities (AGSA, 2016). The local government regulatory framework underwent a number of reforms after 1994, enabled by legislation to empower municipalities to accelerate service delivery and address backlogs.

Table 2.2: Local Government legislative reform – timeline

White Paper on Local Government of 1998	**Municipal Demarcation Act No. 27 of 1998**	**Municipal Structures Act No. 117 of 1998**	**Municipal Systems Act No. 32 of 2000**	**Municipal Finance Management Act No. 56 of 2003**	**Intergovernmental Relations Framework Act No. 13 of 2005**
A policy document that envisages local government as developmental and fostering engaged citizenry, sustainable livelihoods to meet the socio-economic needs of communities.	The Demarcation Act provides for the establishment of the Demarcation Board, an independent body that determines municipalities based on a number of factors such as municipal financial viability and integrated development.	The Structures Act makes provision for the establishment of municipalities into category A, B or C i.e. metros, locals and districts and further determines the powers and functions of these municipalities including the regulation of governance structures of councils.	The Systems Act makes provision for the systems and processes required to undertake the service delivery mandate of the municipality.	The MFMA aims to modernise and promote sound local government financial management through prescribing uniform and standardised regulations such as municipal Integrated Development Planning and budgeting processes.	The IGRF Act fosters a system of cooperative governance between the three spheres of government to promote integrated planning, legislation and implementation that is appropriately aligned to the national priorities and objectives.

2.7 KEY ACTORS INVOLVED IN MUNICIPAL GOVERNANCE

Local government does not implement the developmental mandate as espoused in the Constitution of South Africa in isolation but does so through a system of cooperative governance. There are a number of actors involved in the governance of municipalities, both politically and administratively.

2.7.1 Municipal Council

The municipal council serves as the board of the municipality consisting of councillors. These councillors are elected to council through a democratic process of local government elections and constituent votes from the wards within the municipal jurisdiction. The ward councillors appointed to council work closely with the ward committees in their wards**.** The relationship between councillors and senior managers should be harmonised and the interface should be properly managed to avoid interference (Ntshakala & Nzimakwe, 2013). The municipal council's duties include:

a. Monitoring and ensuring effective delivery of basic services to the community.
b. Approving tabled programmes and policies for implementation.
c. Overseeing prudent financial management of public funds.
d. Upholding and fostering accountable and transparent municipal operations.

2.7.2 The Speaker

The speaker is the chairperson of council and presides over council meetings, moderates interactions, and enforces rules and orders of council. The office of the speaker is responsible for scheduling council meetings at least quarterly and ensuring that councillors in the municipality comply with the Code of Conduct (MSA, section 37).

2.7.3 The Mayor

The Structures Act sets out the powers and functions of the mayor. The council elects the mayor as the political head tasked with coordination of the work of council

as delegated and serves as the interface between the council and the administration. Section 56 of the Structures Act provides for the responsibilities of the executive mayor to include the review and identification of community needs, to monitor and evaluate progress on implementation and performance by management. Furthermore, the executive mayor may appoint councillors to serve as members of the mayoral committee to assist in the execution of delegated mayoral duties and report to council.

2.7.4 Municipal Manager

The municipal manager is appointed by council and serves as the accounting officer of the municipality in terms of the Municipal Systems Act. The position of the municipal manager is similar to the chief executive officer in the private sector. The municipal manager is responsible for the administration's daily activities and oversees the implementation of policies, plans and budgets in line with directives from the municipal council. The accounting officer is required by the MFMA to develop an internal system of control to minimise risks and optimise municipal performance.

2.7.5 Chief Financial Officer

The chief financial officer is responsible for the overall financial management of the municipality. The CFO must carry out his or her duties in accordance with the prescripts of the Municipal Finance Management Act 56 of 2003 and additional supporting regulations. Some of these duties include municipal budgeting preparations, supply chain management, revenue management and the compilation of annual financial statements.

The actors involved in municipal service delivery must all account for the performance of the municipality within an integrated matrix of governance and accountability. Table 3 below explains how accountability and oversight is exercised in municipalities (National Treasury, 2003).

Table 3: Governance and Accountability Framework

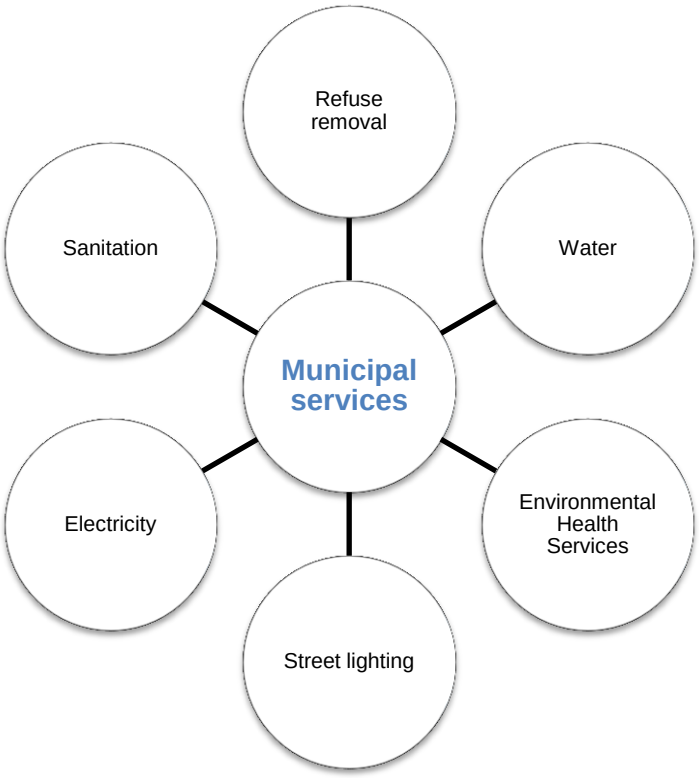
Responsibility	Responsible For	Oversight Over	Accountable To
Council	Approving Policies and by-laws Integrated Development Plans Budget	Mayor	Community Constituency, electorate
Mayor	Policy, Budget, outcomes, management of the accounting officer	Municipal manager	Council; public
Municipal Manager / Accounting Officer	Outputs / deliverables, implementation, performance	Administration	Mayor; council; public
Chief Financial Officer	Outputs; financial management	Financial management	Municipal manager
Departmental heads / section 57 managers	Performance outputs	Service delivery and Budget Implementation Plan	Municipal Manager

Source: National Treasury (2003)

2.8 MUNICIPAL SERVICES

The legislative and executive authorities in municipal councils have been given power to pass policies and by-laws to implement municipal services as identified in the Integrated Development Plan (IDP). The Systems Act requires that basic services be provided in an equitable manner that is accessible to the community and disburses public resources efficiently and effectively.

Figure 4: Services delivered by local government



Source: Municipal Systems Act 32 of 2000

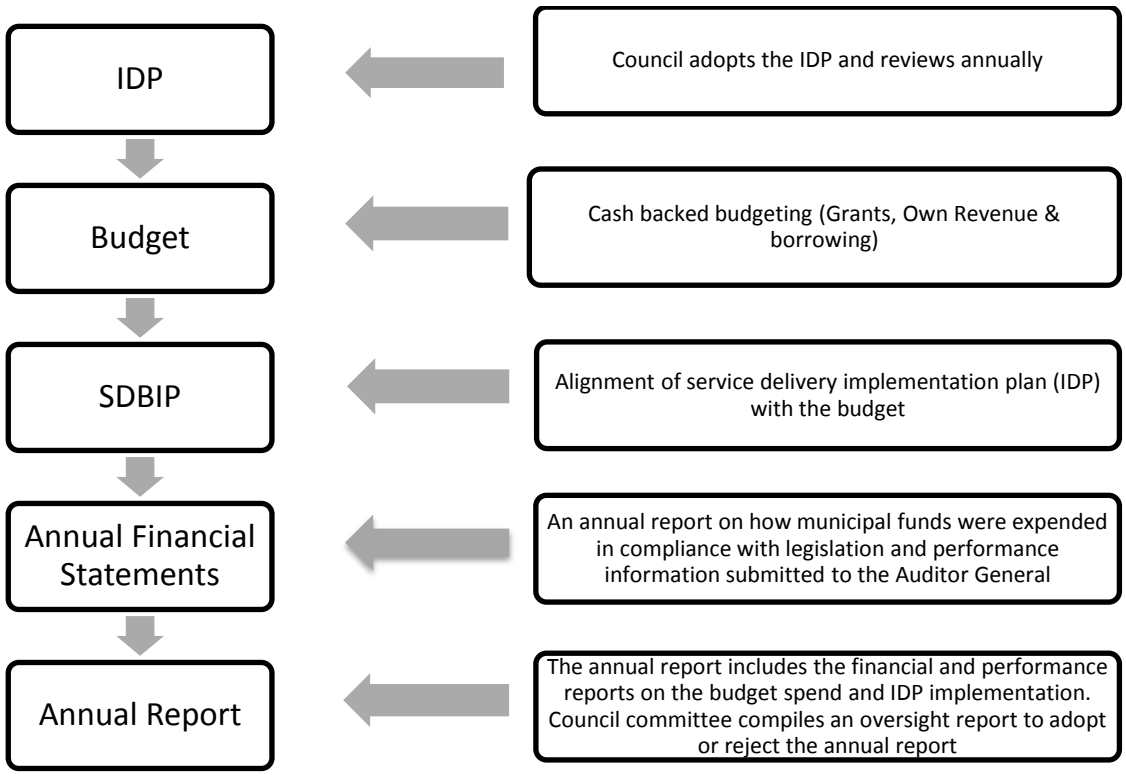
Municipalities have been tasked with the responsibility of delivering services to the citizens within the ambit of the enabling regulatory environment; these can be summarised as follows:

- **Infrastructure and basic services:** This responsibility entails some of the basic services delivered by municipalities such as water, sanitation and electricity.
- **Social and welfare services:** This responsibility is essentially the primary role and responsibility of provincial government however there as some functions that are the responsibility of municipalities including parks and other community based social services.
- **Administration and public order:** The municipalities are expected to administer policies and by-laws to regulate and control various types of pollution such as noise and air and other services such as traffic management.

- **Municipal planning:** municipalities are responsible for the overall planning and development that happens within their jurisdiction and as such is responsible for passing spatial planning and development policies and by-laws and the management and monitoring thereof.

The municipal planning and implementation process starts with the adoption of the Integrated Development Plan that is aligned to the municipal budget through the Service Delivery and Budget Implementation Plan. Municipalities are required by section 121(1) of the Municipal Finance Management Act to submit Annual Financial Statements to the office of the Auditor-General by 31 August, and 30 September annually for municipalities with entities. The municipality is also required to compile the Annual Report that is reviewed by the Municipal Public Accounts Committee (MPAC) and tabled to council for adoption or sent back for amendments as required by section 46 of the Municipal Systems Act.

Figure 5: Municipal Annual Implementation Process



Source: Extracted from the National Treasury – annual reporting cycle

2.9 REASONS FOR GOVERNANCE FAILURES IN MUNICIPALITIES

The use of the terms of governance and good governance has increased in the development, public policy and administration literature. Poor or bad governance is considered to be one of the underlying causes of socio-economic failure in societies. Local government institutions are increasingly assessed on the basis of good governance. Westonaria Local Municipality obtained the following audit outcomes as pronounced by the office of the Auditor-General:

Table 4: Audit Outcomes – Westonaria Local Municipality

Financial year	Audit outcome	Movement
2010/2011	Unqualified with findings	Remained unchanged
2011/2012	Qualified audit opinion	Regressed
2012/2013	Qualified audit opinion	Remained unchanged
2013/2014	Adverse audit opinion	Regressed
2014/2015	Adverse audit opinion	Remained unchanged

Source: MFMA Audit Reports - AGSA

Governance at local government level has been in focus in recent years with a review undertaken after fifteen years of democratic dispensation in South Africa. This was emphasised by the President of the Republic at the Presidential Local Government Summit hosted in 2014, where President Zuma called on municipalities to ensure that they function well and uphold principles of good governance and effective service delivery by going back to basics. This resulted in a programme of action known as “Back to Basics” adopted by all municipalities and government departments involved in local governance (Mokobo, 2014).

The failures of local governance have previously been documented in an effort to understand the underlying reasons for poor performance. The former minister of Cooperative Governance and Traditional Affairs, the late Sicelo Shiceka, commissioned a study in 2009 to identify the root causes of poor municipal governance. The Overview Report on the state of local government in South Africa identified a number of factors affecting municipalities ranging from political-administrative interface tension, inadequate skills of councillors, separation of powers between the legislative and executive arm of council, compliance with laws

and regulations and lack of proper measures to hold municipalities to account (Department of Cooperative Governance and Traditional Affairs, 2009). Dlalisa (2009) additionally concedes that cadre deployment in municipal structures, unethical conduct and patronage exacerbates the poor performance of municipalities.

The minister of Cooperative Governance and Traditional Affairs, Pravin Gordhan, cited the main reason for maladministration as being the lack of stability of the political leadership in municipalities, and the lack of capacity of oversight structures such as audit committees and municipal public accounts committees as well as institutional management (Ndenze, 2015). The Auditor-General has identified a number of findings impacting on governance and attributed to the adverse opinion of Westonaria Local Municipality in the 2014/15 period, ranging from compliance with legislative frameworks, effective leadership, lack of oversight responsibility and sound Human Resources and Information Technology management (Westonaria Local Municipality MFMA Audit Report, 2015).

Mguni (2016) concedes that, “without effective governance, billions of Rands will continue to be squandered and that the exact losses from municipal mismanagement are not easy to tally but they fall under staggering estimates of the cost of corruption and fruitless expenditure to the country” (p.1). The failure on the part of both the political and administrative leadership in municipalities to act decisively to address maladministration, misappropriation of funds and corruption impacts negatively on the perception the community will hold of the municipal council. Councillors are required by the Municipal Structures Act to adhere to the code of conduct and to uphold the highest standards of ethical values and integrity to foster greater accountability to the community which they serve. Corruption Watch (2014) received numerous complaints of corruption in the local government sector wherein reporters alleged that municipalities were overlooking supply chain processes, resulting in irregularities and wasteful expenditure of public funds.

Another contributor to poor performance and service delivery can be attributed to the inappropriate levels and necessary skills as a result of limited resources to attract relevant skilled labourers (Mguni, 2016). This has resulted in the over reliance on

consultants with expertise to carry out technical work of municipalities. The Auditor-General in his 2014/15 general report cited this as a challenge that needs to be addressed through rigorous capacity building of municipal staff. The generally insufficient technical expertise in the country contributed to the capacity challenges in municipalities, resulting in an inability to attract and retain competent staff and high vacancy rates in key leadership and technical positions (Governance and Administration cluster, n.d). This has led to the appointment of consultants by municipalities to address the skills gap and accelerate delivery of services. Corruption Watch (2014) quoted Minister of Finance Pravin Gordhan, who questioned whether the use of consultants in municipalities yielded expected value addition and benefits when doing work on behalf of municipal administrations. This sentiment was further shared by the Auditor-General (2015) who cautioned against the over-reliance on consultants by municipalities.

In order for a municipality to achieve an unqualified audit opinion without findings, referred to as a clean audit outcome, the principle of ensuring accountability driven by political will is necessary. Although the audit report is a good indicator of good governance in municipalities, it is not the ultimate assessment of local governance as there are other elements of municipal administration that are not addressed by audit processes (Siddle, 2014). There are serious consequences that follow as a result of poor governance as revealed by Dlalisa (2000), such as high incidents of violence, apathy and decline in municipal service payments and ultimately deterioration in service delivery (p.73).

Fourie (2012) asserts that leaders play a critical role in achieving institution-wide commitment to good governance. Leadership sets the “tone at the top”, and is crucial to achieving organisational commitment to good governance (Fourie, 2012, p.130). In this instance, the municipal council, the mayor, municipal manager, councillors and officials are all expected to play a role in the governance of the municipalities as they are charged with the responsibility to provide services to the community, exercise good stewardship over public funds and be held accountable for the use of all resources (Mazibuko & Fourie, 2013). It is important to note that the Municipal Finance Management Act 56 of 2006 restricts councillors from interfering in or participating in the administrative functions of the municipality such as supply

chain management, so as to avoid undue influence in the spend of municipal funds. The appointment of councillors along partisan lines (cadre deployment) has been such, as conceded by Mguni (2016), that the councillor may be recalled if not implementing mandates from the political party represented. This puts councillors in a difficult position and requires that councillors uphold the highest standards of ethics in accordance with schedule 4b and 5b of the Municipal Systems Act.

The institutional arrangements for local government are such that the legislative framework provides for an electoral system that is based on constituency and proportional representation to council. These councillors are elected to council for a period of five years following the local government elections in terms of the Municipal Systems Act section 24(1) which stipulates that “the term of municipal councils is five years, calculated from the day following the date set for the previous election of all municipal councils”.

The Department of Performance Monitoring and Evaluation (2014) cites a number of governance challenges that include “a lack of political leadership, political interference and patronage. There is also a lack of policy coherence, complex reporting demands and a weakening of institutional abilities in many municipalities. The difficulties with inefficient and ineffective municipal administrations can be attributed to susceptibility to political interference; poor political and administrative oversight and weak compliance; an inability to respond to the complexity of demands and expectations; challenges due to variations in spatial location and access across municipalities; a declining skills base to deal with socio-economic legacies; and service delivery failures by municipalities due to uneven and unstable governance” (p.10).

While the reasons for poor governance in Westonaria Local Municipality are varied, the root causes can be traced to institutional arrangements. There is thus a need for alignment of audit outcomes, performance management and service delivery.

2.10 INTERVENTIONS TO ADDRESS GOVERNANCE FAILURES IN SOUTH AFRICAN MUNICIPALITIES

A number of interventions have been proposed to improve governance in local government. These include Project Consolidate aimed at improving the capacity of municipalities and regulating local government to ensure improved performance (Sonjica, 2005); the Local Government Turn-Around Strategy (LGTAS) in 2009 and the current Back to Basics programme launched in 2014 with the objective of getting the basics right and improving accountability in municipalities.

It can be argued that Westonaria Local Municipality lacks compliance with the requirements of good governance as required by the White Paper on Local Government such as accountability, effectiveness, transparency, rule of law and participation. The Minister of Cooperative Governance and Traditional Affairs proposed the merging of certain municipalities to improve governance and effective functioning. Westonaria Local Municipality is identified to merge with a sister municipality Randfontein Local Municipality in the West Rand District following the local government elections in 2016, as determined by the circular 13/2015 issued by the Municipal Demarcation Board in 2015.

Siddle (2015) attributes the performance of better performing and governed municipalities, particularly in the Western Cape, to the support provided by the provincial government in ensuring that the capacity of municipalities is strengthened, such that powers are effectively exercised and functions efficiently performed.

The former Cooperative Governance and Traditional Affairs Minister Pravin Gordhan observed that the negative perceptions about local government is a result of corruption and in order to address this, councillors charged with the responsibility of leading municipalities must proactively engage communities and ensure that they have a vioce in the affairs of the municipality (Mokobo, 2014).

Disoloane (2012) concedes that accountability is embedded in ethics, democracy and the rule of law which are necessary for good governance in local government to ensure greater transparency and responsiveness on the part of those charged with

the responsibility of managing and overseeing the affairs of municipalities. Maloba (2015) recommends that a “macro-institutional policy framework be erected within the set-up of the politico-administrative system”, a multi-party governance of municipal councils to formulate a collective view of municipal leadership (p.109). Oberholzer (2013) proposes stringent monitoring and evaluation by provincial government through a governance and oversight function over municipalities to tackle challenges of poor performance. Nonetheless, the success of the interventions proposed to strengthen the capacity of a municipality is largely depended on the governance practices prevalent in that municipality.

2.11 CONCLUSION

The second chapter of the report explained the concept and theories of governance and further outlined the conceptual framework for the study grounded in Institutional Theory of Governance. The chapter provided context of the regulatory environment within which municipalities function and the institutional arrangements for local government as provided for in legislation. The chapter also highlighted governance challenges experienced by the local government sector in carrying out the developmental mandate and service delivery agenda and provided information on the improvements that have been recommended for municipalities.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter introduces the research approach that guides the study and provides the philosophical underpinnings within which the research is positioned. The research design, data collection methods and the research instrument used in the study are illustrated and justified. Additionally, the steps followed to analyse and interpret data are discussed in this chapter. The chapter further explains how issues of reliability and validity are addressed.

3.2 RESEARCH PHILOSOPHY

Creswell (2014) identifies three components that are involved in the research approach which includes the philosophical assumptions, the research design, whether qualitative, quantitative or mixed methods, and the research methods.

The lens through which the research can be justified, commonly referred to as a paradigm, is important. A paradigm refers to a world view that encompasses beliefs and values and provides guidance on how to conduct the research and address problems (Wagner, 2012). Additionally, philosophical assumptions inform the research paradigm in three ways: firstly, the ontological view of the nature of reality, secondly, the epistemological view on how knowledge is generated and justified, and thirdly, the axiological value system is based on what is deemed to be true and the values considered in the research (Wagner, 2012).

Creswell (2009) and Wagner (2012) identify four world views or paradigms that can be related to research methodology as Positivist/Post-positivism paradigm, Constructivism/Interpretive paradigm, Transformative/Emancipatory paradigm, and Postcolonial/Indigenous research paradigm. Table 5 below provides a comparison of the four research paradigms and the philosophical underpinnings of each world view.

Table 5: Comparison of four paradigms – Worldviews

Paradigm	Positivist/ Post positivism	Constructivism/ Interpretative	Transformative/ Emancipatory	Postcolonial/ Indigenous
Reason for doing research	To discover laws that are generalisable and govern the universe	To understand and describe human nature	To destroy myths and empower people to change society radically	To challenge the deficit in thinking and reconstruct a body of knowledge that carries hope and promotes transformation and social change for the historically oppressed
Philosophical underpinnings	Informed mainly by realism, idealism and critical realism	Informed by hermeneutics and phenomenology	Informed by Critical Theory, postcolonial discourses, feminist, race specific and Marxist theories	Informed by indigenous knowledge systems, Critical Theory, postcolonial discourses, feminist, race specific and neo-Marxist theories
Ontological assumptions about reality	One reality, knowable within probability	Multiple socially constructed realities	Multiple realities shaped by social, political, cultural, race, ethnic, gender and disability values	Socially constructed multiple realities shaped by connections with environment, cosmos, living and non-living
Axiology: Place of values in the research process	Science is value free, and values have no place except when choosing a topic	Values are an integral part of social life; no group's values are wrong, only different	All science must begin with a value position; some positions are right, some are wrong	All research must be guided by relational accountability that promotes respectful representation, reciprocity and rights of the research

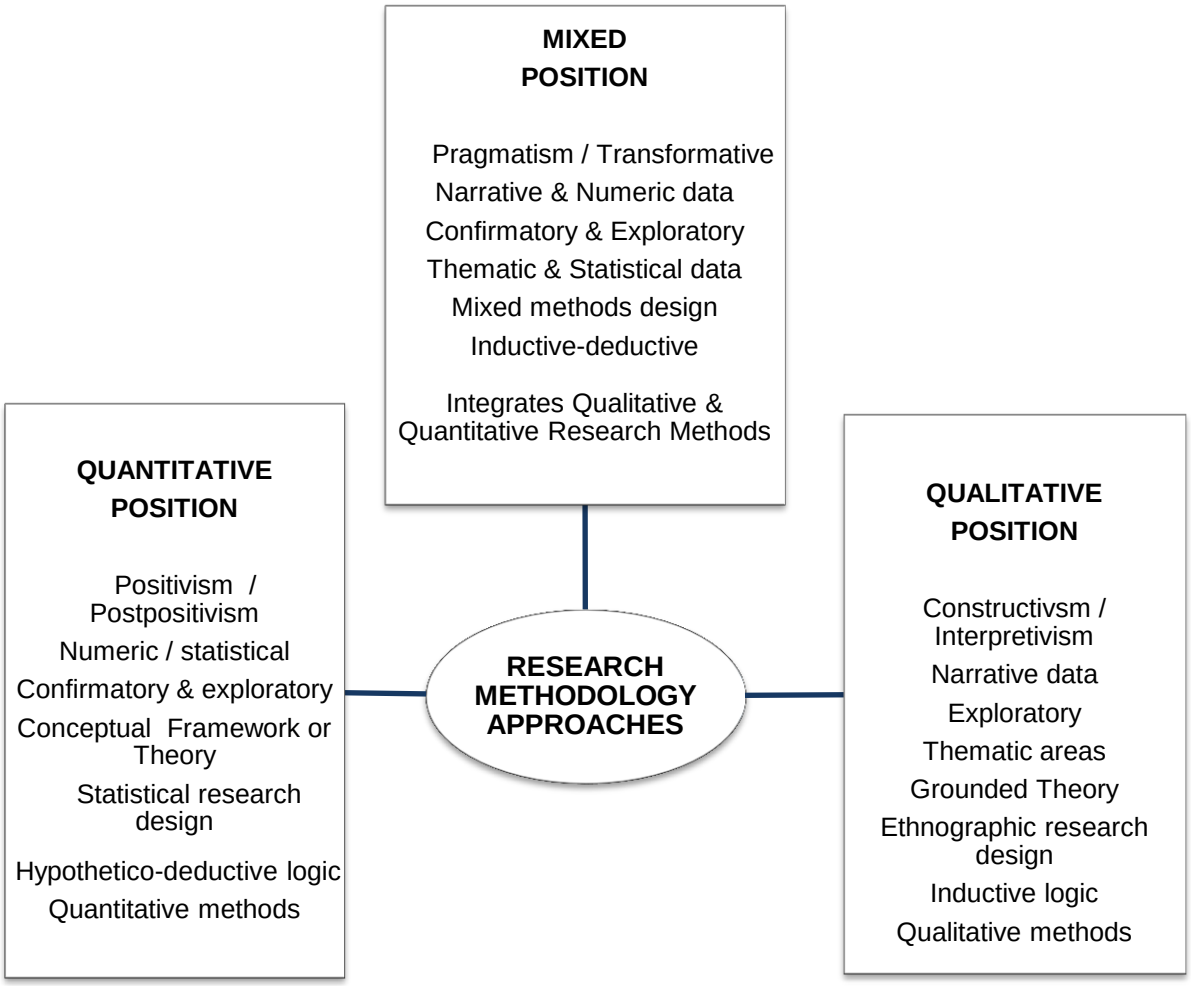
Paradigm	Positivist/ Post positivism	Constructivism/ Interpretative	Transformative/ Emancipatory	Postcolonial/ Indigenous
Epistemology: Nature of knowledge	Objective	Subjective; idiographic	Dialectical understanding aimed at critical praxis	Knowledge is relational and is all the indigenous knowledge systems built on relations
What counts as truth, reality	Based on precise observation and measurement that is verifiable	Truth is context-dependent	Truth is informed by a theory that unveils illusions	Truth is informed by the set of multiple relations that one has with the universe
Methodology	Quantitative, correlational; quasi-experimental; causal comparative, survey	Qualitative, phenomenology, ethnographic, symbolic interaction, naturalistic	Combination of quantitative and qualitative action research, participatory research	Participatory, liberating and transformative research approaches and methodologies that draw from indigenous knowledge systems
Techniques of gathering data	Mainly questionnaires, observations, tests and experiments	Interview, participant observation, pictures, photographs, diaries and documents	A combination of techniques in Positivist and Constructivist paradigm	Techniques based on philosophic sagacity, ethno philosophy, language frameworks, indigenous knowledge systems and talk stories and talk circles

Source: Chilisa (2011) in Wagner (2012)

3.3 RESEARCH METHODOLOGY APPROACHES

It is imperative to determine from the onset how the research will be designed and implemented and how the findings will be analysed. Neuman (2006) describes the scientific methods and approaches as the rules, ideas, approaches and techniques that are used by a scientific community for knowledge creation and evaluation. The quantitative and qualitative approaches are the most commonly used approaches with the use of both approaches referred to as mixed methods. However, this research study solely employs a qualitative approach. The qualitative research approach is appropriate for this study as it is positioned within the Constructivist / Interpretivist paradigm, an exploratory and typically narrative study that will analyse data in thematic areas to answer research questions (Tashakkori & Teddlie, 2009).

Figure 6: Research Methodologies



Source: Tashakkori & Teddlie (2009)

3.4 QUANTITATIVE RESEARCH METHODS

Qualitative research methods are philosophically oriented within the post-positivist /positivist paradigm and primarily focus on numbers and statistical analyses (Teddlie & Tahsakkori, 2009). The positivist paradigm employs scientific methods to test hypotheses by means of data and holds the view that this method is the only way to determine reality and the only foundation to generate knowledge (Wagner, 2012). Wagner (2012) concedes that the post-positivism view moves away from positivist by emphasising probability and absolute certainty to contribute to knowledge generation instead of readily acknowledging the laws of nature. The studies undertaken in positivist scientific research aim to identify and analyse the root causes influencing outcomes by reducing ideas to variables to develop hypotheses and research questions (Creswell, 2014). In quantitative research, the study is independent of the researcher in measuring reality through the objective analysis of data (Williams, 2007).

Quantitative methods use scientific techniques that inform the gathering, analysis, interpretation and presentation of statistical information as the best framework for investigating a social world (Wagner, 2012). Creswell (2014) maintains that scientific research commences with theory and data collection methods to either support or refute theory including possible additional experiments, tests and necessary revisions (p.7).

Phillips and Burbles (2000) in Creswell (2014) outlines key assumptions in the positivist/post positivist worldview as follows (p.7):

- Knowledge is not founded in absolute truth and scientific studies either accept or reject the null hypothesis.
- Quantitative research commences with testing theory to make claims in the process of refining or abandoning in favour of those strongly preferred.
- The data collected and evidence emanating from the scientific research informs considerations about knowledge obtained through observations or responses received.

- The explanation of causal relationship among variables is expanded through the establishment of hypotheses, and research questions undertaken in quantitative study is used to develop true and relevant statements.
- The core fundamental element of qualitative research is maintaining the highest level of objectivity free from bias in the methods employed thereby ensuring validity and reliability of the study.

Williams (2007) identifies three broad classifications of quantitative research as descriptive, experimental and causal comparative. There are various research methods that can be employed in descriptive design, experimental design and causal comparative research design. These include correlational methods, developmental designs, observational studies and survey research (Williams, 2007).

Descriptive research examines the current status quo through exploring the correlation between two or more phenomena or through observation (Williams, 2007). Wagner (2012) states that descriptive research assists the researcher in making sense of numerical data collected in the study to draw relevant conclusions about the problem being researched. Descriptive statistics include measures of central tendencies using the arithmetic mean, the mode and the median. Variability in quantitative research is measured using the range, the variance and the standard deviation to determine how spread or dispersal of scores vary (Wagner, 2012).

Wagner (2012) further emphasises the importance of checking correct capture of the data such as incorrect values, missing data and inconsistencies prior to undertaking analysis as this will affect the validity of results (p.176). In correlational studies, the differences between two characteristics of the study group are examined, informed by a statistical calculation to determine whether two or more variables are related (William, 2007). Wagner (2012) refers to this as the correlation coefficient of the bivariate data that describes the relationship between two variables, the outcome of which can be either a positive correlation or a negative correlation.

Experimental research seeks to establish if a specific treatment influences an outcome (Creswell, 2014, p.13). Williams (2007) identifies three different types of experiments which are pre-experimental, true experimental and quasi-experimental.

Pre-experimental involves in independent variable that is given, while true experimental provides a higher degree of validity as it is controlled, whereas quasi-experimental uses non-randomised assignments (Williams, 2007). The research involves an assessment of experiment results obtained from groups in which one was given a specific treatment and the other group was excluded from the treatment (Creswell, 2014). Wagner (2012) further advises that experimental research should be undertaken where there is a prevalent suspicion of the existence of a cause and effect relationship, the availability of a randomly selected group, the manipulation of the independent variable and the measurability of the dependent variable (p.115). Causal comparative research involves a process wherein the researcher studies the cause and effect of independent variables on dependent variables (Williams, 2007).

Creswell (2014) posits that survey research is a non-experimental study that can be undertaken in quantitative research wherein a sample of the trends, opinions and attitudes of a population are examined, obtained through either the structured interviews or completion of questionnaires to draw inferences about the population (p.13).

Wagner (2012) differentiates methods of observation among different types of observations that the researcher is involved in as a complete participant where the researcher is a member of the group being observed, the participant is an observer in which the researcher participates with the knowledge of the members of the group studied, and a complete observer is where the researcher observes and the participants are not aware that they are being observed (p.151). Williams (2007) emphasises that the researcher must exercise objectivity when observing human behaviour.

In quantitative research there are a number of threats to internal and external validity specific to experimental and quasi-experimental research. Wagner (2012) highlights threats to internal validity that refer to prevalent conditions present in the participant's environment during the experiment as history, differential selection of participants, maturation, testing and loss of participants, and attrition (p.121). Factors affecting external validity that must be taken into consideration include population validity with regard to the degree of similarity among the sample, population and target

population, the personal variables of different individual preferences and ecological validity of the situation, and the physical and emotional factors to be considered in the study (Wagner, 2012).

3.5 QUALITATIVE RESEARCH METHODS

Qualitative studies are commonly located within the Constructivist / Transformative philosophical paradigm and primarily focus on narrative data and analyses (Teddlie & Tashakkori, 2009). Qualitative research involves a range of various interpretive techniques and philosophical orientations that attempt to understand meanings that people construct through experiences they have in the social world (Merriam, 2009). Creswell (2014) further emphasises the understanding of meanings involved in qualitative study as the researcher describes and interprets meanings that participants attach to the social challenges. Qualitative research approach strives to present a story as seen through the eyes of the participant's life experiences and actions undertaken through interviews, observation or focus groups (Wagner, 2012).

There are different types of qualitative research approaches which include narrative research, phenomenology, grounded theory, ethnography and case studies (Merriam, 2009). Narrative research involves the study of the lives of individuals wherein the story is recited by the researcher chronologically in which the researcher also relates and attaches his or her own life experience (Creswell, 2014). Merriam (2009) describes narrative analysis as one of the types of research that has gained momentum in which the events are evaluated sequentially in order of occurrence to derive meanings of what eventually transpired.

Phenomenology studies people's conscious experience of everyday life experiences and social action (Merriam, 2009, p.25). Phenomenology is qualitative design that stems from philosophy and psychology in which the lived experiences of the participants are relayed as their descriptions of particular phenomena and not as an attempt to explain those experiences (Creswell, 2014). Wagner (2012) emphasises that the phenomenological approach requires the researcher to be free from subjective inclinations and prejudices to defer or bracket any forms of judgement.

Merriam (2009) asserts that this type of qualitative approach is suited for studying emotional and intense human experiences (p.26).

Creswell (2014) describes ethnography as a design informed by anthropology and sociology. An ethnographic research involves the studying of shared patterns of behaviour of actors in a social setting conducted through focus group interviews and/or observations. Furthermore, in ethnography the researcher studies and describes cultural behaviour as carried out by communities where cultures are investigated in a social setting through participant observations (Wagner, 2012). In this instance, the researcher also relates their experience to make meaning on their part through the cultural lens used to understand the phenomenon (Merriam, 2009).

Grounded theory has sociological underpinnings and refers to a qualitative design in which the researcher derives a process or action that is grounded in the views of the respondents (Creswell, 2014). This approach involves developing theory from the data collected or alternately building on a theory that is in existence, a process that involves an iterative movement between collection of data and analysis of theory (Wagner, 2012). Merriam (2009) further describes grounded theory as an approach in which the researcher is the primary data collector through interview, documentary sources and observations that assume an inductive stance to make meaning from the data collected (Merriam, 2009: p. 29). This type of qualitative research is differentiated from other types as it focusses on building substantive theory that can be applied in everyday practices (Merriam, 2009).

Creswell (2014) identifies a case study as another type of study undertaken under the qualitative research approach wherein the study involves an in-depth analysis of a case that can either be an activity, one or more individuals, a process or an event over a period of time.

The researcher is the primary instrument for collecting data and analysing findings (Merriam, 2009, p.15). The human interaction provides the researcher with an opportunity to confirm data immediately with respondents to expand on his or her understanding and can take cues from non-verbal communication (Merriam, 2009). Due to the fallibility of the human instrument that is susceptible to bias in the

research study, it is important to identify and monitor this inherent characteristic and the resultant influence on data collection and interpretation (Merriam, 2009).

Qualitative research undertakes an inductive approach as a result of a limited theoretical basis to sufficiently describe and explain a phenomenon and to construct concepts from the data collected (Merriam, 2009). This contrasts with the quantitative research process where hypotheses already exist and are tested in the study, a process commonly referred to as deductive. Qualitative research builds from interviews derived from participants' setting, documentary analysis and observations towards theory where the data is collected into thematic areas (Merriam, 2009; Creswell, 2014).

Interviews conducted under qualitative studies stemming from different theoretical orientations can be categorised into highly structured or standardised questions, semi-structured and informal interviews (Merriam, 2009). The sampling involved in qualitative research is primarily non-random and purposive and rarely large. Another method of data collection in qualitative studies involves documentary analysis that assists the researcher to reveal meaning, develop understanding and reveal insights key to the research problem (Merriam, 2009). Wagner (2012) emphasises that the focus should be on the meaning of the document, how the document came about and the significance of the results of the document. Data can also be collected through observation of situations, individuals, groups and cultures within a social setting that can be richly described to inform the findings of the study (Wagner, 2012).

Qualitative research is primarily descriptive wherein the researcher uses words and graphical presentations to convey what has been learned in the study. The qualitative research approach involves the description of the responses by participants involved and the context within which the study is undertaken (Merriam, 2009). The most prevalent types of analysis used are the narrative analysis that details how participants tell their stories, the thematic analysis that identifies patterns and recurrent themes in the data, interpretative phenomenological analysis that involves separating biases of the researcher in the study, and discourse analysis that comprises understanding of human behaviour and culture in the data interpretation

(Wagner, 2012, p.244). In order to ensure validity in qualitative studies it is important that the researcher ensures that the prejudices, biases and value judgements do not interfere with the clarity of understanding (Wagner, 2012)

3.6 CONSTRUCTIVIST /INTERPRETIVIST PARADIGM

The study is situated in an Interpretivist Research Paradigm that places a focus on interpretation to make meaning of the reality of nature, to justify knowledge generation and to determine what is to be considered as truth to inform the values and ethical considerations. In interpretive studies, knowledge is constructed through describing people's beliefs, intentions, values and self-understanding to make meaning within the social context and for distribution (Henning, 2004).

Ontologically positioning the nature of reality, Interpretivist/Constructivists believe in manifold realities that build up differently from the belief of the Positivists in a single reality (Teddlie and Tashakkori, 2009). Interpretive paradigm emphasises meaningful social action, socially constructed meaning and value relativism (Neuman, 2011). Research is conducted in a social setting where participants attach significance in a subjective manner when conducting interviews, a phenomenological orientation (Teddlie &Tashakkori, 2009). This contrasts with the Transformative paradigm wherein the philosophical assumption is founded on Critical Theory to critique and go beyond the surface through a critical process of inquiry to uncover the real structures in the material world, and reveal hidden truths with the objective of empowering people to build a better world for themselves (Neuman, 2011).

The Constructivist/Interpretivist paradigm has similarities with the Transformative paradigm as both take the stance that emphasises linking people's activities in everyday life, whereas the Positivist paradigm attempts to formulate social laws to explain variations in an objective and value-free manner (Agger, 2006). The interpretivist approach takes cognisance of the limitations of observations and that the process is iterative throughout the research study (Neuman, 2011).

The research sought to determine what is meaningful and relevant to the actors within a municipal environment and how decisions are made and implemented on a

daily basis to capture how they interpret governance from their point of view or perspective. This links with the aim of the study which sought to explore the governance practices in Westonaria Local Municipality as perceived by the providers and recipients of services.

3.7 POPULATION AND SAMPLE

3.7.1 Population

Population refers to a total set of units with similar interests and from which the sample is derived (O'Sullivan, Rassel & Berner, 2010). The population for the research consists of senior leaders and managers, union representatives and oversight committees in the municipality and officials in the provincial departments responsible for monitoring and oversight, and community leaders.

3.7.2 Sample and Sampling Method

The purposive sampling method includes a selection of key interviewees, the findings of which are used to draw inferences about the population. Table 6 below provides a profile of respondents included in the research study.

Table 6: Profile of respondents

Respondent	**Number to be sampled**
Executive Mayor	1
Municipal Manager	1
Chief Financial Officer	1
Section 57 managers – executive directors	1
Gauteng Provincial Treasury	1
Gauteng Department of Cooperative Governance & Traditional Affairs	1
South African Local Government Association (SALGA)	1
The Auditor-General South Africa	1
Union representatives (SAMWU and IMATU)	2

3.8 THE RESEARCH INSTRUMENT

A semi-structured interview questionnaire was employed based on the themes of the study in order to address the primary and secondary research questions. The first theme deals with how rules are made and enforced in Westonaria Local Municipality and secondly how the executive reports to council. The third part addresses public participation in the affairs of the municipality and lastly how governance practices can be improved in the municipality. The interview questionnaire is provided as Annexure A.

3.9 DATA COLLECTION

The data was collected from various sources in the form of documentary analysis and interviews.

3.9.1 Primary data collection

The primary data was collected through in-depth semi-structured interviews with the political and administrative arms in the municipality, as well as unions and community leaders. Application was submitted for approval and consent obtained from the municipality to conduct the academic research, clearly indicating that the ethical standards will be upheld to avoid the ethical pitfalls noted by Silverman (2011) such as deception, engaging vulnerable interviewees, exploitation and exposing the identities of people where confidentiality was sought (p.90).

3.9.2 Secondary data collection

Secondary data was collected from journals, books, research reports and media articles to inform the theoretical framework to formulate and design the research questions as the thematic areas, relationships and interconnections emerge and become more visible (Grbich, 2013). Documentary analysis of performance management policies and reports, i.e. Integrated Development Plan, Audit Report, Annual Report and Oversight Report, was used to supplement the primary data. The information gathered from these documents was used as essential steps and

reference points to inform the research. Careful consideration of the authenticity and credibility of documents in their original form was undertaken (Wagner, 2012).

3.10 DATA ANALYSIS AND INTERPRETATION

The research employed two methods of data collection through documentary analysis and a research questionnaire. The data collected through in-depth interviews using a questionnaire was analysed and the phenomenological analysis of the study gives an account of what the research participants share in common as they shared their experience in relation to governance practices prevalent in Westonaria Local Municipality. The data collected using the research questionnaire was reviewed to identify statements related by the respondents to make meaning and categorise data into thematic areas (Wagner, 2012).

The data was analysed using the three major stages of data analysis for qualitative studies commencing with an open coding state to group data into smaller descriptive segments, followed by an axial coding stage to group codes into categories that are similar, and finally through selective coding stage to integrate emergent theory from data (Wagner, 2012). The research analysis included identifying and summarising the findings as well as the comparison, synthesis and interpretation of the findings across thematic areas to provide a series of recommendations (Major & Savin-Baden, 2010).

The data collected through documents was examined to induce meanings from the text. Wagner (2012) proposes that when analysing documents an analytical approach should be assumed, the information from the documents should be coded in response to the research questions, then classifying the documents into primary, secondary and tertiary classes. In this study, it was important to consider the quality of the documents analysed using the authenticity, credibility, representativeness and meaning criteria (Wagner, 2012).

3.11 LIMITATIONS AND ETHICAL CONSIDERATIONS

To address and overcome the limitations of the study ethical considerations at all stages of the research were considered. The study also took into account the limitations of documentary analysis such as biasness, reinforcing the beliefs of authors and the use of technology to obtain documents on the internet by exercising critical reflexivity (Wagner, 2012). The following ethical considerations outlined in Wagner (2012) were applied consistently throughout the study (p.71):

- Obtaining informed consent from participants.
- Ensuring anonymity and confidentially of all respondents.
- Avoiding deception and doing no harm to participants.

3.12 VALIDITY AND RELIABILITY

The research study is primarily interpretive and thus it was important to ensure that the validity arguments presented in the study are strong, well grounded, sound and justifiable as these could undermine the research (Denzin *et.al.* 2002). Wagner (2012) states that reliance on validity assessment of the research methods ensures the quality and standards and contributes to the overall research process and reliability of the research findings.

The criteria to satisfy reliability of the qualitative research was undertaken through what Moisander and Valtonen (2006) in Silverman (2011) suggests, by comprehensive detailing the research methods and data analysis in the research report to ensure transparency, and secondly, by explicitly detailing the theoretical stance for interpretive purposes.

3.13 CONCLUSION

The chapter has outlined the justification for the choice of research methodology employed in this study by firstly positioning the philosophical approaches that provided the lens of the research and the use of qualitative methods to collect data through in-depth interviews and documentary analysis.

The interpretivist paradigm provided guidance on ontology, epistemology and axiology of the study. Notwithstanding the limitations of the study, sufficient information to deduce and establish findings was obtained to answer the research questions.

CHAPTER 4
PRESENTATION OF FINDINGS

4.1 INTRODUCTION

This chapter provides data analysis and interpretation of the findings from the interviews conducted and the analysis of documents relating to governance in Westonaria Local Municipality in line with the methodology described in the preceding chapter.

The data were collected through semi-structured interviews with officials from Westonaria Local Municipality and institutions responsible for governance in local government. The objective of the research was to understand the governance practices in Westonaria Local Municipality. The research aimed to examine the following questions:

- How are rules made and enforced in the municipality? (Rule of law)
- How is the executive held to account by the legislature in Council? (Accountability, Transparency and Leadership)
- To what extent is the community involved in the affairs of the municipality? (Public participation)
- What can be recommended to improve the governance in municipalities?

The section that follows hereafter provides the profile of respondents who participated in the semi-structured interviews and presentation of findings.

4.2 PROFILE OF RESPONDENTS

Data was collected through conducting interviews with employees from Westonaria Local Municipality and institutions responsible for monitoring, oversight and support in the Municipality. The interviews were conducted using a semi-structured questionnaire focusing on the elements of good governance in line with the

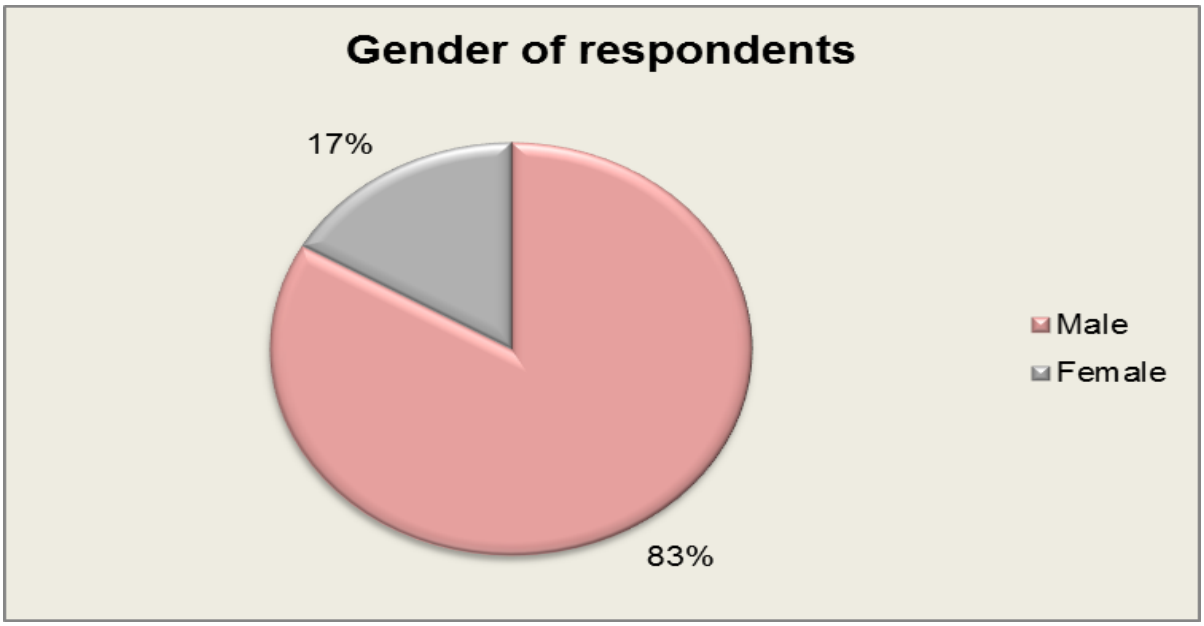
objectives of the study. The researcher obtained permission from the Municipality to interview staff. The information sheet explaining the purpose of the study and consent forms were provided to participants affirming confidentiality and anonymity if participating in the study.

Table 7: Biographical profile of respondents

Respondent	Gender	Ethnicity	Level of education	Years' experience in local government
Respondent 1	Male	African	Post-graduate degree	21
Respondent 2	Male	African	Graduate degree	7
Respondent 3	Female	White	Matric	15
Respondent 4	Male	African	Matric	9
Respondent 5	Male	African	Post-graduate degree	12
Respondent 6	Male	Coloured	Post-graduate degree	21
Respondent 7	Male	African	Post-graduate degree	5

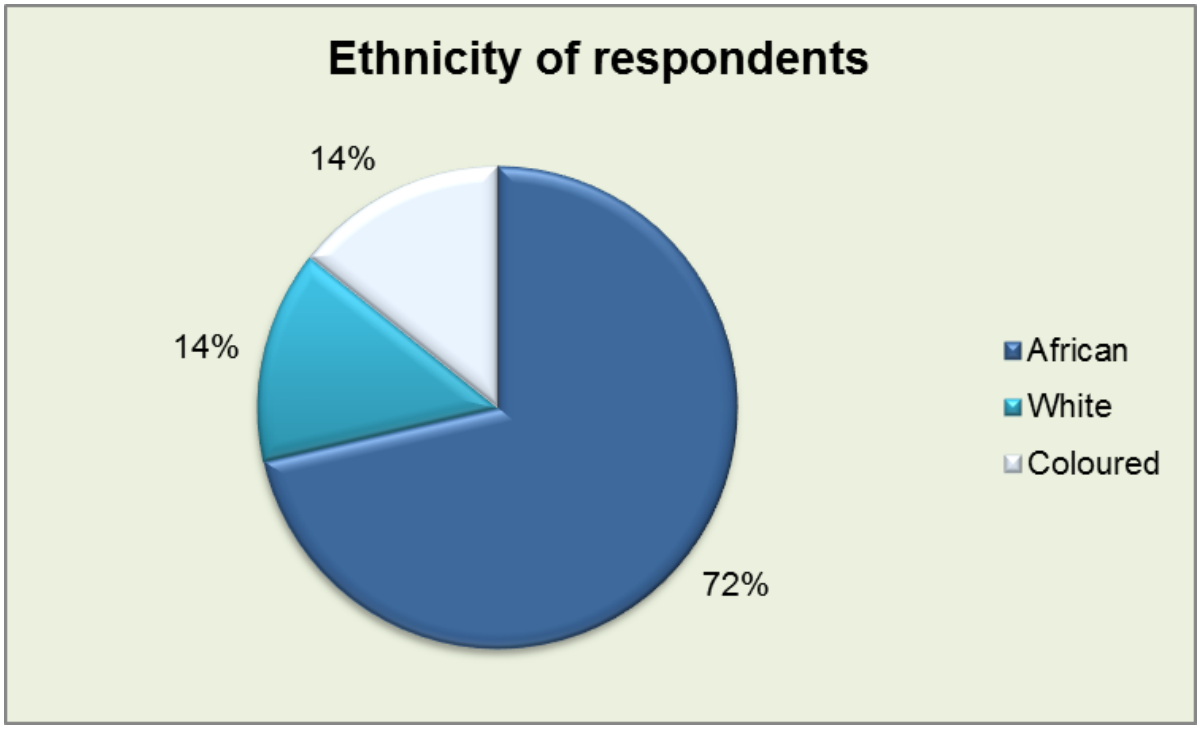
A total of five employees were interviewed in the municipality from a sample of nine. The respondents included employees in management, administration and labour union representatives. Of the three inter-governmental institutions identified in the study, only one did not participate in the study. The institutions that participated had one respondent each. This reduced the sample size from ten to seven, which equated to 70% response rate. This did not necessarily pose a challenge as the study was limited to Westonaria Local Municipality.

Figure 7: Gender of respondents



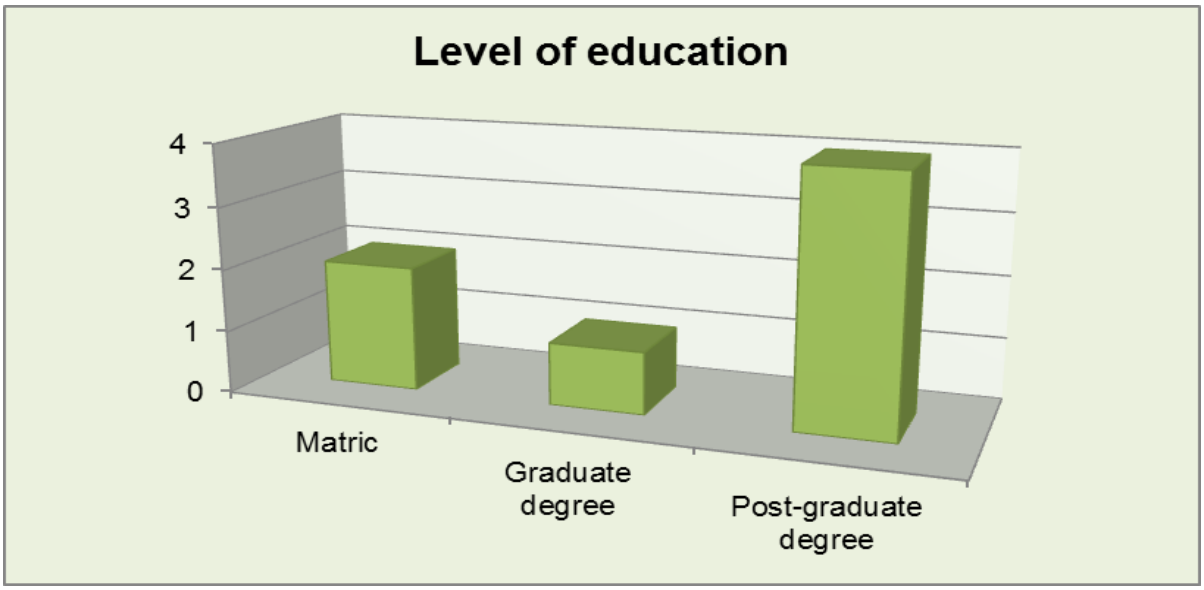
The total number of respondents was seven consisting of one female and six males who participated in the study.

Figure 8: Ethnicity of respondents



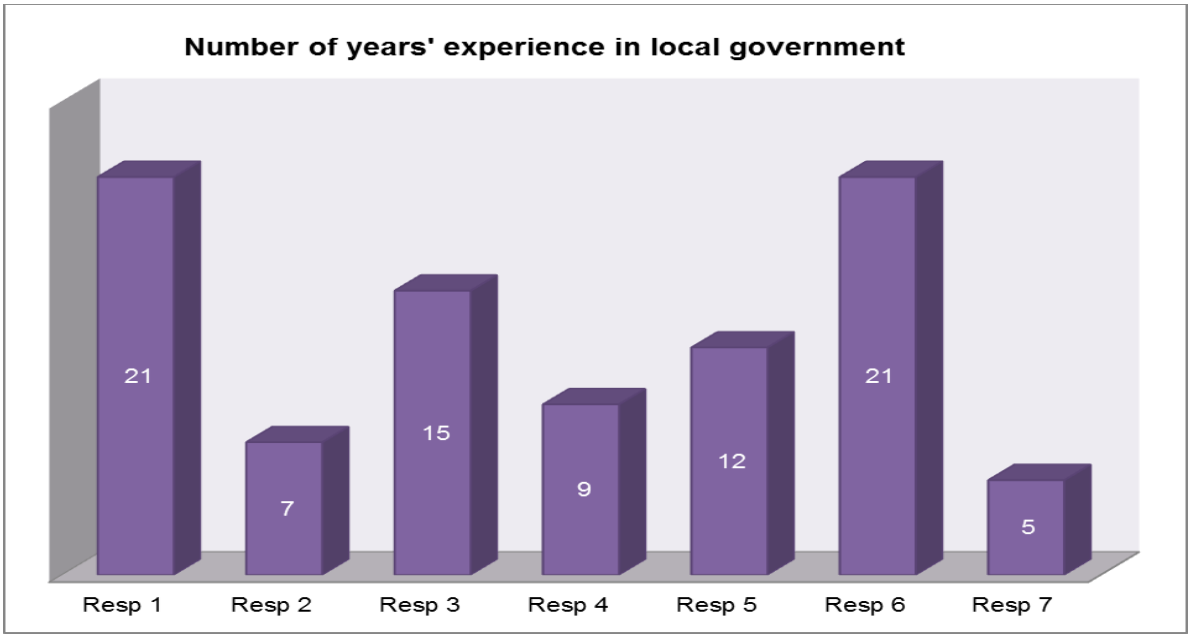
The ethnicity of respondents who took part in the study included five participants of African descent, one white respondent and one coloured respondent.

Figure 9: Level of education of respondents



Out of the total number of seven respondents, two had matric as the highest level of education. One respondent possessed a graduate bachelor's degree and four had pursued and attained post-graduate qualifications.

Figure 10: Experience in local government



The average experience of respondents in the local government sector was 13 years. Two of the respondents had the longest serving experience of 21 years in local government serving in different positions. The respondent with the least experience had only been in local government for five years.

4.3 PRESENTATION OF FINDINGS

The data highlights a number of governance challenges experienced in Westonaria Local Municipality emanating from thematic analysis of respondents' experiences substantiated with direct quotes from the interviews. The themes were identified in line with the research objectives as follows:

1. The role of leadership in the governance of the municipality.
2. Financial governance and accountability.
3. Performance and Consequence Management.
4. Participatory governance and consultation.
5. Institutional framework and Intergovernmental relations.

4.3.1 The role of leadership in the governance of the municipality

4.3.1.1 What is the role of leadership in the municipality?

One respondent stated that the role of leadership has to do with planning in the municipality. Two respondents mentioned that councillors represent their constituencies that elected them into power and jointly with their communities determine what to do within their term of office for the next five years. One respondent further mentioned that "*it is imperative that through their representation, the voice and the needs of the community are heard and given effect to"* in council. Four respondents mentioned that one of the key roles of political leadership is to adopt the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the Budget that is tabled at council for approval.

One respondent added that a councillor appointed to serve in the municipal council is a *"political deployee"* seconded by his or her political party.

Four respondents emphasised the role of the council and oversight committees such as the municipal public accounts committee (MPAC) in playing oversight over the affairs of the municipality. One respondent further added that council considers and approves policies and by-laws to be implemented by administration. Three of the

respondents mentioned that the Mayor as the political head enters into performance agreements with the municipal manager on what is to be achieved in the next financial year based on limited resources; and that performance agreements are also entered into between the municipal manager and the executive management team who are expected to lead the implementation of the IDP and the budget.

Three respondents stated that the interface and relationship between Council and municipal administration is cordial and healthy and that there are no interferences. One respondent mentioned that *"party-politics within the council itself sometimes hampers the oversight role"* especially if the municipal manager is from the ruling party in that accountability is not enforced. One respondent further added that the relationship is good because the *"municipal manager and the mayor are members of the same ruling party"* and the tone and message from the top is the same. One respondent stated that council has a fiduciary duty in the governance of the municipality and ideally should operate similar to a board of directors. Four respondents mentioned that the capacity of councillors in the municipality poses a challenge when it comes to probing complex issues tabled at council. One respondent stated that *"council is very involved"* in administrative issues and the relationship sometimes becomes personal and strenuous.

4.3.1.2 What is your take on perceptions that councillors are not adequately skilled to perform their duties?

Four respondents mentioned that the perception that councillors are not adequately skilled applies. Three of the respondents stated that the fact that there is no minimum requirement to qualify as a councillor poses a challenge. One respondent further added that sometimes *"we even get people who cannot read and write as councillors"* who are expected to read council agendas of close to 200 pages. One respondent further mentioned that the council reports are written in English and this presents a challenge for councillors who cannot read and write in English. One respondent explained the challenge encountered with councillors who cannot operate their laptops which impeded the move to go paperless for council reports. One respondent mentioned that the manner in which councillors ask questions of the executive management in council is impressive as they do not want technical

responses but rather prefer to understand in layman's terms. Four of the respondents mentioned that as a minimum to qualify as a councillor one should have matric.

4.3.1.3 Do you think the senior managers in critical posts possess sufficient skills and relevant experience to steer the municipality?

Six respondents mentioned that senior management in Westonaria Local Municipality possess sufficient skills and relevant experience to steer the municipality in the right direction. One respondent mentioned that the leadership has not been effective in ensuring that the institution shares a common vision. Three respondents mentioned that the municipality is losing skilled executives to neighbouring municipalities that are bigger in size and capacity *"because they go for greener pastures"*. Two respondents noted that although the municipality has competent and skilled senior management, slow decision-making undermines performance and accelerated service delivery. One respondent further noted that *"consequence management in the municipality is almost non-existent"* and this affects good governance in the municipality.

4.3.2 Financial Governance and Accountability

4.3.2.1 What contributed to the 2014/15 audit outcome for the municipality?

Three respondents mentioned that the Municipality obtained an adverse audit opinion in the 2014/15 financial year while two respondents indicated that the audit opinion was not good. Three of the respondents attributed the negative audit outcome to lack of capacity in the municipality as a result of the inability to attract skilled and qualified staff. Three respondents mentioned that the property, plant and equipment contributed to the audit outcome. Two respondents stated the interpretation and application of accounting standards and regulations as a challenge: *"these people when they develop these regulations, they normally don't consult with the people that are at ground level".* One respondent noted that reporting of performance information also contributed to the adverse audit outcome and cited the *"inability for management to support their reported achievements"* as a challenge that needs to be addressed. One respondent observed that where there is

no evidence, management must be honest and indicate that performance was not achieved: *"the evidence should not be manufactured"*.

4.3.2.2 Is there a correlation between the budget spent and level of service delivery?

Six respondents said that yes, definitely, there is a correlation between the budget spent by the municipality and the level of service delivery. Three respondents observed that there is a direct relationship between the two as the IDP and the SDBIP are linked. One respondent stated that funds that are not spent translate into lack of service delivery to the community: *"if the municipality is not spending you must know there is no service delivery that is happening there*". One respondent explained that the challenge facing the municipality is that *"we spend towards the last quarter".* One respondent added that the municipality is providing basic services to the community, however reporting is a challenge: *"we are not able to report on it and I don't understand why*". One respondent mentioned that service delivery challenges in Westonaria Local Municipality are primarily informed by the financial position of the municipality "*It's no secret that Westonaria is running a tight fiscal envelope at the moment"*. One respondent added that the revenue value chain and cash flow of the municipality is affected by the ability of residents to honour the service accounts which impacts negatively on the constitutional mandate to deliver services.

4.3.3 Performance and Consequence Management

4.3.3.1 What are the reasons for poor performance in the municipality?

One respondent noted the lack of a common vision as a problem. A respondent added that there is a culture of *"individualism and self-centeredness"* as opposed to operating as a team. Two respondents suggested that lack of decisiveness and procrastination in effecting decisions by leadership affects performance of the municipality: *"we procrastinate on decision making and we sometimes allow wrong things to happen… we were more being led than leading because we want to satisfy everyone".* Three respondents mentioned the frustration with implementing sound

recruitment practices that are counter to labour policies and unions with regard to appointing the right people with the requisite skills to replace those who have been there for years with no qualifications: *"you have to wish that they die or resign for you to be able to get competent people in an institution".*

Three respondents mentioned that the financial position of the municipality negatively affects performance as the municipality does not have enough resources to attract and retain the right people but is also limited in terms of training and re-training incumbent staff. One respondent said that the finances of the municipality are affected by the unemployment prevalent in the region due to the declining mining activity. One respondent noted that the challenge the municipal officials have is the limited availability of tools and equipment to do their job and this negatively affects service delivery. Three respondents mentioned that staff has become anxious as a result of the uncertainty around the merger. One respondent explained that since there has not been any community protest recently in the municipality to indicate community dissatisfaction, this shows that there is a *"fair amount of stability"* despite the governance challenges experienced.

4.3.3.2 Is there a correlation between the audit outcome and the level of service delivery?

Five respondents mentioned that there is no correlation between the audit outcome and the level of service delivery while one respondent stated that there is. One respondent mentioned that Westonaria Local Municipality is doing well in terms of delivering services and the quality of services to the community in that *"you cannot find a pothole in the municipal region"* despite the negative audit outcome. One respondent stated that there is a need to educate the community about the audit outcomes as *"a negative audit outcome that doesn't mean there is corruption or there is no service delivery"*. One respondent who is a resident of Westonaria Local Municipality observed that *"on the service delivery it's excellent, I don't have any complaints".* One respondent felt that although there were no community protests, there were concerns raised around the tariff increases by the Westonaria Concerned Residents in the community.

4.3.3.3 Are oversight committees in the municipality functional?

Four respondents noted that oversight committees have been established and although operational, they are not functioning at an optimal level. Three respondents mentioned the challenge with regard to the convening of oversight committees that are sometimes cancelled due to non-attendance of councillors. Three of the respondents highlighted that the challenge faced by the municipal public accounts committee (MPAC) is one of capacity. One respondent further mentioned that the MPAC does not fully understand their mandate and that *"they don't know they power they have".*

4.3.3.4 What has the municipality done to improve performance and address audit findings?

One respondent explained that the municipality has linked targets to units and managers to improve performance in the municipality. Three respondents stated that an action plan has been developed to address audit findings and a progress report is tabled at council. One respondent noted the plan to capacitate municipal staff through transfer of skills by consultants with the aim of ultimately undertaking the work on their own without the outsourcing of consultants. Three respondents mentioned that the municipality has implemented a performance management system to monitor and evaluate performance. One respondent observed that risk management is not taken seriously in the municipality and that *"risk management was supposed to be part of the management team, and I had raised this issue at the executive management team but it has not happened and I don't know why".*

4.3.4 Participatory Governance and Consultation

4.3.4.1 To what extent is the community involved in the policy and IDP process of the municipality?

Six respondents mentioned that the communities are involved in the affairs of the municipality in the consultation process of the IDP, the budget and related policies. Two respondents cited the public consultation schedule drawn up to engage the community. One respondent mentioned that the challenge is that *"we do not reach*

everyone within the community" as residents attend meetings based on their area of interest. One respondent mentioned that there is no clear reporting mechanism in terms of the feedback on the inputs of the community and the work done by the municipality in that specific ward. One respondent noted the challenge of communicating resolutions made by council to the community.

Four respondents mentioned that the municipality communicates through newsletters and publications on the website and placing documents in the community libraries on issues such as *"state of the town address*" where it is explained what is it that the municipality is going to do for that specific year and the Budget Speech where it is indicated what has been budgeted for after having consulted with the people. Three respondents mentioned that the ward councillors are in fact good at keeping the community informed.

4.3.4.2 How accessible are municipal documents to the public?

One respondent cited the literacy rate as a challenge with regard to the assumption that residents will read documents uploaded on the website and that limited internet access decreases the chances of people seeing them. One respondent mentioned that publications are issued where budgets are analysed and simplified for better understanding by the community.

Two respondents noted that publications are handed over to the ward committees and ward councillors to physically go door-to-door and hand out pamphlets to members of the community. Three respondents mentioned that public meetings if well attended assist in ensuring that the municipality has a greater reach in terms of the communicating with the residents of Westonaria. Three respondents indicated that the public has access to municipal information and those that need special print-outs are required *"to pay R1.50 per page".*

4.3.5 Role of Intergovernmental Relations

4.3.5.1 Institutional governance framework of local government - what is your view about having both the legislative and executive arms vested in Council?

Seven respondents indicated that there are no clear lines of separation between the legislative and executive arms of council in the municipality. One respondent noted that the delegation of powers of council are not clear with regard to what full-time councillors are expected to do on a daily basis and further asked, *"what is the fulltime about?".* One respondent mentioned that *"the current governance framework is not working for the simple reason that, people who are supposed to play an oversight role, there is no criteria to appoint them*". One respondent said that separation of powers in local government is not clear and that *"separation of powers is non-existent".* One responded added that the distinction between the executive arm and legislative arms in council are provided for in the statutory prescripts and guidelines. A respondent added that "*the role of the speaker is quite paramount in providing that element of jurisdiction between the two".*

4.3.5.2 In your view, do you think there were any institutional barriers that might have affected good governance in the municipality?

Four respondents mentioned capacity building of both councillors and municipal staff as an institutional barrier to improved service delivery and good governance in the municipality. One respondent acknowledged the passing of the Systems Act and Municipal Finance Management Act to enhance good governance and accountability in municipalities that is sometimes seen as a hindrance as it no longer allows officials to "operate as we wish". Three respondents mentioned human resource capacity as a challenge where there are good plans in place; however, "*if you do not have sufficient capacity inside the institution it might not help you in terms of achieving that good governance".* Three respondents mentioned that financial viability of the municipality is a challenge largely due to the way in which local government is funded.

Two respondents further added that the municipality is not able to *"attract people and pay them reasonable salaries"* as a result of the lack of financial capacity currently

facing the municipality. Three respondents said the uncertainty with regard to the imminent merger following the 2016 local government elections posed great anxiety in that *"you don't know whether you are going to have a job or not".* One respondent mentioned that the main institutional barrier to good governance is that local government is too regulated and that *"we just do things for the sake of compliance and they tick the box for submission".* One respondent added that the departments responsible for norms and standards sometimes develop these without engaging the municipality: "*they are thinking for us without consulting us"*. One respondent stated that *"at most times we end up being busy to comply at the expense of service delivery".*

4.3.5.3 What is your view on the imminent merger of Westonaria and Randfontein local municipalities?

Four respondents expressed concern with regard to the uncertainty around the merger of Westonaria and Randfontein local municipalities, more so in that the new structure of the new municipality had not been discussed and shared with employees. One respondent observed that the manner in which the merger is approached is not on the basis of *"combine our strength so that we can be able to address our weaknesses which are a big problem for us as an institution".* One respondent explained that the two municipalities will be merging cultures, communities, organisational structures and tariff structures which could pose a challenge for the new municipality. Three respondents mentioned that the merger could yield positive results such as improved resources and proper planning in that *"the bigger municipality, the bigger funding"* and fewer community protests. One respondent stated that increasing financial capacity will allow the municipality to attract competent people and retain them. One respondent noted that the alignment of tariff structures will prove difficult as both municipalities are on different rates and it will take a while to get to the level of parity and might possibly spark community unrests. Two respondents also raised concerns with regard to the reduction of the equitable share for the new municipality.

4.3.5.4 What is the role of other institutions responsible for local government in the governance of the municipality?

Six respondents explained the role that intergovernmental institutions have played in the municipality and cited the Provincial Treasury, the Department of Cooperative Governance and Traditional Affairs and the South African Local Government Association. Three respondents mentioned the support of COGTA on performance management, capacity building and financial support to the municipality in that *"CoGTA has played a very significant role especially when it comes to capacity building".*

Five respondents cited the role of SALGA in the capacitation of councillors in the form of workshops and programmes: *"SALGA also played a role in making sure that they provide training especially to councillors as part of induction and different programmes so that you can be able to execute their constitutional mandate".* Four respondents mentioned the role of the provincial Treasury in supporting the municipality on financial matters such as asset management and clearing of audit findings by placing experts in the municipality. One respondent mentioned that the provincial Treasury is providing support through the Hands-on Support Programme through the deployment of chief financial officers.

One respondent noted that the challenge with intergovernmental relations is with regard to the functioning of IGR forums and highlighted that *"the other problem is the inter-governmental relations between local, provincial government and national government is really not implemented as per the Intergovernmental Relations Act".*

4.3.6 Recommendations for improvement

4.3.6.1 What are the specific areas you think need to be addressed as far as governance in the municipality is concerned?

One respondent mentioned that good governance needs to be embraced by the whole organisation. Three respondents noted capacitation of councillors and employees to improve on their skills and on enforcing good governance practices.

One respondent mentioned that *"it is critical to set the tone from the top by the leadership and not tolerate any bad behaviour in the institution".*

One respondent mentioned continuous coaching and peer review mechanisms among municipalities to improve accountability and good governance. Another respondent cited a *"general outcry in the community about maladministration and corruption"*, a perception that needs to be addressed through rigorously tackling governance challenges in the municipality. Two respondents mentioned the need to attract and retain competent staff in the municipality. One respondent noted the need to *"work on the relationship between employer and employee*". Two respondents mentioned the need to look at the separation of powers to ensure greater accountability.

Two respondents said that the performance agreements concluded with executive management need to be enforced. One respondent observed that *"there needs to be consequences in terms of non-achievement".* Six respondents mentioned that capacitation of councillors is key to ensuring greater oversight and accountability over administration.

4.4 CONCLUSION

Chapter four of the study provided the presentation of the findings emanating from the research. The comments were gathered through semi-structured interviews with respondents from the Municipality and institutions responsible for local government. The discussion centred around governance practices in Westonaria Local Municipality, focusing on the leadership role in the municipality, consequence management for non-compliance, and human resource and financial capacity including oversight and accountability in the municipality. The interaction with respondents further touched on the merger of Westonaria Local Municipality with a sister municipality in the district Randfontein Local Municipality and the perception that some councillors are inadequately skilled to steer the Municipality towards achieving good governance.

CHAPTER 5
ANALYSIS AND INTERPRETATION OF THE FINDINGS

5.1 INTRODUCTION

Chapter five of the study provides the analysis and interpretation of research findings and linkages with the literature review. The analysis derives from the responses received from interviews and the review of documents obtained from Westonaria Local Municipality and other publications by institutions responsible for local government in the Gauteng Province. The chapter reiterates the research problem that the study aimed to address as well the conceptual framework lens through with the research was observed, data analysed and interpreted.

5.2 THE RESEARCH PROBLEM

The study sought to explore the governance practices prevalent in Westonaria Local Municipality, to examine how the municipality fares in light of leadership and governance failures such as negative audit outcomes, maladministration and corruption facing local governments. The study further explored the institutional arrangements and the relationship between governance practices and the audit outcome obtained by Westonaria Local Municipality. Furthermore, the study aimed to make recommendations for improved governance and oversight in municipalities.

5.3 CONCEPTUAL FRAMEWORK

The study employed the institutional approach theory of governance as the conceptual framework for the research to provide a basis for the examination of the governance practices patterns in shaping behaviour, process and policies of Westonaria Local Municipality. The institutional approach placed Westonaria Local Municipality at the centre and explored how this institution engages society, how resources are allocated and how accountability in the municipality is enforced. This research study was premised on the notion that the governance challenges

encountered by Westonaria Local Municipality emanate from the institutional arrangements.

5.4 INTERPRETATION OF DATA AND FINDINGS

The chapter is structured along the following themes:

1. Role of leadership in the governance of the municipality.
2. Financial governance and accountability.
3. Performance and Consequence Management.
4. Participatory governance and consultation.
5. Institutional framework and Inter-governmental relations.

5.4.1 The role of leadership in the governance of the municipality

The notion of leadership playing a key role in the governance of the municipality has been a recurring finding in the audit reports on Westonaria Local Municipality by the Auditor-General. The 2014/15 Audit Report cites the lack of positive influence to promote good governance and clean audit administration by the Executive Mayor and the Municipal Public Accounts Committee (MPAC) as a cause for concern. The recommendations of the audit committee were not expediently implemented or adequately addressed by the municipal council (Auditor-General, 2015). The oversight responsibility by the Accounting Officer over the financial reporting and compliance with the Municipal Finance Management Act and Supply Chain Management legislation was found to be inadequate (Auditor-General, 2015). The study finds that although oversight committees are in place, they may not be as effective as envisaged in their mandate.

Although the Westonaria Local Municipality had developed a plan to address findings by the Auditor-General, lack of monitoring by management resulted in slow progress and recurring findings on non-compliance with legislation (Auditor-General, 2015). Most employees in the Municipality believed that leadership lacked decisiveness to hold those responsible to account.

The oversight role of council over administration is perceived to be undermined by the literacy levels of some councillors which renders them unable to effectively perform their roles. This can be attested to by the views held by some of the administration staff that councillors are not able to make informed decisions nor to hold administration accountable as they are not conversant with the issues tabled at council. This perception is further exacerbated by the term of office of five years that is seen as being too short to allow for councillors to effectively deliver on their mandate. This is believed to impact negatively on the good governance principles and ultimately on the service delivery goals of the municipality.

The critical posts in Westonaria Local Municipality are filled by competent and skilled leadership; however; a challenge raised is with regard to the high turnover of key staff members. This can be attributed to the remuneration that the municipality offers compared to neighbouring metro municipalities and secondary cities that offer better remuneration. In order to address this, the municipality appointed officials to act in vacant positions.

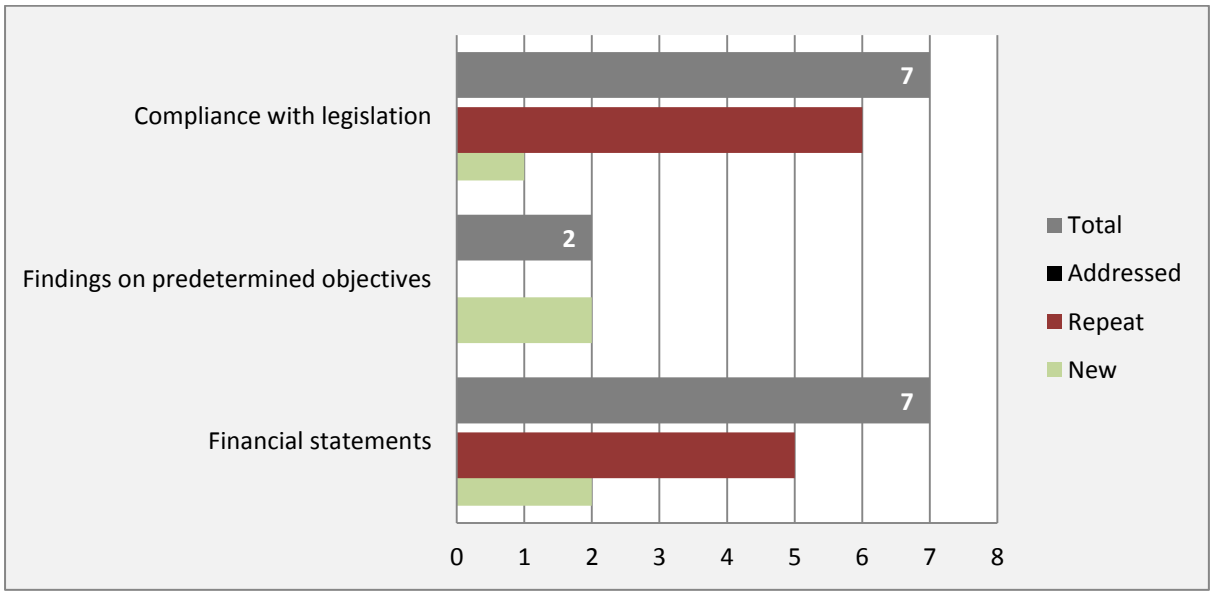
5.4.2 Financial Governance and Accountability

The Municipal Finance Management Act No. 56 of 2003 and supporting regulations were introduced to modernise and improve financial governance in municipalities. However, adverse findings on financial statements and non-compliance are still a challenge particularly in Westonaria Local Municipality. The audit outcome of the municipality has regressed over the past two years from a qualified audit opinion to an adverse audit outcome. This can be attributed to findings of financial misstatements and adjustments to the performance report of Westonaria Local Municipality as a result of inadequate review processes (Auditor-General, 2015).

Key findings identified by the Auditor-General for Westonaria Local Municipality include those on expenditure management, revenue management and supply chain management. For the 20154/15 financial year, a total of 16 findings were raised, with seven findings each on compliance with legislation and financial statements and two findings on predetermined audit objectives. Out of the 16 findings, five were new findings that were not raised in the previous financial year while eleven were repeat

findings. What is most concerning with the recurring findings from the 2013/14 audit cycle is that the Auditor-General found none of them to have been addressed in the 2014/15 financial year. The Auditor-General attributes this to a number of root causes impacting on financial management in local government to be *"slow response in improving internal controls and addressing risk areas, instability in key positions or key officials lacking appropriate competencies and inadequate consequences for poor performance and transgressions"* (AGSA, 2015, p.26). This aligns with the view expressed by the employees of Westonaria Local Municipality that the leadership is slow in taking unpopular decisions that would lead to improved governance and audit outcomes. The study finds that the challenge the Municipality is faced with in addressing some of these findings relate to capacity in key areas such as supply chain management and asset management. Furthermore, the performance information of the Municipality is believed to be inadequately reported by management and not consistent with the requirements of the Framework for reporting programme performance information.

Figure 11: 2014/15 Audit Findings – Westonaria Local Municipality



Source: 2014/15 MFMA Audit Outcomes

Moreover, Westonaria Local Municipality, similar to other rural municipalities in the country, is faced with a number of challenges relating to financial viability and keeping the Municipality's cash flow viable. The study finds that a greater part of the municipal budget is made up of grant support from national and provincial

allocations. The municipality's own revenue contribution is collected through property rates and provision of municipal services such as refuse collection, water, electricity and sanitation (WLM Budget Speech, 2015). This is as a result of unemployment levels of around 29.5% in 2016 as reported by Statistics South Africa and the decline of economic performance in key sectors of Westonaria such as mining and agriculture. As a predominantly mining town, Westonaria Local Municipality's cash flow and financial viability is also affected by economic downturn in the mining industry, resulting in increased job losses. This puts more pressure on Westonaria Local Municipality to provide additional free basic services to the additional numbers added to the indigent register as a result of increased unemployment (Gauteng COGTA, 2015). The employees believe that the funding model of local government needs to be reviewed to ensure that financial sustainability and going concern of the municipality is not negatively affected by changes in the broad economic climate.

Notwithstanding the budgetary constraints experienced, the study finds that Westonaria Local Municipality has been able to honour one of its most important financial obligations, the Eskom electricity account. In March 2016, the National Treasury issued a list of municipalities including Westonaria Local Municipality to which the Equitable Share tranche will be withheld due to outstanding Eskom electricity accounts. Through the intergovernmental intervention in the province, Westonaria Local Municipality entered into a payment arrangement with Eskom and managed to settle the arrears of approximately R59 million on the Eskom account by the end of May 2016. Municipal employees expressed this milestone as one of the key achievements to be celebrated in the Municipality.

5.4.3 Performance and Consequence Management

In 2007, the National Treasury developed the Framework for Managing Programme Performance Information (FMPPI) with the purpose of ensuring seamless reporting across public institutions aimed at availing information accurately, and in a timely and appropriate manner for effective planning, implementation and reporting. The objectives of the framework include *"Clarifying definitions and standards for performance information in support of regular audits of such information where appropriate; improving integrated structures, systems and processes required to*

manage performance information; defining roles and responsibilities for managing performance information and promoting accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information" (FMPPI, 2007, p.1).

Public institutions such as Westonaria Local Municipality are required to include performance indicators in relation to service delivery objectives to enable monitoring and evaluation and this serves as the interface with the community on performance deliverables (FMPPI, 2007). The FMPPI (2007, p.7) framework requires a performance indicator that is *"reliable, verifiable, well-defined, appropriate, cost-effective and relevant*". The Auditor-General had a number of findings on the performance of Westonaria Local Municipality with regard to developing key performance indicators (KPIs) in accordance with the Framework of Managing Programme Performance Information (FMPPI) and the evidence provided to support performance (AGSA, 2015). Municipal employees believed that there is a disjuncture in the manner in which progress on implementation is reported and the service delivery outputs by the municipality; and this is mainly attributed to developing key performance indicators that are not in line with the SMART principles, that is specific, measurable, accurate, reliable and time bound.

The study found that the municipality indicates that from a total of 149 key performance indicators (KPI), only 80 of the KPIs were achieved and implemented mid-year of 2015, translating into 54% progress. Westonaria Local Municipality attributes slow progress on achievement of the KPIs to the focus of the organisation being on activities that do not translate into quantifiable results as per the service delivery and budget implementation plan as well as lack of inclusion of work done outside of the annual performance plans (WLM Performance Assessment Report, 2015). Similarly, the Auditor-General raised findings on the performance reporting of Westonaria Local Municipality for 2014/15 financial year based on a lack of proper systems and processes for performance planning and management, proper indicator definitions not used to predetermine evidence and method of calculation for actual achievements, reliability, validity and accuracy of evidence provided, and poorly developed performance indicators and targets.

The Municipal Finance Management Act Circular 13 issued by the National Treasury requires municipalities to develop the Service Delivery and Budget Implementation Plan (SDBIP), a document that aligns the Integrated Development Plan (IDP) and the Budget of the municipality. The study found that Westonaria Local Municipality had developed the IDP and the SDBIP which is regarded as a twelve-month contract between the municipality and the community, clearly stipulating service delivery targets and the financial resources allocated to the implementation plan (WLM SDBIP, 2015). The SDBIP is a useful document as it serves as the basis to measure service delivery performance against set targets and to monitor progress and promote accountability.

5.4.3.1 Capacity Building in the municipality

Most respondents concede that capacity building in the Municipality is a challenge both for administration and for council. The study found that the Municipality is using a number of consultants to address skills shortages. The skills levy by the Municipality to train and support staff is not sufficient to cover all the training needs. However, the support of institutions such as the LGSETA has contributed positively to skilling municipal officials.

The study revealed that the appointment of executive directors and managers is done in accordance with the National Treasury minimum competencies for senior managers. Most senior managers are not satisfied with the minimum competency regulation as it does not consider recognition of prior learning and qualifications held by senior managers such as the Masters of Business Administration (MBA). Furthermore, the challenge to retain skilled senior managers is exacerbated by the contract appointments of five years and the remuneration packages in comparison with other urban municipalities in the Province. The poor retention of skilled staff negatively impacts on the sustainability and continuity of municipal administration.

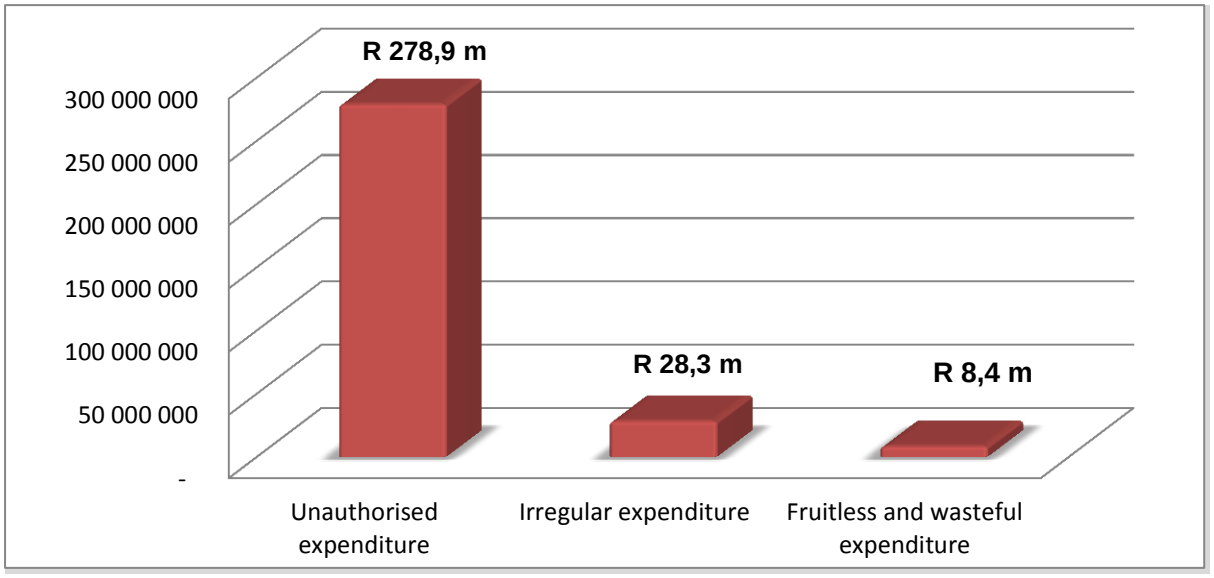
The study revealed that although there are some concerns with the appointment and deployment of councillors without the requisite skills, the South Africa Local Government Association (SALGA) has played a central role in the training of councillors through induction and capacity building programmes. However, most of

the respondents hold the view that councillors are not adequately skilled to play an oversight role on administration as a result of how they are appointed to council without minimum literacy requirements such a matric. This is considered to be a challenge to a councillor who is expected to read and comprehend the agenda pack consisting of more than 300 pages written in English, which in turn limits the ability to probe and interrogate reports tabled to council by the administration.

5.4.3.2 Oversight and consequence management

In implementing service delivery objectives, Westonaria Local Municipality is tasked with allocating financial resources to achieve these targets. The study found that this process is not always in accordance with the prescripts of the MFMA as the Auditor-General had findings on unauthorised, irregular, wasteful and fruitless expenditure. Unauthorised expenditure is spending that was not budgeted for from grant allocations from other spheres of government and municipal own revenue, which is not permissible in terms of the Municipal Finance Management Act of 2003. Irregular expenditure is funds spent in contravention of the legislative prescripts and the supply chain management policy in the municipality. Fruitless and wasteful expenditure refers to “expenditure that was made in vain and would have been avoided had reasonable care been exercised”.

Figure 12: Unauthorised, Irregular, Fruitless & Wasteful Expenditure



Source: MFMA 2014/15 Audit Outcomes

The Auditor-General found that for the 2014/15 financial year, Westonaria Local Municipality had R278.9 million in unauthorised expenditure and R28.3 million and R8.4 million for irregular expenditure and fruitless and wasteful expenditure respectively.

Findings on Unauthorised, Irregular, Fruitless and Wasteful expenditure puts the spotlight on management of consequences by the leadership of the municipality. The MFMA Financial Misconduct Regulations require the recovery of monies from officials found guilty of financial maladministration. Westonaria Local Municipality has developed and adopted the Anti-Fraud and Corruption policy to address financial maladministration. The study found, however, that although Westonaria Local Municipality had incurred Unauthorised, Irregular and Fruitless and Wasteful expenditure, the Municipality did not investigate these cases to determine liability and hold accountable those responsible for misconduct (Auditor-General, 2015). This indicates that consequence management in the Municipality is not enforced as believed to be the case by the officials of the Municipality.

Council has to play an oversight role regarding the management of finances in the Municipality. The study found that although oversight committees such as the MPAC are established and operational, they are not effective. The MPAC committee, made up of seven members from four political parties, has experienced challenges where some of the recommendations raised to Council were not expedited for implementation by the administration. The study revealed that MPAC is viewed as ineffective in the Municipality by municipal officials. The role and function of MPAC does not seem clear to the MPAC members as they are not playing a leading role in the audit process in the Municipality and the role is somewhat confined to oversight of the Annual Report. The interview further suggested that the MPAC committee chairperson and members do not seem to possess the requisite skills to critically engage with financial management audit issues affecting the Municipality. The Auditor-General also raised concerns around the lack of leadership on the part of MPAC to positively influence the steering of the Municipality towards good governance and clean audit administration. This can be attributed to the lack of

selection criteria to elect councillors to serve on the oversight committees. One of the respondents observed that:

"According to me, the current governance framework is not working for the simple reason that the people who are supposed to play an oversight role, there is no criteria to appoint them. For example, you don't need certain qualifications for you to be a councillor and as a result that hampers their ability for them to play effective overall oversight duties. And that to me needs to be looked at very seriously" (Interview with Respondent 1, 30 May 2016).

The Audit Committee appears to function very well, with the Chair taking an active role in overseeing the audit issues. The working relationship between the Audit Committee and the MM and the CFO appears to be working well and audit commit reports are tabled at Council and recommendations implemented. The Audit Committee in Westonaria Local Municipality is shared with other municipalities within the West Rand District and is functioning optimally. The study found that the Municipality does not have a fully staffed Internal Audit Unit as there is only one official assigned to this role. The function has been outsourced and not placed within the Municipal Manager's office. This appears to be a risk for the Municipality as the internal audit function does not appear to be prioritised in the Municipality. Furthermore, the concerns around issues of governance did not receive adequate attention by council to hold administrative leadership to account for slow implementation, thus impacting on accelerated and improved governance as a result of the lack of political will.

5.4.3.3 Participatory Governance and Consultation

The vision of Westonaria local municipality is *"Better communities through governance excellence"* and it intends to achieve this vision through providing a *"developmental municipal governance model towards sustainable quality of life for all communities in Westonaria*" (Westonaria IDP, 2015, p.3). The study reveals that, in living up to this vision, Westonaria Local Municipality employs a variety of communication methods to engage with the community on the IDP and the budget, a process managed by a dedicated office that draws up a schedule of public meetings

and consultations. Respondents believed that although these different methods are employed, the reach of the message from the Municipality might be limited as some residents attend meetings based on the item of interest on the agenda as well as the limited internet access to obtain electronic copies. The study found that municipal publications are also made available at community libraries and further handed out by ward councillors and committees. These efforts indicate that the community of Westonaria is involved in the affairs of the Municipality through strengthened public participation processes. However, it appears that to some of the respondents it may seem that consultative processes embarked on to engage the community of Westonaria may only be undertaken as a form of compliance with legislative requirements on the part of the Municipality but which lacks formal processes for either feedback or redress.

The Gauteng City Region Observatory (GCRO) conducted the Quality of Life Surveys that were introduced in 2009 and issued every two years. The most recent report was issued in 2015 and included the participation dimension to determine the extent to which society has made progress in mobilizing an active citizenry to reflect the maturity of democracy through the development of the Democratic Participation Index. Westonaria Local Municipality scored 60 on the Democratic Participation Index in 2013 for community based forums and engagements on strategic documents such as the Integrated Development Plan (GCRO, 2013). The Department of Performance Monitoring and Evaluation posits in the Twenty Year Review of Local Government that participatory governance in local government needs to be revitalised through implementing a set of institutional, political and community based solutions that will tackle governance challenges in municipalities (DPME, 2015).

The study reveals that most of the respondents believe that Westonaria Local Municipality is doing well in delivering services to the community. The findings further indicate that although the Municipality obtained a negative outcome, the level of service delivery within the constraints of limited cash flow has been satisfactory. Westonaria Local Municipality provides free basic services to a quarter of the community households including burials for indigent households. The quality of life survey conducted by the Gauteng City Region Observatory in 2015 further reveals

that the satisfaction levels in Westonaria have increased since 2013 and this is attributed to the increases in 'infrastructure' and 'socio-political attitudes' dimensions. Westonaria obtained a score of 80% satisfaction level of health care facilities.

Figure 13: Quality of Life survey - Infrastructure Dimension

INFRASTRUCTURE DIMENSION INDICATORS	2009	2011	2013	2015
Has been an improvement in community	20.6%	14.3%	16.6%	26.6%
Water is usually / always clean	89.7%	91.7%	96.0%	94.8%
Flush toilet connected to sewerage	60.3%	51.6%	62.8%	73.0%
Water piped into dwelling	51.5%	56.0%	63.2%	66.9%
Has access to electricity	58.8%	67.6%	68.4%	73.7%
Refuse is removed by municipality	76.5%	66.2%	69.6%	80.7%
Have not had water/electricity cut off or been evicted	97.1%	95.4%	92.7%	90.3%
	.65	**.63**	**.67**	**.72**

Source: Gauteng City Region Observatory (2015)

The study shows that the survey by the GCRO correlates with the view held by most respondents that the Municipality is doing well with regard to the quality of services provided to the community of Westonaria. In terms of satisfaction with municipal performance by the community of Westonaria, the 80/20 Report consisting of 80 indicators on local government post the 20-year mark compiled by the Institute of Race Relations indicates an above average score of 6.19 out of a possible score of 10 for Westonaria Local Municipality on the service delivery index (IRR, 2014).

The quality of life for Westonaria is reported to have increased by 9 points since 2013 and this is as a result of the socio-political attitudes dimension (GCRO, 2015). The indicator for satisfaction with local government performance shows a low score of 27.4% although this is an increase from 24.3% in 2014, which indicates a level of discontent within the community of Westonaria. The percentage of household members who participated in the public participation meetings convened decreased to 52.2% from 61.5% in 2013. The survey indicates only 23.7% voter apathy which provides some legitimacy to the voter turnout in the 2016 local government elections.

Figure 14: Quality of Life survey – Socio-Political Attitudes

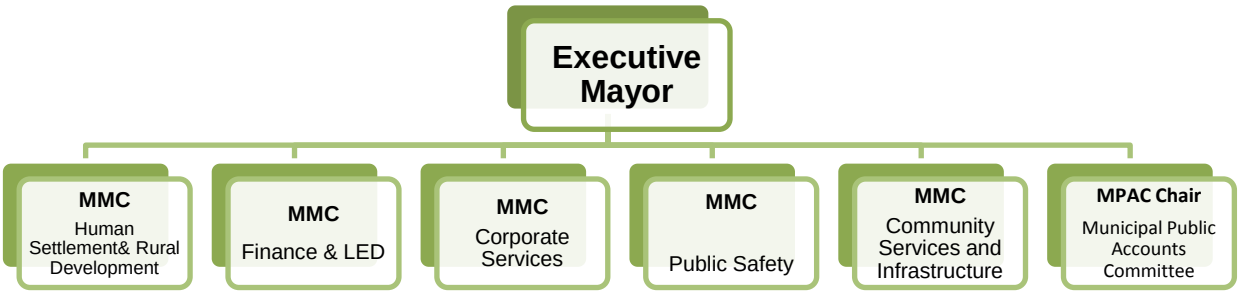
SOCIO-POLITICAL ATTITUDES	2009	2011	2013	2015
Disagree that politics is a waste of time	63.2%	49.8%	39.7%	58.0%
Agree that elections were / will be free and fair	76.5%	57.1%	42.1%	56.5%
Agree that judiciary is free from government influence	36.8%	45.8%	40.1%	44.4%
Disagree that blacks and whites will never trust each other	13.2%	17.1%	30.0%	31.5%
Believe foreigners should be allowed to stay	20.6%	63.4%	81.8%	84.4%
Satisfied with national government performance	50.0%	45.6%	43.7%	45.0%
Satisfied with provincial government performance	33.8%	37.0%	36.8%	43.0%
Satisfied with local government performance	19.1%	33.3%	24.3%	27.4%
Agree that government officials live up to Batho Pele	16.2%	18.9%	12.6%	33.0%
Household member attended public participation forum	54.4%	52.8%	61.5%	52.2%
Did vote / plan to vote	72.1%	64.8%	37.7%	76.3%
Not been asked for a bribe	89.7%	91.2%	93.9%	91.4%
	.46	**.48**	**.45**	**.54**

Source: Gauteng City Region Observatory (2015)

5.4.4 Institutional Framework and Intergovernmental Relations

Westonaria Local Municipality has an Executive Mayoral Governance System comprising the Executive Mayor and six full-time members of the Mayoral Committee (WLM, 2015). The mayoral committee members each head section 80 committees working directly with municipal departments headed by executive managers/directors from administration.

Figure 15: Executive Mayoral Governance System



Source: Westonaria Local Municipality (2015)

The Speaker oversees the functioning of council and council committees and chairs council meetings. The council is made up of elected representatives from different

political parties who exercise oversight over municipal administration and hold the party in power to account on the financial expenditure and service delivery objectives.

The study reveals that the lack of clear separation between the executive and legislative arms of council is a challenge especially when it comes to the roles and responsibilities of full-time councillors. Furthermore, most respondents believed that the current model of governance in local government is not working effectively as councillors in oversight committees are appointed along party-political lines. Furthermore, the study reveals that most participants held the view that the lack of minimum educational requirements in the appointment of councillors impacts on the effective oversight role of council. The study reveals that the Speaker of council plays a pivotal role in providing an element of jurisdiction between the executive and legislative arms of council.

The study further reveals that lack of capacity has affected governance negatively in the Municipality in expediting implementation of annual plans toward improved service delivery. Participants believed that lack of financial capacity to attract and retained skilled personnel is a challenge that hinders good governance in the Municipality, in that regulations such as the Total Remuneration Packages payable to Municipal Managers and Managers directly accountable to Municipal Managers, as issued in 2015 by COGTA results in the Municipality being unable to pay the rural allowance.

The findings of the study indicate that most participants are of the view that the local government sector is over-regulated, citing that national departments introducing reforms do so without proper consultation with municipal personnel who are expected to comply with and implement those reforms. The study further reveals that much effort and time is spent on compliance with legislation at the expense of delivering services to the community.

Westonaria Local Municipality is expected to merge with Randfontein Local Municipality following the 2016 local government elections. The respondents expressed concern with regard to the manner in which the merger of Westonaria and

Randfontein will be managed, which is perceived to be *"a marriage of convenience"* as opposed to combining the two on the basis of strengths and weaknesses, while others anticipated positive spinoffs such as a bigger budget. The study found, however, that the Equitable Share allocation as per the Division of Revenue Act has decreased for the new municipality by R11 million. The study reveals that municipal officials were overcome with feelings of uncertainty with regard to their future in the Municipality due to the imminent merger, more especially with regard to the positions they will occupy in the new merged municipality. Some respondents went to the extent of foreseeing a "disaster" and possible "community unrests" due to the differing tariff structures of the two municipalities in the levying of service charges and the proposed integration of two different institutional cultures.

The re-determination of municipalities including Westonaria Local Municipality highlights the role of other institutions legislatively mandated to participate in the local sector. The study revealed that most respondents acknowledge the role of other institutions such as the provincial Treasury, the Department of Cooperative Governance and SALGA in providing capacity and support to Westonaria Local Municipality. The support varied from financial assistance, capacity building for officials and councillors as well as providing warm bodies in the form of experts to assist the Municipality and facilitate skills transfer to municipal officials.

5.4.5 Reasons for governance challenges in the municipality

There are a number of reasons attributable to the governance challenges in Westonaria Local Municipality. The participants observed that the lack of financial and human resources play a significant role in the inability of the Westonaria Local Municipality to achieve their performance objectives. The respondents explained that the lack of common vision is a problem and the organisational culture prevalent in the Municipality is also undermining good governance. The attitudes of individualism and self-centeredness have been found to negate the prospect of team work that has resulted in lack of commitment by municipal staff.

The study found that unfair recruitment processes and labour practices have also affected the morale of employees, thereby affecting productivity in a negative

manner. The respondents noted that the performance appraisals and promotions were based on the number of years in the Municipality and did not consider the importance of “fit for purpose” in the appointment and placement of staff. The study found there are some employees in the Municipality who occupied managerial positions without the requisite qualifications who could not be moved or replaced because of the labour laws. Some participants believed that these employees will remain in the institution upon resignation or even death.

The study found that employees believe that there is a lot of money in the coffers of the Municipality and if any overtime work is not compensated there is reluctance on the part of the municipal staff to undertake additional work. The lack of decisiveness and procrastination by the leadership of the Municipality has been found to contribute to the slow implementation of corrective action of audit findings by departmental heads. Furthermore, the leadership in the Municipality attempts to please all staff and does not want to be seen taking unpopular decisions. This, the study found, has led to operational managers being scared of their subordinates which ultimately affects performance in the Municipality.

Westonaria Local Municipality is affected by lack of financial and human resources. The insufficient financial capacity to train staff is a challenge that ultimately undermines the performance of the Municipality. The lack of requisite skills for managerial and key positions in the Municipality is proving to be challenging, where one of the respondents highlighted that some employees do not have a matriculation certificate and where any form of intervention would have to be introduced at the level of adult basic education and training. The study reveals, however, that incidents of unrest have reduced in the recent past and there is a fair degree of stability in the administration and governance of Westonaria Local Municipality.

5.4.6 Recommendations for improvement

The study has identified areas that are central to improving governance in the municipality. These include:

- Setting the tone from the top – leadership to steer and guide the municipality towards good governance practices.
- Building of capacity of councillors and officials on skills required for their respective areas of responsibility.
- Continuous coaching and mentoring as well as peer review mechanisms among municipalities to improve good governance and accountability in municipalities.
- The perception that municipalities are corrupt and marred by maladministration needs to be addressed by radically addressing governance challenges in municipalities.
- Municipalities should try to attract and retain competent staff.
- Improving employer-employee relations need to be improved to foster working conditions conducive for improved performance.
- There is a need to look at the separation of powers to ensure greater accountability of council over the executive.
- Greater enforcement of the agreements concluded between the municipality and the senior executive management is required.
- Consequence management needs to be implemented and enforced for non-performance, underperformance and underachievement of strategic objectives.
- Capacitation of councillors is important to ensure greater oversight and accountability over administration.

5.5 CONCLUSION

This chapter presented the analysis and interpretation of research results from interviews and documents analysed along the thematic areas of the role of leadership in the municipality, financial governance and accountability, performance and consequence management, participatory governance and consultation and institutional framework and intergovernmental relations. The chapter concluded by presenting recommendations to improve governance in Westonaria Local Municipality.

CHAPTER 6
CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter six provides concluding remarks as well as recommendations for possible areas for further research. The study sought to examine the root causes of governance failures in Westonaria Local Municipality over and above the audit outcome of the Municipality that is used as an indicator of municipal performance. The study provided an opportunity for a thorough exploration of governance challenges experienced in Westonaria Local Municipality that had resulted in poor performance. The conclusion and recommendations herein emanate from the findings of the research and document literature relevant to the study.

6.2 PURPOSE STATEMENT

The objective of the study aimed to explore factors contributing to poor audit outcomes in Westonaria Local Municipality and to examine how the Municipality responds to governance challenges experienced as well as proposing measures to improve governance in the Municipality. The study undertook to respond to the primary research question on what the governance practices prevalent in Westonaria Local Municipality are, supported by the secondary research questions of how rules are made and enforced in the Municipality, how the elements of accountability, transparency and leadership are embedded in the governance of the Municipality through holding the executive to account by the legislative arm, and finally on the extent to which communities are involved in the affairs of the Municipality.

6.3 THEORETICAL SETTING AND LITERATURE REVIEW

The study was premised on the theory of governance with specific focus on institutional analysis. The Westonaria Local Municipality is the institution that was

examined in the study regarding the practices that are employed in the governance of the Municipality.

Westonaria Local Municipality falls under the West Rand District Municipality in addition to three local municipalities: Randfontein, Mogale City and Merafong City. Westonaria Local Municipality received a negative audit outcome in the 2014/15 audit cycle and to indicate that this outcome is not peculiar to the Municipality, a sister municipality that is merging with Westonaria following the 2016 local government elections regressed from a qualified audit opinion to an adverse outcome. The audit outcome of Westonaria Local Municipality contributed to two adverse outcomes out of 12 municipalities in Gauteng Province.

In South Africa, 37 municipalities including Westonaria Local Municipality obtained negative audit outcomes while six municipalities had outstanding audits. The Auditor-General attributes these outcomes to excessive reliance on consultants, findings on unauthorised, irregular and wasteful expenditure and supply chain management, and poor leadership and governance. The literature revealed a number of challenges affecting governance in municipalities, including tensions between the political and administrative arms in municipalities, inadequacy of skills of councillors, lack of accountability, and poor oversight and compliance with laws and regulations. Furthermore, the literature indicates that unethical conduct and elements of patronage and cadre deployment impede good governance in municipalities. The instability of the political leadership and high turnover of key senior staff in municipalities also impacts on the sustainable and consistent delivery of services.

South Africa adopted the National Development Plan with the vision of achieving a capable and developmental state by 2030. In aligning with the NDP, government has adopted Outcome 9 that focuses on developmental local government as envisioned in the White Paper on Local Government. The desired outcome is a local government that is accountable and developmental in nature to deliver services of the highest quality in a consistent and sustainable manner that is responsive to citizens and espouses participatory governance through the involvement of the citizens in the governance and affairs of the municipality, while operating within a supportive system of cooperative governance.

The challenges in relation to good governance in municipalities are not unique to local government in South Africa. Other African countries such as Botswana and Uganda also face governance challenges in areas of capacity to ensure optimal functionality of local authorities. Internationally, developing countries such as Indonesia and Brazil are also confronted with governance challenges around lack of accountability and mismanagement of resources at sub-national level. This has seen the adoption of the Sustainable Development Goal 11, one of the 17 SDGs by Member States of the United Nations in 2015. The inclusion of Goal 11 in the sustainable development goals promotes cooperation between developed urban cities and rural municipalities that are still experiencing governance challenges in the process of achieving inclusive, sustainable and safe human settlements.

6.4 RESEARCH METHODS

The study employed an exploratory research methodology located within the interpretive research paradigm. The qualitative research methods were undertaken through interviews and documentary analysis. A total of seven respondents of a sample size of ten participated in the study using a semi-structured questionnaire, to obtain in-depth insight into the governance challenges experienced in Westonaria Local Municipality. The documents analysed in the study include the audit reports issued by the Auditor-General, the Integrated Development Plan and performance assessment reports from Westonaria Local Municipality. Other documents reviewed include articles on governance, performance and quality of life in Westonaria Local Municipality.

6.5 FINDINGS AND RECOMMENDATIONS OF THE STUDY

6.5.1 The role of leadership in the governance of the municipality

The study found that the interface between council and administration in Westonaria Local Municipality is cordial although sometimes patronage blurs accountability lines. The poor skills levels of some councillors have been cited as impeding effective oversight and accountability over the performance and governance of the

Municipality. The functionality of oversight committees, the study found, is affected by the capacity of the serving members. The lack of retention of skilled senior personnel negatively impacts the consistent and sustainable delivery of services. Additionally, lack of enforcement of consequence management perpetuates a culture of poor performance without corrective action.

6.5.1.1 Recommendations

a) The political and administrative leadership should set the tone from the top to cultivate a culture of good governance to be embraced by all in the Municipality.
b) The capacity building of councillors and oversight committees should be strengthened.
c) A minimum of a matriculation certificate to be proposed as a requirement for deployment of councillors to municipal councils.
d) The retention and attraction of skilled labour through the implementation of a rural allowance should be proposed.
e) There needs to be greater enforcement of consequence management for poor performance.

6.5.2 Financial Governance and Accountability

The study found that Westonaria Local Municipality received an adverse audit outcome for the 2014/15 period, carried over from the preceding financial year. The poor outcome is mainly as a result of findings on property, plant and equipment. The interpretation and application of accounting standards were cited as a challenge in the Municipality. The study established that the Municipality is faced with the challenge of a skills dichotomy of long serving officials in key positions without requisite qualifications and the skills gap that cannot be readily addressed through new appointments due to current labour laws.

The study revealed that the financial position has negatively affected the viability of the Municipality. This is exacerbated by the declining mining activity rendering the Municipality largely indigent and thereby eroding the revenue base of the Municipality as the paying residents are not able to honour the service accounts.

This impacts negatively on the constitutional mandate to deliver services in a consistent and sustainable manner. Despite these challenges, the Municipality has not experienced any major community unrests in the recent past other than concerns raised by the Westonaria Concerned Residents regarding tariffs. This is indicative of the level of satisfaction in service delivery to the community. This can also be ascertained by the view held by most respondents that the negative audit outcome does not necessarily mean that there was no delivery of services to the residents of Westonaria serviced by the Municipality.

6.5.2.1 Recommendations

a) In order to address audit findings and poor performance, a concerted effort by management is needed to implement corrective action.
b) The municipality should ensure proper alignment of performance plans and budget to avoid unplanned expenditure.
c) Implementation of the rural allowance to attract and retain scarce skills should be considered.
d) Alternative revenue enhancement to supplement the revenue base of the municipalities should be explored.

6.5.3 Performance and Consequence Management

Capacity building in the Municipality is a challenge both for administration and for council. Westonaria Local Municipality has supplemented capacity shortages through the appointment of consultants. The Auditor-General found the Municipality had transgressions of R278.9 million in unauthorised expenditure, and R28.3 million and R8.4 million for irregular expenditure and fruitless and wasteful expenditure respectively. This is a result of the lack of consequence management and ineffective oversight by committees such as the Municipal Public Accounts Committee. Furthermore, the findings on performance are believed to be the outcome of an inability on the part of management to support reported achievements in the Service Delivery and Budget Implementation Plan. The reasons cited for poor performance in the municipality included the lack of a common vision shared by leadership. The

procrastination in decisively addressing poor performance and enforcing the necessary corrective action affects municipal performance.

6.5.3.1 Recommendations

a) There is a need for greater enforcement of consequence management in the Municipality to address financial misconduct.
b) Develop key performance indicators in line with the Framework for Managing Programme Performance Information.
c) The Municipality should implement the evidence-based monitoring and evaluation system of control to monitor reported performance.
d) There is a need to review capacity-building policies to build skills requirements through training and re-training of staff.

6.5.4 Participatory governance and consultation

Westonaria Local Municipality has fared relatively well in involving the community in the municipal governance processes particularly around the IDP and budget engagements. Although the community is consulted on matters of importance affecting the Municipality, the reach is somewhat limited as attendance of meetings is largely dependent on the resident's topic of interest. The limited access to the internet also poses a challenge. However, the municipality has made concerted efforts to address shortcomings and employs a number of methods to promote access to municipal documents through municipal offices and community libraries.

6.5.4.1 Recommendations

a) The municipality should explore other methods of communication such as social media platforms for greater reach and to foster enhanced community engagement.

6.5.5 Institutional framework and Intergovernmental relations

The study found that the institutional model of governance for local government presents some challenges with regard to the separation of roles and responsibilities between the executive and the legislative arms as both are vested in the municipal council. The councillors serving in oversight committees are appointed along party-political lines which has an impact on the effective oversight role in council. The study found that the view held by most municipal employees is that the sector is deemed to be over-regulated by other spheres of government to the extent that performance and service delivery is disadvantaged at the expense of compliance with laws and regulations. One particular area of concern was in relation to the imminent merger of Westonaria and Randfontein Local Municipalities where municipal officials expressed anxiety as a result of the uncertainty of their future in the new municipality. The study found that the support by other institutions involved in the local government sector such as SALGA, and the Departments of Treasury and Cooperative Governance and Traditional Affairs was well received in the Municipality.

6.5.5.1 Recommendations

a) The prominence of the role of the Speaker in council should be emphasised to provide an element of jurisdiction between the executive and legislative arms of council.
b) There is a need for proper and extensive consultation and engagement with municipalities on proposed laws and regulations affecting local government.
c) The re-determination of municipal boundaries should consider the element of employee wellness consultation and engagement in the change management process to promote stability and provide assurances regarding the proposed changes affecting municipal staff.

6.6 LIMITATIONS OF THE STUDY

The study is limited to Westonaria Local Municipality and as such, the findings may be generalisations and not illustrative of governance challenges experienced in other

municipalities in the country. The study did not include the views of the community and the interviews were limited to municipal officials in Westonaria and officials in other institutions responsible for local government.

A further limitation to the study was the window period available to conduct interviews before the local government elections as Westonaria Local Municipality had been identified to merge with Randfontein Local Municipality.

6.7 SUGGESTIONS FOR POSSIBLE FUTURE RESEARCH

The governance challenges experienced in Westonaria Local Municipality provided some insight into institutional models of governance for local authorities in South Africa. This necessitates further examination of certain aspects of the framework that undermine good governance in municipalities that may not be unique to this study. Therefore further research in the following areas is recommended:

1) The level and extent of policy consultation and engagement by other spheres of government prior to enacting a proposed law or regulation for implementation by municipalities.
2) The role of the Speaker of council in fostering separation of the executive and legislative arms of council to promote accountability and good governance.
3) A post-merger assessment of municipal performance following the re-determination of municipal boundaries.

6.8 CONCLUSION

This chapter reiterated the research objectives the study aimed to achieve and the research problem addressed. The recommendations based on the analysis and interpretation of findings presented in the preceding chapters was discussed. The study sought to explore governance practices in Westonaria Local Municipality and found that human and financial resources present a serious challenge and negatively affect performance. In order to address some of these challenges, there is a need to strengthen the capacity of councillors to promote effective oversight and governance in the Municipality. Good governance can be achieved through a concerted effort by

leadership to set the tone from the top in cultivating a culture of high performance, evidence-based results and the enforcement of consequence management for poor or non-performance.

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APPENDICES

APPENDIX A: RESEARCH INSTRUMENT - SEMI-STRUCTURED QUESTIONNAIRE

A. INTRODUCTION

The questionnaire is designed to solicit information on governance practices in Westonaria local municipality as part of research study for master's degree. The information provided will be treated with the strictest confidentiality and used for exclusively research purposes. Thank you for honouring the appointment and participating in the study. The questions will be semi-structured and will be conducted in English and the estimated time of the interview will be approximately 45 minutes. The research will be recorded by means of a voice recorder to assist in compiling comprehensive notes, however this is voluntary.

B. BACKGROUND INFORMATION

The background information of the interviewee is for research purposes only and will be treated confidentially.

Date:	
Name:	
Position:	
Institution:	
Period of tenure:	

C. INTERVIEW QUESTIONS

1. What is the role of the political leadership in the governance of the municipality? **Prompts**: To what extend are Councillors involved in the performance of the municipality?

2. How would you describe the nature of the relationship between Council and Administration in the municipality? ***Prompts***: How does this relationship affect performance?

3. What is the role of other institutions responsible for local government in the governance of the municipality? ***Prompts***: What interventions have SALGA, Provincial Treasury, Department of Cooperative Governance and Traditional Affairs (COGTA) recommended to the municipality to improve performance?

4. Do you see any correlation between the institutional governance framework of local government and performance? **Prompts**: What is your take on having both the legislature and executive arm vested in Council?

5. In your view, do you think there were any institutional barriers that might have affected good governance in the municipality?

6. What is your take on perceptions that Councillors are not adequately skilled to perform their duties? **Prompts**: How is the oversight role of council exercised over the performance of administration?

7. Are oversight committees in the municipality functional? **Prompts:** Are there audit committee and municipal public accounts committee in place? Are they staffed?

8. In your view, do you think the senior managers in critical posts possess sufficient skills and relevant experience to steer the municipality? **Prompts**: Are the posts municipal manager, chief financial officer and executive directors filled?

9. In your opinion, what are the main reasons for poor performance in the municipality? **Prompts**: What are the main challenges facing the municipality?

10. What opinion did the municipality obtain for the 2014/15 audit outcome? **Prompts:** What in your opinion contributed to this outcome?

11. Is there a correlation between the audit outcome and the level of service delivery in the municipality?

12. In your opinion, do you think the budget spent by the municipality correlates with the delivery of services to the community? **Prompts**: How is the municipality held to account for the money spent?

13. What has the municipality done to improve performance and address audit findings? **Prompts**: How is progress monitored, evaluated and reported?

14. To what extend are the community members are involved in the policy processes of the municipality? **Prompts**: When was the last Imbizo / public participation meeting?

15. In your opinion, does the community have a say in the affairs of the municipality? **Prompts:** What was the role of the community in the consultation process and development Integrated Development Plan (IDP)?

16. How accessible are municipal documents to the public? **Prompts:** Does the municipality publish documents and issue newsletters? How are these distributed?

17. What are the specific areas you think need to be addressed as far as governance in the municipality is concerned? **Prompts:** What would you recommend to improve those areas?

18. Westonaria LM is earmarked to merge with Randfontein LM following the 2016 local government elections in August. **Prompts**: What is your view on the imminent merger? What is your role in the transition?

APPENDIX B: PARTICIPANT INFORMATION SHEET

Good day,

My name is Dihapilwe Letooane, a registered Master's student in Public Policy at the Wits School of Governance under the supervision of Dr Manamela Matshabaphala. The title of my research is *"Governance Practices in Westonaria Local Municipality"*.

The study aims to explore the governance practices prevalent in the municipality by examining how the rule of law is maintained through the adoption of policies and by-laws in the municipality; how the executive is held to account by the Council and the extent to which the community is involved in the affairs of the municipality. The study seeks to understand the governance challenges experienced in the municipality and to further propose recommendations for improvement.

Your participation in the study is voluntary and will be conducted through an interview focusing on elements of good governance that include the rule of law, accountability, transparency, leadership and public participation. Anonymity and confidentiality will be maintained throughout the research study. You may refuse to respond to any questions you are not comfortable with and may at any stage the study withdraw your participation.

The information collated with be incorporated into a Masters Dissertation and will be made available through the university's website. For further enquiries, please feel free to contact the researcher or the supervisor at the contact details provided hereunder.

Researcher

Ms Dihapilwe Letooane
1242718@students.wits.ac.za

Supervisor

Dr Manamela Matshabaphala
Manamela.matshabaphala@wits.ac.za

APPENDIX C: PARTICIPANT CONSENT FORM

I, _____, hereby acknowledge that the objective of the research has been fully explained to me and that the information provided will be used in the research report by the researcher.

Furthermore, I hereby understand the following:

- That my participation research is voluntary;
- That confidentiality and anonymity will be maintained;
- That I may withdraw my participation at any stage in the study; and
- That I have the right not to answer any questions I am not comfortable responding to.

I hereby consent to participating in the research study on “Governance Practices in Westonaria local municipality”.

_____ _____

Participant Date

APPENDIX D: LETTER OF PERMISSION FROM WESTONARIA LOCAL MUNICIPALITY

Westonaria
LOCAL MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

Diphapilwe Letooane
33 David Fourie Street
Noordhoek
Bloemfonten
Email: diphapilwe@yahoo.com

Good day

PERMISSION TO CONDUCT A RESEARCH: PUBLIC POLICY / GOVERNANCE PRACTICES

Permission is hereby granted to Diphapilwe Letooane to conduct a study at the Westonaria Local Municipality. The focus area is Governance Practices at Westonaria Local Municipality.

The municipality wishes you good luck in all your endeavors to collect the necessary information for the completion of your studies. The municipality also hopes that the data collected from our institution for your studies will assist the municipality in developing and improving governance practices to the community. The Councillors and Officials will try their level best to assist you in a manner that will help you achieve your goals.

On completion of your study you must provide the municipality with a copy of the research report.

Wishing you the best of luck.

pp T C NDLOVU
MUNICIPAL MANAGER

Date: 19/5/2016

APPENDIX E: SCHEDULE OF INTERVIEWS

No	Participant	Date	Status
1.	Participant 1	31 May 2016	Completed
2.	Participant 2	1 June 2016	Completed
3.	Participant 3	1 June 2016	Completed
4.	Participant 4	1 June 2016	Completed
5.	Participant 5	28 June 2016	Completed
6.	Participant 6	28 June 2016	Completed
7.	Participant 7	27 July 2016	Completed