Municipal Oversight and Support

Towards Institutional Readiness

Paul Kariuki and Gerrit van der Waldt

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Book Summary

Municipalities are the cornerstone of our local governance system, playing a pivotal role in delivering essential services and fostering sustainable community development. However, the ability of local, district and metropolitan municipalities to fulfil these responsibilities effectively is contingent upon robust oversight mechanisms, comprehensive support systems, and their readiness to adapt to internal and external shocks and stresses.

Internal and external oversight of municipal activities is vital to ensuring transparency, accountability, and good governance. Internal oversight, which includes mechanisms such as internal audits and performance reviews, helps to identify and address inefficiencies and irregularities within the municipal administration. External oversight, conducted by bodies such as the Auditor-General and other regulatory authorities, provides an additional layer of scrutiny and assurance that public resources are managed judiciously and in accordance with legal and regulatory frameworks. Effective oversight not only enhances public trust in municipal operations but also ensures that resources are used optimally to deliver quality services to the community. It helps in identifying areas for improvement and implementing corrective measures, thereby fostering a culture of continuous improvement and accountability.

Municipalities often face a range of challenges, including financial constraints, administrative inefficiencies, and infrastructural deficits. To address these challenges, robust support from higher levels of government, the private sector, and civil society is essential. This support can take various forms, including financial assistance, technical expertise, capacity-building programmes, and infrastructure development initiatives. Providing municipalities with the necessary support enables them to build their capacity, enhance service delivery, and respond effectively to the needs of their communities. It also empowers local governments to drive sustainable development and economic growth within their jurisdictions.

In the context of an ever-changing environment, municipalities must be prepared to handle internal and external shocks, stresses, and changes. Whether it is economic fluctuations, natural disasters, or public health crises, the ability of municipalities to respond

and adapt is crucial for ensuring the resilience and well-being of communities. Municipal readiness involves proactive planning, risk assessment, and the development of contingency plans. It requires a comprehensive understanding of potential threats and the implementation of strategies to mitigate their impact. Preparedness also entails regular training and drills for municipal staff, as well as effective communication and collaboration with stakeholders, including community members, government agencies, and non-governmental organisations.

Given the context outlined above, this publication is divided into three sections. Section A deals with municipal oversight and comprises three chapters. In Chapter 1, André Duvenhage skilfully provides conceptual and contextual perspectives regarding oversight in a system of cooperative governance and inter-governmental relations. He focuses primarily on the state of local government in South Africa, accentuating challenges pertaining to the constitutional obligations and legal mandates of municipalities to render services, to collect revenue, to adhere to good corporate governance principles. External, systemic challenges include political dynamics and interference, rapid urbanisation, and urban migration, while internal challenges include low competency and capacity bases, factionalism in councils, malpractice and corruption, and the misappropriation of resources.

In Chapter 2, titled "Internal Municipal Oversight", Mogie Subban and Heyjyothi Bhikshu Krishnan competently deliberate the functioning of Sections 79 and 80 committees, audit committees, ward committees and geographic committees to oversee the operations of municipal councils and administrations. These committees are valuable mechanisms to advise and support council in performing its multiple duties to enable it to take rational decisions. These committees also allow council the opportunity to perform a variety of tasks simultaneously without necessarily calling council meetings to deal with an issue. The members of a committee are in most cases councillors elected on a party-political basis or through a representative from a specialised area.

In Chapter 3, titled "External Municipal Oversight", Lizzy Ofusori proficiently focuses on external municipal oversight, including financial and administrative oversight provided by national and provincial government and bodies such as the National Treasury, the Auditor-General, the Provincial SCOPA, the SALGA,

and the COGTA. The role of each is highlighted, focusing on current realities and challenges.

Section B deals with the nature and scope of municipal support and is divided into two chapters. Chapter 4 covers the nature and scope of municipal support in South Africa. Maria Joel Goyayi capably provides an overview of various support initiatives launched since the "Back to Basics" initiative and highlights the role of various institutions in providing the necessary support. The successes and failures of support provided are also probed.

Section 139 of the Constitution authorises the provincial executive to intervene in a municipality when it does not fulfil its executive obligation in terms of legislation. In Chapter 5, MuhIya Tshombe Lukamba and Miriam Hofisi expertly investigate the nature of current interventions and highlight the effectiveness and weaknesses of these interventions to learn lessons and to identify best practices.

Given the nature of oversight and support provided, it is necessary to take stock of the level of institutional readiness and the preparedness levels of local, district and metropolitan municipalities to comply with their statutory mandates and service delivery obligations. Section C thus focuses on municipal readiness and preparedness.

In Chapter 6, "Perspectives on Municipal Readiness and Preparedness", Gerrit van der Waldt delineates the principles of municipal readiness and organisational preparedness. The author assesses organisational readiness dimensions such as the human resources, organisational capacity and financial viability of municipalities. He also proposes steps that municipalities should take to prepare for internal dynamics and external shocks and stresses.

In the final chapter, "Municipalities – Quo Vadis?", Harlan Cloete adeptly reflects on potential future trajectories of local, district and metropolitan municipalities, i.e. the road ahead. The key question that is posed is: What must be done to place municipalities on a higher level of preparedness and organisational readiness to ensure greater urban resilience and a more sustainable future? Harlan proposes recommendations and suggestions to improve the institutional readiness of municipalities, inclusive of their administrative capacity and capability. This includes appropriate

capacity–building interventions and support strategies to address existing preparedness gaps.

More information about this book series is available at:

http://ddp.org.za/blog/publications/

Abbreviations

AGSA	Attorney-General of South Africa
AI	Artificial intelligence
ANC	African National Congress
ASSADPAM	Association of Southern African Schools and Departments of Public Administration and Management
B2B	Back to Basics
BRICS	Brazil, Russia, India, China and South Africa
BYOD	Bring your own device
CBO	Community-based organisation
CFO	Chief financial officer
COGTA	Department of Co-operative Governance and Traditional Affairs
COSO	Committee of Sponsoring Organisations
CREST	Centre for Research on Evaluation, Science, and Technology
DA	Democratic Alliance
DCoG	Department of Cooperative Governance
DDM	District Development Model
DDP	Democracy Development Program
DPSA	Department of Public Service and Administration
DUT	Durban University of Technology
EFF	Economic Freedom Fighters
ESKOM	Electricity Supply Commission
EU	European Union
Exco	Executive committee
FBO	Faith-based organisation
FFC	Financial and Fiscal Commission
GDP	Gross domestic product

HoD	Head of department
HRD	Human resource development
ICASA	Independent Communications Authority of South Africa
ICT	Information and communication technology
ICT4D	Information and communication technology for development
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Inter-governmental relationship
IMF	International Monetary Fund
IoT	Internet of things
IRM	Independent Reporting Mechanism
IT	Information technology
KPI	Key performance indicator
KZN	KwaZulu-Natal
LGSETA	Local Government Sector Education and Training Authority
LGTA	Local Government Transition Act
M&E	Monitoring and evaluation
Mayco	Mayoral committee
MEC	Member of the executive council
MFMA	Municipal Finance Management Act
MIG/IUDG	Municipal Infrastructure Grant / Integrated Urban Development Grant Framework
MISA	Municipal Infrastructure Support Agent
MK	*uMkhonto weSizwe*
MPAC	Municipal public accounts committee
MSA	Municipal Systems Act
MSR	Municipal staff regulations
NCOP	National Council of Provinces

NGO	Non–governmental organisation
NHI	National Health Insurance
NPA	National Prosecuting Authority
NPM	New Public Management
NSG	National School of Government
NWU	North–West University
OGP	Open Government Partnership
PPP	Public–private partnership
RALGA	Rwanda Local Government Association
RMO	Results Management Office
SA	South Africa
SABC	South African Broadcasting Corporation
SAICA	South African Institute of Chartered Accountants
SAICE	South African Institution of Civil Engineering
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SAQA	South African Qualifications Authority
SCOPA	Standing committee on public accounts
SDBIP	Service Delivery and Budget Implementation Plan
SDG	Sustainable development goal (United Nations)
SIPU	Swedish Institute of Public Administration
SSC	Shared Service Centre
TVET	Technical and Vocational Education and Training College
UCT	University of Cape Town
UFS	University of the Free State
UJ	University of Johannesburg
UKZN	University of KwaZulu–Natal
Unisa	University of South Africa
VF	*Vryheidsfront*

VUCA	Volatility, uncertainty, complexity and ambiguity
WSA	Water Service Authority

Foreword

I am so greatly honoured to be preparing a foreword on this sterling product that by all accounts is a fountain of voice of reason. The local government sphere is a critical platform of democratic governance and an embodiment of inextricable relations between municipalities and community members. This is a potent accessible entry point into the social, economic and developmental programmes of government. The attainment of the constitutional aspirations enshrined in the Bill of Rights on progressive realisation of socio-economic rights as championed by the state, critically resides in this sphere of government as the active service point in such an equation. Thus, the ability for local government to carry the sacrosanct duty of being the heartbeat of healthy and sustainable government–community social pact, is hugely dependent on the effectiveness of the primary leadership role that is to be performed by mainly the political governance structures and office–bearers' echelons in municipalities. This political responsibility is in terms of a governance system charged to municipal councils as the plenary custodian of the business and order of the municipality and gets systematically delegated to political office–bearers and the established oversight committee system to facilitate efficiency and proper accountability. This layered political oversight governance system carries a noble objective of ensuring that the system has the capabilities of early warning signs on any shortcoming on the functional competencies of a municipality.

In furthering the spirit of cooperative governance and inter–governmental relations philosophy that is the pivot of our constitutional order, the constitution pronounces and resolves on a scheme of mutually inclusive duties and responsibilities that respective spheres of government are to adhere to and promote, particularly towards interfacing with local government platforms. The 1996 Constitution in Chapter 7 coherently and cohesively affirms the recognition of local government as the distinct sphere of government, albeit within a unitary state paradigm; and by the same token, enjoins both provincial and national spheres of government to commit to assisting this sphere to execute its responsibilities through legislative and other reasonable means within the limitations prescribed.

The Constitution has also built-in intrusive measures by the provincial sphere of government through the lens of Section 139 in an instance whereby municipalities do not uphold and preserve their constitutional and legislated performance standards. This intrusion is anchored on the backdrop of consultative and participative support that the provincial sphere must, as a prescriptive rule, continue to execute before opting for the remedies provided within the scheme of Section 139. The implementation of this Section continues to be beset by challenges as, more often than not, desired results are rarely realised by the provincial authorities in triggering the effects of this remedy.

Parliament was at some point seized with a draft Bill pursuant to Section 139(8) which would have provided certainty on the implementation of this section. The current institutional environment in municipalities by and large, is not in sync with the level of performance and accountability envisaged by the Constitution and enabling pieces of legislation. A raft of capacity-building programmes has been instituted by stakeholders in the local government family to institutionalise municipal governance capabilities and indeed avert the necessity by the provincial and national spheres of government to appear to micro-manage the affairs of municipalities. The inhibiting factor on the meaningful impact of these support measures, lies mainly in the lack of buy-in by the leadership in municipalities, thus rendering such interventions nullity.

The academic institutions, as the drivers and curators of knowledge recalibration, have to restlessly activate new paradigms and perspectives on various subjects that affect the developmental agenda of societies. The current project by the centre to galvanise a broad intellectual participation in the re-imagination of a local government geared towards meaningfully living up to its constitutional injunctions, will undoubtedly be a pebble in the pond which will ignite heightened consciousness, particularly on the part of public policy drivers. A constant and robust interrogation of the status quo on this subject will equally ensure that the policy management toolbox undergoes necessary transformation to catapult this sphere into a different orbit. We all have to dutifully play our part in the reconstruction of this new dawn.

Quo Vadis local government? We are resolutely destined for greater heights.

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Dr Harlan Cloete is an engaged scholar and research fellow at the Centre for Gender and Africa Studies at the University of the Free State. His main research interest is exploring evidence-based governance systems in the public sector with a keen interest in local governance. Dr Cloete is the founder of Great Governance ZA, a weekly podcast dedicated to unearthing the hidden stories of excellence in local governance and is a regular radio and television contributor. He is a founder member (1996) of community, KC107.7 for the greater Paarl Valley. His academic philosophy comes from Prof Bongani Mayosi who said, "There is no point in publishing papers, if they cannot be translated into better treatments, better survival, better quality of life and longer life for the people of South Africa".

Chapter 1

Municipal Oversight in Context

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Abstract

The local sphere of government in South Africa, represented by local, district and metropolitan municipalities, is facing major intra-systemic- (within local structures); extra-systemic- (within the bigger regime) and contextual- (political; economic; social and international) challenges. Socio-political uncertainty, accompanied by the potential for regime changes, places an additional burden on already-struggling municipalities. Problems regarding fulfilling political oversight obligations seem to be a key issue in this regard. Despite a strong Constitution and related legislation echoing sound democratic principles and the notion of good governance, the situation in municipalities contradicts good developmental local government expectations.

The aim of this chapter is to create the context for analysing municipal oversight and support by focusing on the current political, economic and social factors influencing local government / governance in general, and the oversight function in particular. Focus points of this chapter include locating municipal oversight within the context of the South African Constitution, democratic principles and the notion of good governance; contextualising the macro-environment in South Africa; providing an overview of the state of local government in South Africa; and perspectives regarding municipal oversight structures at the backdrop of institutional and political decay.

Keywords: municipality, oversight, system of government, cooperative governance, socio-economic and political landscape, democracy; good governance; local government; Section 139-interventions

Introduction

Nearly 30 years after the promulgation of the Constitution of the Republic of South Africa number 108 of 1996, hereafter referred to as the Constitution (RSA, 1996), the country is facing major political, economic and social challenges. Scholars generally concur that the new Constitutional dispensation had set an example for democratic states throughout the world. However, the implementation of many of the novel ideas, principles and norms derived from the Constitution (and the structures created from these principles), have failed South Africa in countless ways. These failures are not only limited to local government, represented by 257 local, district and metropolitan municipalities, but manifest strongly in the general failures of service delivery and the relative inability to improve the living conditions of local communities. In general terms, close to 80% of all municipalities are experiencing some form of dysfunctionality, and even total decay, with the apparent inability to adhere to their developmental Constitutional mandate and statutory obligations (AGSA, 2023:1–4; Duvenhage, 2005b:7).

The aim of this chapter is to establish the broader systemic context for scholarly inquiry into municipal oversight by focusing on the current political dispensation and the macro-economic and social landscape. Specific attention will be paid to the state of local government / governance within the South African context; good governance on this level (referring to aspects related to external and internal systemic challenges); and to summarise the different forms and categories of municipal oversight put forward in the Constitution, relevant legislation, and related practices. The latter will focus on municipal oversight within the context of a democratic dispensation facing major changes, including the possibility of elements of a regime change as an outcome of the 2024 elections. This may have far-reaching implications for cooperation amongst different spheres of government, the appointment of senior personnel and the composition of portfolio and standing committees in Parliament and municipal councils. The system of cooperative governance and inter-governmental relations, key aspects within the bigger political system, will only receive brief reference since it falls outside the specific focus of this chapter.

From a methodological perspective this chapter will use context analysis to establish a comprehensive framework of analysis reflecting on the general political context in South Africa. The more specific

aspects of this chapter (i.e., local government / governance) will use democratic theory combined with systems theory and structural functional perspectives (second-order theory), also implicating the Constitution and relevant legislation (first-order theory). This will be used in a deductive way to establish a more focused contextual perspective on local government and the governance-related task of oversight. The latter will provide a better understanding of the political landscape of local government and governance in South Africa. From a macro and meso- perspective, municipal oversight as a key aspect of local governance will be highlighted. The following components are important in this chapter:

·   Locating municipal oversight and support within the context of a democratic state, a constitutional democracy, and good governance principles.
·   The South African political environment: a general contextualisation.
·   An overview of local government in South Africa.
·   Municipal oversight structures in a framework of institutional and political decay.
·   Concluding perspectives.

Democracy, Good Governance and Oversight

Democracy is a contentious concept, mostly with different and even conflicting connotations, interpretations, and applications. In the words of Andrew Heywood (2002:67): "Liberals, conservatives, socialists, communists, anarchists and even fascists are eager to proclaim the virtues of democracy and to demonstrate their own democratic credentials". Derived from the perspective of Joseph Schumpeter in his work *Capitalism, Socialism and Democracy* (1942:269-283) the "democratic method" is defined as "...that institutional arrangement for arriving at political decisions in which individuals acquire power to decide by means of a competitive vote". What makes democracy different from other political systems (and/or other forms of government) is a comprehensive set of mostly liberal values (or norms) institutionalised in terms of political, economic and social institutions (presupposed institutional effectiveness and efficiency) and reflecting a clear differentiation between institutions of state and those of society and economy, embracing the concept of limited government. The idea of the separation of powers; the rule of law embedded in the idea of constitutional government;

and several recognised and constitutionally entrenched freedoms and human rights referring to many aspects of state, society and economy are strongly associated with democratic practices and more specific liberal–democratic practices (Compare Stern, 1984's criteria for a "constitutional state" (or "state of justice") and related conceptualisation and underpinnings). In essence it is about "government by the people" whereby people govern themselves and "… participate in making crucial decisions that structure their lives and determine the fate of society" (Heywood, 2002:69). Central to this value system (and important for understanding the oversight function) is constitutionalism and accountability, which need further clarification.

Constitutionalism can generally be described as the theory and/ or practice of limited government regulated by a supreme constitution that is responsible for the fragmentation or limitation of state power. This is applicable to (amongst other factors) the institutional differentiation between state and society; the application of the principle of the *trias politica* (legislative, executive and legal branches of authority); and the practice of structurally different spheres of government (central; provincial and local) (Heywood, 2002:297, 421). Following the Aristotelian tradition, a constitution must ensure the happiness of the polis (or state) and finds its destination in the "… activity and the complete utilisation of all of our powers, our goodness, not conditionally but absolutely" (Aristotle, 1962:83, 273). Building on this point of departure, Malan (2019:7–13) differentiates between two interrelated aspects of constitutionalism, namely the normative and structural aspects. The normative aspect focuses on the ideal of justice and the realisation of this ideal within the polis (regarding the polity) or state (citizens). Taking this as your point of departure, representative institutions (parliament; legislatures and councils) in a constitutional democracy should have a commitment to or a pursuit of justice in the interest of the polity / citizens in promoting a just polity (Malan, 2019:12). Malan (2019:13) refers to a "broad consensus on the content of the law, and the Constitution prevails when there is a community of people bound together by their commitment to the law and the Constitution". The Constitution should be written in the hearts and minds of the polity and not only be written on paper and manifesting in a structural way. The structural aspects of constitutionalism should flow from and be directed by the normative aspect and demonstrate in many institutional frameworks (parliament; independent judiciary; different tiers of government etc.) that were referred to earlier in

this section. Aspects of constitutionality (the constitutional state) that need further elaboration (for purposes of this chapter / book) are responsible and accountable government, as well as the notion of good governance.

Where responsibility is related to a specific task orientation (for example a government should act in the public interest of all citizens), accountability is about taking ownership of the results of a task done. Accountable government in this context means to assess the completed task of a government in terms of a set of applicable criteria related to the bigger constitutional dispensation and embedded in constitutionality (cit.). In general, a democratic governance system implies that the citizens should assess a specific government (or administration) in terms of their set goals (manifesto etc.), using democratic principles and a mechanism agreed upon in the Constitution and related legislation. By using structural processes and frameworks; for example, electoral systems, electoral acts and their implementation, competitive elections can take place. The election outcomes can be assessed by independent institutions such as the Independent Electoral Commission in South Africa, ensuring the freeness and fairness of democratic procedures, processes and their implementation. In other words: Was the election free and fair? However, the concept of accountability is also applicable to the bigger regime (a political system or a system of rule)–related organisation frameworks evaluating and assessing the task done (responsibility) and ownership taken of tasks completed (accountability) according to sometimes specific criteria, values and norms. The latter is derived from the bigger constitutional framework (and related constitutionality) entrenched in legislation, codes of conduct and generally accepted practices and standards. Within this specific context one may refer to the oversight function embedded in constitutionality and specified in terms of practices related to responsible and accountable government and governance.

Entrenched in liberal–democratic principles, good governance relates to political and institutional processes and associated outcomes to pursue and achieve developmental (or related) goals specific to the type of institution referred to. Governance as a concept is context–specific (for example corporate, international, national or local government) and focuses on decision–making processes and the implementation (or lack thereof), providing public goods (however defined) for their respective constituents. A coherent set of values (mostly democratic and constitutional in nature) is emphasised with

as delivery outcomes aspects like the provision of security, health, education, protection of property (rights), environmental health and democratic practices. According to the United Nations, the following values are critical when it comes to good governance; namely, rule of law; a consensus-seeking orientation; equity and inclusiveness; effectiveness and efficiency; accountability; transparency and responsiveness (Fukuyama, 2013).

The *trias politica* (or principle of the separation of powers) proposes that the three core functions of government (legislative, executive; and judicial) should be entrusted to separate branches of government. The aim is to promote political liberty (in terms of limited or fragmented government, constitutionally entrenched) guarding against tyranny and dictatorship (the monopoly of power) and therefore ensure democratic governance. However, within the bigger political system (or related institutional framework) the independence of these three branches of government is mostly qualified in terms of an interdependence manifesting in a system of checks and balances ensuring good governance and government for the public good (Heywood, 2002:314-315). Responsible government that is answerable or accountable to an elected assembly is an important example in this regard. Checks and balances always imply a form of internal tension within the political system (a consequence of the separation of powers principle) resulting in practices like responsible and accountable government which is directly related to the notion of "oversight". Therefore, "municipal oversight" in a South African context, from a normative perspective, should be understood within the general philosophical and theoretical framework of constitutional democracy and the related notion of good governance.

Oversight can be seen as an aspect of good governance and relates to aspects such as accountability, transparency, and effective and efficient government. Oversight generally refers to actions taken to monitor and review institutional policies, plans, programmes, and projects. Important questions regarding oversight include:

· Does the institution achieve the expected output, outcomes, and results?
· Do the outcomes and results represent good value for money?
· Do institutional processes and associated outcomes comply with applicable policies and legislation, regulations and ethical standards associated with good governance?

In answering these and other related questions, oversight functions are normally fulfilled by boards of directors, councils and/or committees, or external bodies not involved in the day–to–day operations of the specific institution. In the case of local government in South Africa, several role–players in the oversight function on local government can be identified. Some of the main external role–players include:

· National and provincial government (according to Section 139 of the Constitution);
· Portfolio and standing committees of Parliament;
· Chapter 9 (Constitution) institutions such as the Auditor–General;
· Provincial standing committees on public accounts (SCOPAs);
· The South African Local Government Association (SALGA); and
· The Department of Cooperative Governance and Traditional Affairs (COGTA).

Apart from these external role–players, several internal oversight mechanisms and structures are utilised to perform oversight functions within municipalities. These include:

· Portfolio and/or standing committees of council;
· Internal audit;
· Audit and risk committees;
· Auditor–General representatives within municipalities;
· Municipal public accounts committees (MPACs); and
· Quarterly and annual performance reports.

The specific oversight roles and responsibilities of these external and internal structures strongly relate to key aspects of cooperative governance and inter–governmental relations. As such, the system of government and the general South African political context (i.e., statehood) becomes the focus point of analysis.

The South African Statehood: A General Contextualisation

The current political environment of the country can be described as that of a weakening state (sometimes presented as a failed state) associated with high levels of incompetence, lack of control on many levels of state and society, economic decline and endemic corruption. A period of state capture, also referred to as endemic corruption involving senior African National Congress (ANC) elites during the

Zuma-era (2009 to 2018), was also characterised by other contextual factors like failing institutions (national, provincial and local), an escalating debt burden and support losses for the ANC. This was the backdrop for what can be described as a "palace revolution" within the ANC against former President Jacob Zuma and his loyalists.

Forcing Jacob Zuma out of power created deep divisions within the ANC and was followed by the somewhat controversial election of Cyril Ramaphosa (winning against Nkosazana Dlamini-Zuma) as new ANC leader and his continuation as President of the country. The so-called "big bang" of Ramaphoria hit the country and during the 2019 elections the ANC achieved a national support base of 57,5%, lower than the 62,15% of the 2014 elections, but satisfactory considering the political conditions at that time.

The findings of the Zondo Commission (appointed by the former president but now implicating Jacob Zuma and many ANC-elites) and related promises of Ramaphosa to act against corruption facilitated investigations and subsequent court cases against Jacob Zuma and Ace Magashule, amongst others. The apprehension of Jacob Zuma during July 2021 was followed by what was called a "political insurrection" (9 to 17 July 2021) characterised by the most extreme forms of political violence since 1994. This included the killing of 337 people, the destruction of property, and extensive looting (Vhumbunu, 2021:1-10). A community leader of Indian origin in the eThekwini-area of KZN describes the situation during the period of violence as follows: "It was like a war zone. It was something orchestrated. Something sinister. They were trying to cause civil war in this country. These were highly trained guys. It was a direct attack on the Indian community" (Harding, 2021:4). The involvement of state security agencies (people implicated in the Zondo Commission) was suspected and later emphasised (Malala, 2021). What was clear was that this was a well-planned political insurrection from within the ANC as a party, and executed by the bigger ANC-regime (and the involvement of State Security on behalf of not only Jacob Zuma, but also senior ANC members / loyalists involved in state capture and related activities (Businesslive, 2021). This was specifically aimed against the Cyril Ramaphosa-ANC as it was called. The recent establishment of the uMkhonto weSizwe (MK) Party by Jacob Zuma and others can be seen as a continuation of this "struggle" by using Zulu-nationalism as a building block for political mobilisation and trying to align with other radical groupings including the EFF (Economic Freedom Fighters) and the

African National Congress for the transformation of Ace Magashule, the latter with apparent support in the Free State province.

The Ramaphosa era, despite expectations to the contrary, was characterised by the lack of action and related decision-making and in many ways resembles the continuation of the negative aspects related to the Zuma era. It is probably correct to argue that the political, economic, and social crises deepened during the Ramaphosa era, referring to the higher levels of political instability; low and/or negative levels of economic growth; more social grants and people dependent on the state; and social challenges related to poverty, inequality, and unemployment (Duvenhage, 2023a:116–148; Duvenhage, 2023b:1–32). In recent times, academics, corporate leaders and civil society organisations observed the escalating crises regarding state, society, and the economy in South Africa. In general, these crises can be contextualised in political, economic, social and international terms.

Political context

Patterns of increasing institutional and state decay are prominent in most environments, including national border control, national state departments, state-owned enterprises (e.g., ESKOM (Electricity Supply Commission), the Land Bank, the SABC (South African Broadcasting Corporation), TRANSNET, and the Post Office) and provincial and local government, resulting in an inability to deliver services and to act in the public interest, as is prescribed in the Constitution. Eunomix (2020:5–6) refers to these realities as a "weakening state".

- An inability from the side of the state to provide safety and security for citizens (the main function of any state) with parallel institutions (security firms) taking over this core function. Malan (2023), in this regard, refers to "the disintegration of the South African order".
- An ANC that is not only a government but showing strong regime tendencies. Matthee (2019:1–17) refers to this as a "hybrid regime". This tendency undermines proper legislative and judicial supervision over executive functions and practices, undermining core democratic principles including the *trias politica*, the concepts of limited and responsible government and what was earlier referred to as constitutionalism. The cadre deployment strategy stood at the core of these regime tendencies.

- An ANC-government that nationally, provincially, and locally has been losing support in elections since about 2004, now reaching a critical point in the build-up to the 2024 elections. Nationally, the support for the ANC was 69,69% in 2004 and going down to 57,5% in 2019 (du Toit & De Jager, 2015; Booysen, 2011). Surveys prior to the May 2024 national and provincial elections reflected negatively on the ANC's potential to achieve an absolute majority (Duvenhage, 2023b; Brenthurst Foundation, 2024; Boonzaaier, 2022; Businesstech, 2022; Mwareya, 2022).
- The failure of the National Prosecuting Authority (NPA) is summarised by Curlewis (2022) as follows: "Over the last ten years the NPA has become better known for its failure to successfully prosecute than for doing its core job, particularly regarding high profile cases of corruption involving corporations, state officials and politicians."
- The lack of constitutional and accountable government which Malan (2019:2) refers to as ".... unabated large-scale corruption; the deterioration of the public sector; poor public services; large scale wasting of public funds; a sustained high rate of violent crime; the attending inability of the relevant state agencies to deal with that issue; erratic economic policies...."
- State capture or institutionalised endemic corruption wipes out a third of SA's R4,9 trillion GDP, contributing to lack of trust and confidence in democratic institutions (Merten, 2019).
- The undermining of core principles related to democracy and practices associated with good governance outlined in the earlier section. Compare also Duvenhage (2023a:116-148) for a detailed analysis of the undermining of democratic principles in the current political environment.

In a political environment of institutional decay, where "regime tendencies" are threatening democratic principles (e.g., constitutional governance, limited government, separation of powers, and rule of law), the absence of responsible and accountable government is eroding successful and functional political oversight. Despite the existence of oversight structures identified earlier, the political environment and related dynamics are weakening successful oversight on all spheres of government. State capture and related endemic corruption are also weakening democratic governance and practice related to successful checks and balances, implicating the oversight function in general and municipal oversight in particular.

Economic context

Political transformation (derived from the idea of the National Democratic Revolution) forms the framework for economic development and related policies (Duvenhage, 2005a:1–40; Duvenhage, 2005b:1–10). Transformation can be seen as a reaction against the old apartheid dispensation (associated with discrimination, exploitation, minority rule etc.) and the former is a macro plan of social and political engineering trying to achieve a non-racist, non-sexist and non-discriminatory dispensation through macro planning (the legislative environment) emphasising political, economic and social equity with the vanguard party (the ANC) leading this "struggle" (Duvenhage, 2021:713–717). As is the case with many other centralised, macro-social and political engineering programmes, the outcomes are in many cases the opposite from the original goals stated in the plan. After three decades of ANC rule, the situation can be contextualised in the following economic terms:

· Lack of meaningful economic growth over the past decade or more, resulting in an inability to create jobs, high levels of unemployment, inequality and poverty (since December 2013 the business cycle is in a negative cycle, the longest since the Second World War (Rossouw, 2022:3)). Recently, the IMF (International Monetary Fund) has lowered its growth projection for South Africa for 2024 from 1,5% to only 1% (Thukwana, 2024). During 2022, 13 million people were unemployed (Owusu-Sekyere & Willis, 2022:1–14). Approximately 6,300 persons have lost their jobs between 2022 and 2023 (Crouse, 2023).

· A limited tax base of about 7 million personal taxpayers, but a dependence of about 26 million (recently estimated to be as high as 28 million) on different forms of social grants, that is not sustainable in the current difficult economic and financial circumstances. Recently populist legislation like the NHI (National Health Insurance) (currently in process), tried to finalise a Basic Income Grant, and other related legislation and/or initiatives in process will put even more pressure on an extremely limited tax base. In the 2022/3 tax year, only 8% of taxpayers paid 50,6% of all taxes (Rossouw, 2022:4).

· An escalating debt burden is forcing South Africa towards a financial cliff with far- reaching economic and financial implications (Compare Matthee, 2019:7; Parsons, 2021:1). Rossouw (2022:4) emphasises that the debt burden (measured in

terms of government income) was 55% in 2007/8 but escalated to 74,4% during 2022/3).

· Due to restrictive internal conditions like lack of infrastructure (maintenance of roads, railways, and harbours; the provision of electricity etc.), overregulation of the economy due to transformational macro-engineering and complicated external / international factors (which will be referred to later), disinvestment and the outflow of capital are a prominent tendency and sometimes contribute towards forms of deindustrialisation.

· South Africa's changing international position (referring to anti-Western political sentiments) has far-reaching negative implications for international investment in the country, contributing towards an outflow of capital that is negative for economic growth and development.

· Unfavourable economic and financial conditions and trends have far-reaching social implications for society. A few core aspects will be highlighted in the next section.

Social context

The complex nature of an analysis of statehood makes it necessary to highlight some of the most important social aspects for purposes of completing the internal dimensions of the macro-context.

· According to the 2021 criterium for poverty (people receiving less than R1,335.00 per month), 13,8 million (out of more than 60 million people) are living in poverty.

· About 26 million people (31% of the population – 2019/20) are receiving some or other social grant. During 1996/7 the percentage was only 7% of the population receiving grants (Duvenhage, 2020b:137-62; Duvenhage, 2023a:116-48; Statista, 2022). Currently the 26 million people referred to implicate 60% of the yearly budget (Heyns, 2023a).

· South Africa is one of the most violent countries in the world. Violence takes on many forms, namely xenophobia, taxi wars, cultural and other forms of identity conflict and violent crime. Nearly half a million people were murdered during the period 1994 to 2017. Daily, 58,4 murders (on average) and 116 rape cases are committed, with the victims sometimes equalling or more than in countries involved in active civil wars (Duvenhage, 2021:713-37).

- A research document from the Global Initiative Against Transnational Organized Crime entitled *Strategic organised crime risk assessment: South Africa* (2022), describes South Africa as a "dark web: a criminal ecosystem" with "… an existential threat to South Africa's democratic institutions, economy and people…" Matamba (2023:2) refers to a "commercial market for violence" and Suttner (2013) emphasises that assassinations have become a regularised way of deciding on leadership and access to wealth within the ANC and its allies." Haffajee (2022c) also refers to reports that put South Africa on the level of Italy (past Mexico, Somalia and Libya) when it comes to organised crime in the country.
- An inability of state entities like ESKOM, TRANSNET, the Post Office, the Land Bank, and other government institutions, together with a decay of general infrastructure, hamper initiatives aimed at improving the quality of life as well as providing a foundation for economic growth, job creation and social well-being.
- While the "brain drain" is responsible for the exodus of scarce skills, it is estimated that about six million illegal immigrants (mostly from African countries south of the Sahara) are currently within the borders of South Africa. Since they are largely dependent on the social welfare system of the country it constrains the capacity of the state to promote socio-economic development. In addition, illegal immigrants are perceived to be taking away job opportunities from South Africans, often resulting in social conflict and cases of xenophobia.

Major educational challenges are part of what was earlier referred to as "a system in decay" (Duvenhage, 2020a:241). While about 13 million pupils are receiving basic education and the matric results are consistently better, educational specialists are concerned about academic standards and the quality of schools in general (Heyns, 2023a).

South Africa's changing international position increasingly becomes significant due to aspects such as the state of the political economy, interconnected global trade, and interstate conflict. These dynamics influence foreign direct investment, critical for economic growth and addressing social challenges.

International context

Global politics is currently experiencing major changes referring to geo-political power shifts (from the West to the East); escalating political and military conflicts (e.g., Russia versus Ukraine / NATO; Israel versus Iranian proxies, and China versus Taiwan); economic tension (e.g., USA versus China; sanctions against Russia, Iran, North Korea and Cuba); and the proliferation of nuclear arms, to mention only a few.

Changes to the international political order do not leave countries like South Africa unscathed. South Africa's alignment to changing centres of political power stands against the backdrop of escalating conflict, especially in the Middle East. South Africa's alignment with an extended BRICS (Brazil, Russia, India, China and South Africa)-formation and specifically with Russia (e.g., the Lady R episode and election support for the ANC), Iran, North Korea, Cuba and China and the current conflict with Israel (the ICJ-case) will have far-reaching implications for trade relations, as well as economic and financial assistance from Western countries.

South Africa is already "grey listed" by major credit rating agencies and it is possible that the country may be declared "a terrorist state" with related economic and financial implications like disinvestment and sanctions (Burger, 2023:1–3). These factors may further contribute to patterns of instability that are not conducive for economic development and growth.

The above-mentioned contexts in combination have forced South Africa towards a "tipping point" with far-reaching implications for regime stability in the country (Duvenhage, 2020a:241–268; Duvenhage, 2023c:5-8). The political insurrection in KZN; the 2021 local elections (about 70 hung councils and the ANC nationally obtaining only 47,5% support); political reconfigurations and coalition politics; and deteriorating economic and social conditions are only a few characteristics of post-tipping point politics on the eve of the 2024 elections. The latter may provide a fundamental restructuring of the political environment.

What is clear is that the South African political dispensation requires fundamental political, economic and social reform; in a way comparable to the fundamental reform South Africa underwent during the late 1980s and early 1990s. Important key aspects that need urgent attention include the following:

- · **Political**: Effective border control and ensuring sovereignty and territorial integrity; state-building and the creation of an effective and efficient institutional framework on all levels; effective measures against corruption and the criminalisation of the state; the successful implementation of the developmental state to address issues related to the non-state sector.
- · **Economic**: The general detransformation of the economy, implementing a stronger free market approach and doing away with racially discriminatory measures; the deregulation of the economy on many levels; public-private partnerships on many levels as a foundation for development; creating a bigger and stronger tax base; and creating a more flexible labour market.
- · **Social**: Nation-building; the building of strong educational and health systems; and bringing down the number of people dependent on social grants (Duvenhage, 2005a:1-40).

As far as state-building and the creation of an effective and efficient institutional framework is concerned, local government should be a key aspect that needs attention within the above-mentioned context.

Local Government in South Africa: An Overview

According to the Constitution (Chapter 7:sec151), the local sphere of government consists of municipalities for the full geographical territory of the country. Local government has autonomous authority to "exercise its powers or perform its functions" within its identified domain, subject in some ways to provincial and national government, as is specified in the Constitution. The objectives of local government are to provide democratic and accountable government for local communities; ensure the provision of services to communities in a sustainable manner; the promotion of social and economic development as well as health and safety; and to encourage the involvement of communities and stakeholders in terms of participatory democracy (RSA, 1996:sec152 a-e). The municipality must strive to reach the above-mentioned aims within its financial and administrative ability and capability (RSA, 1996:sec152b). These aims and their application are clearly related to the earlier conceptualisation and application of democratic principles, constitutionalism and good governance, and therefore implicate municipal oversight as an important aspect.

Three categories of municipalities are specified in terms of Section 155 of the Constitution. Category A: "a municipality that has exclusive municipal executive and legislative authority in its area"; Category B: "A municipality that shares municipal executive and legislative authority in its area within a Category C municipality within whose area it falls"; Category C: "A municipality that has municipal executive and legislative authority in an area that includes more than one municipality." National legislation must define the different types of municipalities that may be established within each category, while provincial legislation must determine the different municipalities to be established in each province" (RSA, 1996:sec 155:2, 5). Currently there are 257 municipalities in South Africa, 8 metropolitan municipalities, 44 district and 205 local municipalities (Yes Media, 2022:2-3).

The mixed nature of the electoral system used for local electoral purposes in South Africa is described by Ferree (2017:26) as a "…mixed-member electoral system, with ward level seats elected according to plurality in single-seat districts, and municipality-wide multiseat districts elected through closed-list proportional representation". District municipal councils are elected proportionally (40%) and partly appointed by the councils of the constituent local municipalities (60%). Both on metropolitan and local levels the respective weights are 50% proportional and 50% elected from wards (Duvenhage, 2023c:99-121). During the 2021 local elections (nationally speaking with 325 parties contesting) the ANC received 47,52% (8,13% down); the DA (Democratic Alliance) 19,84% (5,27% down), the EFF 10,4% (2,23% up); the IFP (Inkatha Freedom Party) 6,27% (1,54% up); and the VF Plus (*Vryheidsfront* Plus) 2,32% (1,5% up). Parties contesting for the first time were Action South Africa, with 1,82%, and the Patriotic Alliance, with 0,81%. The other parties competed have either less, little or no support. Characteristics of this election include the fact that there was a significant increase in the number of hung councils. There were about 70 councils without an outright majority for one party. Only a few parties ended up in representative institutions and in some provinces a steady decline in support for the ruling party (2011 – 61,95%, 2016 – 53,91% and 2021 – 47,5%) was evident. A low voter turnout and the prominence of racial, cultural and other forms of identity in voter behaviour were further characteristics (Duvenhage, 2023c:105). With so many more hung councils (compared to the 2016 elections) coalition politics became a new rule of the political game. Unstable coalitions, especially in metros like Tshwane, Johannesburg, Ekurhuleni and

Nelson Mandela, contributed to patterns of political instability, disorder and vandalism, extremely detrimental to democratic principles and practices related to good governance and municipal oversight.

Local government in South Africa is currently facing both external (systemic) and internal (mostly functional) challenges. Between 80% to 90% of municipalities can be described as dysfunctional in a limited way up to sometimes complete dysfunctionality (AGSA, 2023:1–6; Duvenhage, 2023:101). Coalition politics, a reality in many municipalities, is putting an additional burden on the already fragile system of local government. External systemic challenges refer to factors outlined in the general contextualisation of South African politics and include:

- **Political**: institutional and state decay; lack of safety and security; nepotism, corruption and state capture; lack of border control and the influx of foreigners; organised crime; and the inability to provide critical services including electricity but also health and education; and our changing international position that is not conducive for economic and financial investment.
- **Economy**: lack of growth and development; an extremely limited tax base and patterns of non–payment for services; an escalating debt burden; and infrastructural challenges referring to roads, harbours, and railways.
- **Social**: high levels of chronic poverty, unemployment, inequality and violence; brain drain specifically in rural areas; and health and educational challenges.

The former Chairperson of the Standing Committee on the Auditor–General (AGSA, 2023:1–6), described the situation during an AGSA briefing on the MFMA (Municipal Finance Management Act) findings for 2021/22 as "…a sorrowful story of local government". The report and related discussion refer to several intra–challenges including financial management challenges and distress; capacity problems; service delivery failures; and lack of compliance. In 87% of matters involving compliance, as identified by the Office of the AG, no legal action was taken. Uncompetitive procurement, the use and dependence on consultants (specifically financial consultants due to capacity constraints), the non–submission of financial reports and/or "misstatements" in reports are only a few challenges that came from the general AGSA audit report. This report and related official testimonies emphasise several root causes for municipal

oversight problems. These causes include inadequate skills and human resource competencies, limited institutional capacity, lack of accountability and consequence management, and other general governance failures. The following statistics substantiate the dire state of local government in South Africa:

- 216 (84%) of municipalities have used external consultants for financial reporting due to a lack of skills;
- 137 financial statements (62%) of municipalities recorded "misstatements" involving external consultants;
- of the 257 municipalities, only 38 (15%) received clean audits, of which 21 were in the Western Cape; 6 (2%) received adverse audits; 104 (40%) received unqualified audits with findings; 78 (30%) received qualified audits with findings; 15 (6%) received disclaimers and 16 audits (7%) remained outstanding;
- 88% of municipalities lacked effective compliance controls;
- 44% of municipalities had unfunded budgets;
- The AGSA found 268 material irregularities to the value of R5,19 billion and R4,74 billion in fruitless and wasteful expenditure; and
- 70% of municipalities are concerned about their financial stability and sustainability (AGSA, 2023:1–4).

The crises of local governments in South Africa are further illustrated by the number of municipal interventions into local government structures in terms of Section 139 (1)(4) and (5) of the Constitution and intermediations based on the Local Government: Municipal Finance Management Act 56 of 2003 (RSA, 2003). According to Section 139 of the Constitution, the provincial executive is empowered to intervene if:

- a municipality cannot or does not fulfil an obligation in terms of the Constitution or legislation to approve a budget or any other revenue-raising measures necessary to give effect to the budget; and
- a municipality, because of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its financial commitments or admits that it is unable to meet its obligations or financial commitments" (RSA, 1996, Section 139 (1), (2) and (4)).

Section 139 (7) of the Constitution determines that if the provincial government is incapable of intervening according to the set rule of

the Constitution applicable, "the national executive must intervene in terms of Subsection (4) or (5) instead of the relevant provincial executive". In the case of national intervention, suggested in Rule (7) national legislation can be prepared to deal with this matter. The following data provides insight into the magnitude of Section 139 interventions:

- Between 1998 and 2019, 140 interventions took place according to different criteria within Section 139 of the Constitution.
- This includes interventions in: Eastern Cape (15); Free State (14); Gauteng (3); KZN (40); Limpopo (2); Mpumalanga (11); North West (43); Northern Cape (3) and Western Cape (9) (Research Unit: Parliament, 2020:2).
- Most of these interventions were unsuccessful in terms of their original aim and goals. In fact, many local structures came out worse off after these interventions due to, amongst other factors, cadre deployment (Bole, 2022:216–228).

Against the backdrop of widespread violent protests in the North West province (April 2018) and the failure of Section 139 interventions in the province (Bole, 2022), the President delegated an inter-ministerial task team to assess the state of governance and service delivery in the province. The National Council of Provinces was notified in terms of Section 100(2) (a) of the Constitution. According to the notice, five provincial departments (Finance, Economy and Enterprise Development; Rural, Environment and Agricultural Development; Social Development; Local Government and Human Settlement; and Tourism) were put under administration according to Section 100(1) (a). Another five provincial departments (Health; the Office of the Premier; Education and Sports Development; Public Works and Roads; and Community Safety and Transport Management) were put under administration in terms of Section 100 (10) (b). Section 100 (1) (a) does not strip the respective departments of their powers, but Section 100 (1) (b) entails national take-over taking full responsibility "for the relevant obligation" (Dullah Omar Institute, 2019:1–5). The latter implies that the respective provincial structures are incapable, powerless and useless to intervene in a successful way. The complete failure of provincial government in North West province to intervene successfully in terms of Section 139 emphasised the nature and content of the macro institutional crises which the country is facing, with sometimes a complete lack of order, structure and rule of law not only applicable to this province. Ditsobotla (Lichtenburg) is an extreme example in this regard, where the situation was described

to me (in a personal conversation) by a senior administrative official (Sr Ben Bole) as a "crime scene".

Tentative and generalised conclusions about local government and governance in South Africa include the following:

·   Local government structures (due to a combination of external and internal factors in the bigger political environment) are in most cases dysfunctional or accommodate elements of dysfunctionality. Depending on the degree of dysfunctionality, more than 80% of municipalities may be implicated. Municipalities in the Western Cape are the biggest exception to the general rule.
·   Challenges to local government and governance are comprehensive and endemic, with the ANC regime tendency at the core of challenges related to lack of financial and administrative capacities and capabilities; dependence on external consultants; lack of ethical leadership; practices of corruption, nepotism and cadre deployments. All of these factors are undermining values and norms related to practices associated with democracy and good governance.
·   Coalition politics, a strong tendency especially since the 2021 local elections, create, in many cases, a political environment that is unstable and not conducive for good governance practices in general and sound decision-making in particular.
·   The comprehensive nature of Section 139 interventions nationally and in the North West province and the inability of provincial (and national government where applicable) to deal with these issues in a successful manner.

The above-mentioned contextualisation (nationally, provincially and locally) emphasised the nature and content of the environment where oversight functions should take place. The institutional oversight-regime outlined in the Constitution, legislation and related institutional practices must function in an environment of stability, and political and institutional capacity. However, the reality is the converse. These and other aspects will be dealt with in the following section.

Municipal Oversight Within a Framework of Institutional and Political Decay

Considering the South African Constitution, the relevant legislative environment and the related institutional frameworks, South

Africa has a robust system of municipal oversight embedded in the principles, values and norms related to democracy, constitutionalism, accountability, and good governance in general. Constitutional directives like Sections 139 and 100 1(b) and 100 2(a) made provision for interventions, while structures like the Auditor-General (and other Chapter 9 institutions) foster oversight as well as checks and balances between the executive and legislative authorities. In addition, the Parliamentary standing committees, the provincial SCOPAs, the COGTA and the SALGA ensure that the institutional framework is well-defined and properly empowered.

Comparing and contrasting local government structures, functionality and performance, the current situation in municipalities is in direct conflict with its Constitutional mandate, statutory obligations and normative expectations. Mampela Rampele's (2023) Open Letter to Ramaphosa criticising the poor state of government and local governance in South Africa (referring to state capture, amongst other items) substantiates this perspective. The South African reality is democracy in "form" but not necessary in terms of "content" (Matthee, 2019:2). Content in this context refers to the practical implementation of rules, regulations and municipal by-laws based on principles related to democracy, good governance, constitutionalism, accountability and oversight. Institutionalised practices related to, amongst other factors, neo-patrimonial tendencies, systemic and endemic corruption (read state capture), and cadre deployments contributing to nepotism and dysfunctionality further compound the situation. Regime tendencies or the "hybrid regime", as described by Matthee (2019:2-3) is undermining constitutional and democratic practices implicating an independent judiciary and the rule of law; the principle of the separation of powers; and the deliberate undermining and decapacitating of state organs not to act against influential individuals and elites – mostly from the ruling party (Malan, 2019:1-5, 65-91, 93-130).

Building on the perspective of a new patrimonial reality, the South African democratic "content" develops a dualism creating a parallel state scenario, where the Constitution and another legislation are functioning alongside each other, with the latter the more dominant one. While the first is associated with the formal Constitution and related practices, the latter refers to transformational practices embodying realities associated with neo-patrimonialism, transformational legislation and applications, cadre deployments and endemic and systemic corruption becoming a constitution in

itself – sometimes being more influential than the Constitution in terms of application. This leads to the general inability to govern in the public interest, in pursuit of justice promoting a just polity and the common good. The latter are aspects strongly associated with democratic dispensations and the notion of good and clean governance emphasised earlier.

Local government and good governance practices are currently significantly influenced by external circumstances and networks bearing characteristics of a Mafia–orientated state. This reality can be substantiated by the scope and nature of corruption amongst political elites functioning in the form of neo–patrimonial networks. In this regard, Johnson (2015:49) refers to "the criminalisation of the South African state" and Myburg (2019:ix) as "the criminalisation of the state as a whole". These arguments were also substantiated by the Zondo Commission and leading academics concentrating on corruption and misconduct by politicians, civil servants and so–called "tenderpreneurs" (Chipkin & Swilling, 2018; Pauw, 2017).

Democratic form without substantive content (in a structural–functional way or in the context of democracy at work) is largely absent with negative implications for core principles related to democratic practices and good governance. The concept of limited government (an aspect of constitutionalism practiced in the effective functioning of the *trias politica* or concept of the separation of powers) as well as the notion of accountable government is problematic on all levels of government and in particular local government. Data and figures referring to the challenges faced by local governments and the way in which most local structures are responding (or not responding) emphasises the nature and the content of the challenges ahead.

Dysfunctional structures combined with democracy of form without content as well as practices related to unethical governance and leadership are reflecting negatively on the principle of oversight and accountable structures. Oversight practices in most municipalities do not follow the intent set forward by the Constitution, related policy frameworks, regulations, and ethical principles. Oversight dysfunctionality, an aspect of more comprehensive systems failure, seems to be the order of the day in most municipalities in South Africa.

Conclusion

Generally speaking, considering exceptions to the more general rule and specifically where clean audits were achieved, institutional structures responsible for oversight are not achieving the expected results. These expected results relate to the realisation of positive governance outcomes, value for money, democratic principles, and sound practices related to good governance. An analysis of these shortcomings demands an academic framework focusing on intra-systemic factors, external systemic factors, as well as general contextual factors.

Exercising successful oversight is not only about creating an institutional framework based on sound principles and norms, but more importantly to activate structures to deliver institutional functional outputs according to constitutional and democratic norms, taking into consideration principles derived from practices related to good governance. As far as the local sphere of government is concerned, meeting the set criteria is becoming an even more perplexing task when external factors are considered. Macro contextual factors ranging from international factors to macro political and economic dynamics towards social challenges lead to instability and challenges pertaining to the consolidation of democratic values and sound institutional practices. Considering municipal oversight, challenges are not limited to the ability of external and internal structures to perform oversight functions but include broader systemic realities. This implies that fundamental reform on all levels of statehood is essential to address challenges related to oversight. Thus, it is evident that challenges related to both content and function need to be addressed and not only the roles and responsibilities of established oversight structures.

Facing major intra-systemic, extra-systemic and contextual / developmental challenges, successful local government is key to the stability of the total governance system. Good governance practices emphasising sound oversight are essential in this regard. It is evident that a comprehensive overhaul of the state and specifically local government is necessary as South Africa is completing 30 years of democracy since 1994.

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Chapter 2

Internal Municipal Oversight

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Abstract

Internal municipal oversight is a fundamental requirement for all municipalities in ensuring good corporate and financial governance in the local sphere of government. Key aspects of fiscal discipline are upholding corporate governance principles, having adequate oversight measures, maintaining consequence management, and securing political will. Together with the municipal public accounts committee (MPAC), a range of internal oversight committees are in place to advise and support municipal councils in making prudent decisions for effective resource management and to fulfil fiduciary responsibilities in an effective and efficient manner. To support decision-making processes, councillors rely on these committees for guiding effective internal oversight within the legal and policy frameworks. Negative trends have been frequently reported in the levels of assurance provided by audit committees in local government, posing ongoing and severe financial risks to prudent management and sustainable municipal service delivery. This declining trend deserves immediate attention to address the incongruities in accountability and oversight in local government. The aim of this chapter is to contribute to good corporate governance within the local sphere of government by exploring the role and functioning of oversight committees for effective internal control.

Keywords: municipal oversight, oversight committees, internal controls, consequence management, good corporate governance

Introduction

Local, district and metropolitan municipalities can be regarded as complex depositories where the care, conduct, values, needs and aspirations of all, including its officials, should be "deposited, analysed, contemplated, interacted with, and prioritised" (Breed et al., 2023:33). Van der Waldt (2024:37) states that the local sphere of government has "a moral obligation and a constitutional and legal mandate to pursue development that can be sustained without having detrimental impacts on communities and the environment". This mandate is vested in municipal councils. Councils therefore must ensure that the necessary internal controls and accountability arrangements are in place to provide oversight and to advise council accordingly.

Municipal oversight is a significant scholarly domain to analyse adherence to normative principles and for assessing performance and operational functions in local governance. Unbecoming conduct of municipal political representatives and practitioners further accentuates the need for renewed attention insofar as ethical behaviour, responsiveness, responsibility, and public accountability are concerned. Local government is at the coalface of service delivery. Therefore, the conduct of municipal officials and municipalities should be in line with expectations of prudent management of resources and fulfilling fiduciary roles in an effective and efficient manner. In this regard, Breed et al. (2023) argue that municipal councils should continually adopt economically induced competencies and business intelligence to optimally manage and utilise scarce resources. However, unauthorised, irregular, fruitless and wasteful expenditure has increasingly shown an upward and exponential increase in local government with seemingly little or no serious consequences for offenders (Adonis, 2021). Internal municipal oversight is therefore paramount to ensure fiscal discipline, efficient and effective provision of municipal services, and efficient allocation of resources to reflect the local community needs.

The purpose of this chapter is to accentuate the role and functioning of internal oversight committees in municipalities. For this purpose, an empirical study was undertaken at sampled municipalities in KwaZulu-Natal (KZN) province. The study was imbedded in Agency Theory, highlighting asymmetries and self-interest of agents as well as Stewardship Theory, relevant for councillors as stewards of municipal resources. Out of a total

target population of 54 municipalities (comprising 1 metropolitan, 44 local and 10 district municipalities), 15 municipalities were randomly sampled. The units of analysis imbedded in the sampled municipalities were councillors, senior managers, heads of internal audit units, chairpersons of audit committees and audit committees' members (n=212). A mixed methods research design was followed. Quantitative results were deductively triangulated whilst qualitative data was obtained inductively through semi-structured interviews with mayors, chairpersons of municipal public accounts committees (MPAC), accounting officers, heads of internal audit units, chairpersons of audit committees, and other key stakeholders, such as representatives of the Auditor-General. Ethical approval was granted by the Humanities and Social Sciences Research Ethics Committee of the University of KwaZulu-Natal and gatekeeper's permission was obtained from the Department of Cooperative Governance and Traditional Affairs (COGTA). Voluntary participation and anonymity of respondents were acknowledged. Based on the triangulation of findings, the authors propose a model to improve municipal oversight.

Functions, Objectives and Internal Controls of Municipal Councils

All powers of local government are vested in municipal councils, and they have power to make by-laws through legislative authority and the powers to put those laws into effect through executive authority. Municipal councils have executive and legislative authority over the matters set out in Part B of Schedules 4 and 5 of the Constitution of the Republic of South Africa number 108 of 1996, hereafter referred to as the Constitution (RSA, 1996). The municipality may also administer any other matters assigned to it by either the national or provincial legislation giving further effect to municipal governance. In administering the matters assigned to local government, the municipal council must strive in capacity and competencies to achieve the constitutional objects of local government. Whilst governance may be seen as synonymous with what local government does, decisions taken over resources allocated, and the mandate with which municipalities are expected to function, are dependent on efficacy of municipal council oversight. In this regard, Krishnan (2023) holds that good local governance necessitates a municipal council to account for public resources utilised for service delivery functions.

The functions and objects of municipalities are outlined in Chapter 7 of the Constitution (RSA, 1996). These functions and objects accentuate the need for responsiveness and accountability of municipal councils. Municipalities have thirty-eight specific functions defined in the Constitution under Schedules 4B and 5B. Lesser-known amongst these include air pollution, local tourism, municipal airports, beaches and amusement facilities, and facilities for animal care and burial. Various other legislation impose additional obligations and functions on local government, not specifically listed in the Constitution, such as disaster management in terms of the Disaster Management Act 57 of 2002 (RSA, 2002). The objects of municipalities include providing accountable and democratic local government, delivering sustainable services to communities, promoting social and economic development, a safe and healthy environment and involvement of the community and community organisations in local government affairs. In addition, the Local Government: Municipal Systems Act 32 of 2000, hereafter referred to as the Municipal Systems Act (or MSA) (RSA, 2000), sets out core principles, systems, and processes to achieve these objects.

Within a broader statutory framework and a plethora of legislation guiding different municipal functions such as the Water Services Act 108 of 1997 (RSA, 1997), regulating the provision of water, municipal councils must establish the necessary oversight mechanisms and arrangements to deliver on its mandate. This includes the development of policies, strategies and procedures necessary for the operationalisation of effective internal controls in the municipal administration.

In terms of the Committee of Sponsoring Organizations (COSO) framework, (COSO, 2013), internal control is defined as a process effected by those charged with governance to provide reasonable assurance concerning achievement of objectives relating to operations and reporting. The COSO framework indicates that there are at least five key components of internal control: control environment, risk assessment, control activities, information and communication and monitoring activities. Section 62 of the Municipal Finance Management Act (MFMA) 56 of 2003 (RSA, 2003) emphasises the importance of internal control and requires the accounting officer to take the necessary steps to ensure that the municipality has and maintains effective, efficient and transparent systems of internal control (Mnguni & Subban, 2022).

Municipal Oversight Committees

The operationalisation of internal controls is vested in the role and functions of various oversight committees. Administrative matters and meeting procedures of these committees are established in terms of Section 156(2) of the Constitution, read with Section 11(3) of the MSA. A municipal council must adopt standing rules and orders for this purpose. These rules and orders govern proceedings of council committees and must be complied with by all councillors, community members present in meetings, deputation–addressing committees, municipal officials and traditional leaders participating in its proceedings. Rules and orders must be adopted and published as by–laws of the municipality. In the case of municipalities in the KwaZulu–Natal province, the Member of the Executive Council (MEC) responsible for local government published a zzzprovincial notice in the Provincial Gazette (2017:11–59). This was done in accordance with Section 11(2)(a) of the MSA. Since the Coronavirus disease 2019 (COVID–19) pandemic, there is an additional need for by–laws to be updated to include mechanisms for virtual meetings.

To enable the municipal council to exercise effective oversight, various institutional structures are established. The most prominent structures functioning as council committees are hence outlined.

Municipal Public Accounts Committees

According to Section 79(1) of the Local Government: Municipal Structures Act 117 of 1998, hereafter referred to as the Municipal Structures Act (RSA, 1998), a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committees from amongst its members. This is the legal basis from which the MPAC was established (Adonis, 2021).

After having been established and operational in municipalities, in 2012, the South African Local Government Association (SALGA) developed a guide for MPACs, encouraging municipalities to establish the committee to improve what it referred to as "executive" oversight. The legal requirements for the functioning of MPACs were only published in 2021 with amendments to the Municipal Structures Act through the inclusion of Section 79A. To promote independent oversight over the executive, political office–bearers and members of the executive committee of the municipal council are prohibited

from serving as members of the MPAC. Reports of the MPAC are submitted to the Speaker of council, highlighting its position within council structures. Functions of the MPAC include the following:

· Reviewing the Auditor–General's reports, management and audit committee comments, making recommendations to council.
· Reviewing internal audit reports, management and audit committee comments, making recommendations to council.
· Initiating and developing the council oversight report required in terms of Section 129 of the MFMA.
· Attending to and making recommendations on any matter referred to it by council, executive or any other council committee, any MPAC member, a councillor and municipal manager.
· Taking initiatives to investigate and report matters affecting the municipality, subject to council direction.

The MPAC is expected to exercise oversight of the municipal executive, comprising office–bearers and the executive committee including portfolio committees. This is an important responsibility to ensure good governance and accountability. Of particular significance is the fact that the appointment of councillors to serve as MPAC members only follows after the election of the Speaker, Mayor, Deputy Mayor and members of the Executive Committee, which comprises the chairpersons of municipal portfolio committees. It should be noted that the Auditor–General of South Africa (AGSA) also delegates one senior auditor from the provincial office of the AGSA to serve on the MPAC. The MPAC should inform council of its findings and recommendations and ought to be legally authorised on behalf of the municipal council to prosecute and investigate without any delay, where such actions are required. This approach is designed to curb unethical conduct and corrupt activities, thereby establishing a culture of honesty and accountability in municipalities (Adonis, 2021).

Standing or Portfolio Committees

For councils to exercise oversight over municipal performance, its functions and powers, and to ensure effectiveness and efficiency, Section 80 of the Municipal Structures Act allows for council to establish one or more committees. These are standing or portfolio committees which are established to deal with specific functional areas, usually based on the departments created in a municipal administration

e.g. finance, technical or service delivery, corporate services, local economic development, and community services (COGTA, 2021). The role of such committees is to exercise oversight over functions within the administration, ensuring that the Integrated Development Plan and the service delivery and budget implementation plan of the municipality are successfully implemented.

Internal Audit and Audit and Risk Committees

According to Mnguni and Subban (2022:148), the term "audit" comes from the Latin word "audire", meaning to hear. It is further stated that the auditing function is in existence because the individuals or group of users are unable to obtain the information or assurance they need regarding the financial information. Auditing can be defined as a process of reviewing financial statements and evaluating the accuracy of the information submitted, and this is deemed important for the users of the financial statements (Nyamita et al., 2015 in Mnguni & Subban, 2022:148).

A significant objective of local government is to provide democratic and accountable governance for local communities. Municipalities are required to implement internal control mechanisms to ensure that they conduct their finances in a responsible and transparent manner, striving to achieve clean audits and improve audit outcomes (Mnguni & Subban, 2022:148). In this regard, the Internal Audit unit or section of a municipality plays an essential role.

Internal Audit should assist council in achieving the goals of the municipality by assessing the processes through which goals are achieved through the prudent and judicious utilisation of municipal resources, especially finances. The internal audit activity should therefore evaluate and contribute to the improvement of financial risk management, control and governance systems of the municipality. As such, Internal Audit is authorised to have unrestricted access to all relevant transactions, documents, records, municipal property, assets and employees. It is also authorised to obtain the necessary assistance of personnel in the various departments, sections and units of the municipality where they perform internal audit reviews, as well as other specialised services from within or outside the administration.

A key responsibility of Internal Audit is to determine whether established internal controls are appropriate and function as intended. Based on findings they should propose recommendations for enhancement or improvement. Members of the Internal Audit unit should conduct regular audits in accordance with the "Code of Ethics" and "Standards for the Professional Practice of Internal Auditing" issued by the Institute of Internal Auditors (IIA, 2024), as well as other corporate governance regulations. The output of the risk assessment processes undertaken by Internal Audit is used to develop the municipality's internal audit plan. This plan should be annually revised based on the risk assessment of audit areas.

Internal Audit plays a secretarial role of the audit and risk committee of the municipality. An audit and risk committee is responsible for oversight of the municipality's internal controls, governance arrangement and risk management processes. In addition, the committee should provide the Accounting Officer with independent advice and direction in respect of risk management. This will help to improve controls by discovering deviations from accepted standards and instances of illegality, inefficiency, irregularity including ineffectiveness in order to take corrective action, hold violators accountable through consequence management, and take the necessary steps to prevent further losses in a municipality (Mikesell, 2007 in Aikins, 2011).

Krishnan (2023) explains that audit and risk committees were established in 2003 as a statutory requirement in terms of Section 165 of the MFMA, setting out their role as independent advisors to the municipal councils. Section 165(4) of the MFMA determined that the audit and risk committee should be composed of at least three members with suitable experience. The experience requirement was not substantiated in the legislation and the National Treasury issued MFMA Circular 65 (National Treasury, 2012) providing further guidelines thereon and to enhance the institutionalisation and the functioning of audit committees as is significantly noted for good municipal oversight through independent objective assessment of a municipality's governance structure and internal practices.

According to Mnguni and Subban (2022:150), the following five audit opinions have relevance for audit committees. Firstly, a clean audit outcome implies that financial statements do not contain material errors. In other words, there is a financially unqualified audit opinion, and there are no material findings on performance information and compliance with legislation. Secondly, a financially

unqualified audit opinion means that financial statements do not contain material errors. However, these are findings raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects. Thirdly, a qualified audit opinion means that the financial statements contain material errors in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated. Fourthly, an adverse audit opinion refers to the financial statements that contain material errors that are not confined to specific amounts, or the errors represent a substantial portion of the financial statements. Lastly, a disclaimer of audit opinion is when there is insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements. These audit opinions are significant for audit committees when conducting municipal oversight over a council's financial governance.

Krishnan (2023) explains that amongst the functions of the audit and risk committee is the need to independently assess the risk management function of the municipality. If the municipality established a separate risk management committee, the audit committee is expected to review the work in relation to managing risk and providing advice to the accounting officer on whether the risk management is adequate and effective, and making recommendations for improvement. The audit committee must confirm that the internal and external audit plans are based on the risk profile of the municipality. The risks considered related to financial reporting, including fraud risks, internal controls and information technology (IT) risks. In the event of there being no risk management committee, the National Treasury assigns the risk management function to the audit committee.

Based on the legal and policy framework and the National Treasury guidance, the audit committee is required to assess progress by management of the action plan, review progress made on the implementation of municipalities' risk management strategy, facilitate and monitor the co-ordination of all activities undertaken, and evaluate the processes implemented by management for fraud prevention.

The role of audit and risk committees is fundamental to the financial performance monitoring practices of municipalities for effective oversight and control, providing for independent oversight

based on technical expertise of committee members. Safeguarding of assets within municipalities is an important aspect of internal policies and procedures. Given the range of transactions that occur in municipalities, there are frequent risks pertaining to fraud and misappropriation of funds, hence risk management must be considered for mitigation of misappropriation risks, management of risks, and assurance for effective municipal oversight.

Ward Committees and Geographic Committees

As far back as 2001, the former Department of Provincial and Local Government (DPLG, 2001) recognised the need for community-based planning and issued a guide for community-based planning and integrated development planning (IDP) to promote bottom-up planning within municipalities. This recognition was based on the need to capture the development priorities of citizens in planning for delivery of services and allocation of resources. Mia et al. (2022) explored the need for community-based planning through community engagement for sustainable development and recognised that sustainable community development is contingent on community engagement and planning.

Ward committees are considered as the "vehicles" through which municipalities engage communities in planning, prioritising and delivering services based on needs identified through engagement and are captured in community-based plans incorporated in the IDP of the municipality (Van der Waldt, 2024). Attempts towards deepening democracy at the local level through ward committees are also impacted by political and bureaucratic interests and various domains of power (Bhide, 2017).

A ward committee is established in a metro or local municipality for each ward in the municipality in accordance with Section 117 of the MSA (RSA, 1998). It is composed of the ward councillor elected by the community in that ward as the chairperson and not more than 10 other persons. Ward committees place an important role in promoting public participation in matters of local government, including the preparation and review of the IDP which determines the developmental needs of the community. Rules of engagement between the municipality and community, as well as ward councillors and ward committees must be included in a public participation framework established by the municipality, as required by Section 53(6) of the MSA (RSA, 1998).

Ward committees may make recommendations on matters affecting the ward to the ward councillor acting as chairperson of the committee. The ward council will then report to the municipal council, the executive committee, or another committee of the council. As such, ward committees are regarded as statutory structures recognised by the municipal council as consultative bodies and communication channels on matters affecting wards. This may include representing the community on the compilation and implementation of the IDP; ensuring constructive and harmonious interaction between the municipality and the community; ensuring the active participation of the community in service payment campaigns, the municipality's budgetary processes, decisions regarding provision of municipal services and decisions relating to by-laws (Makanya Municipality, undated).

Geographic committees, on the other hand, are established for a specific area to deal with local government matters. This system is usually used in large metropolitan municipalities that have sub-councils. During initial establishment of metropolitan municipalities in South Africa, such sub-councils were established and subsequently merged to form part of the metro municipality. Pingo (2023:3) cites the example of the eThekwini Metropolitan Municipality with amalgamation of "over 40 local authorities of various forms in the city firstly into a metropolitan authority and six local substructure authorities, and then into one municipal institution", established following the first democratic local government elections in South Africa in December 2000. Pingo (2023) also highlights the need for planning to be collaborative and integrated across the three spheres of government, namely, national, provincial and local. If a collaborative and integrated approach is not followed, a silo mentality and fragmented planning approach may result.

Silos in government planning erode the spirit of cooperative governance. This was recognised in the 2019 budget speech of the President of the country (RSA, 2019) citing the "pattern of operating in silos" as a challenge leading "to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult". This resulted in service delivery not being optimal and government initiatives not being effective in reducing the impact on the triple challenges of poverty, inequality and employment. The President announced the New District Level model as a practical inter-governmental relations mechanism "for all three spheres of government to work jointly and to plan and

act in unison". The model is aimed at promoting joint planning undertaken at district and metropolitan level with all three spheres of government leading to singular strategic joint plans ("One Plan") for each of the 44 districts and eight metropolitan geographic areas in South Africa. As a result, the District Development Model (DDM) was born. This was revised by the Department of Cooperative Governance and Traditional Affairs (DCoG) (COGTA, 2022) by the reduction in the number of DDM hubs from 52 to 21 groupings of designated Water Service Authorities (WSAs) and metros in the country, primarily based on the lack of resources to extend support across 52 geographic areas. This was illustrated in the three provinces of KwaZulu-Natal, Limpopo and North West. This regional approach, based on determination of four geographic regions in KwaZulu-Natal, is illustrated in Figure 1.
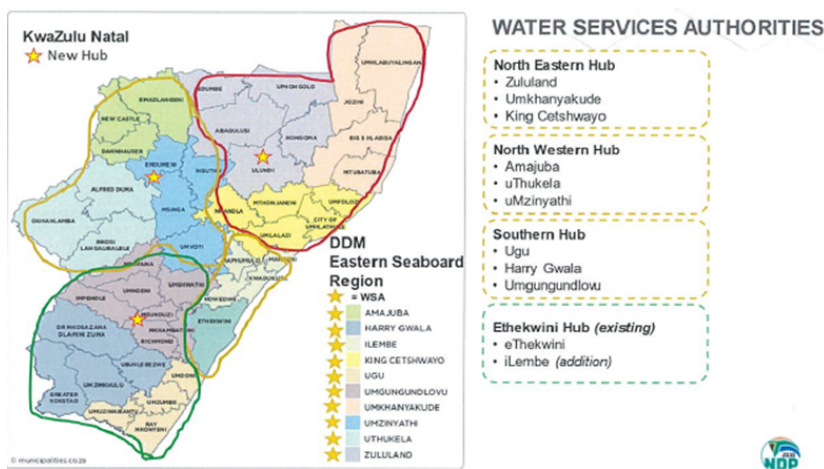
Figure 1:   KwaZulu-Natal DDM Regional Hubs. Source: Department of Co-operative Governance and Traditional Affairs (2022)

Similarly, the regional approach based on determination of two geographic regions in Limpopo is illustrated in Figure 2.
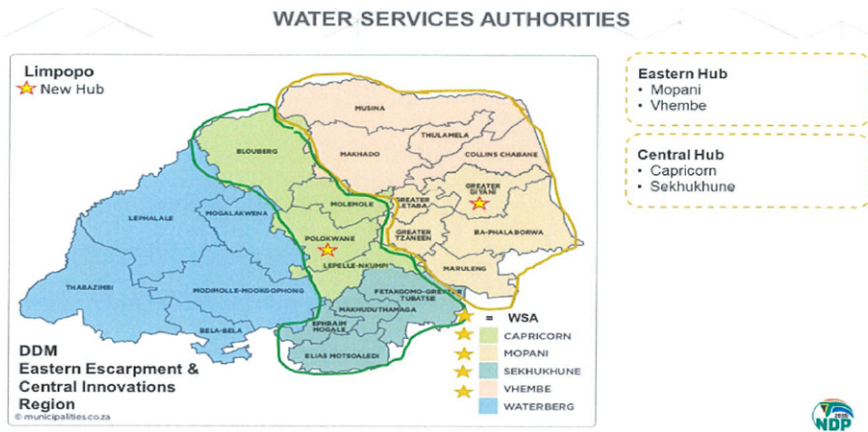
Figure 2: Limpopo DDM Regional Hubs. Source: Department of Co-operative Governance and Traditional Affairs (2022)

This new approach to improve service delivery through coordinated planning and budgeting was underpinned by an institution model comprising convenors of political and technical committees for each DDM hub with key personnel from all three spheres of government, in the functional areas of development and spatial planning, integrated human settlements, infrastructure, economics, financial management, capacity-building and monitoring. Each DDM hub convenor would be a strategic facilitator, responsible to configure its functional network which would be mobilised to support the functions of the hub.

Oversight of Municipal Agencies and Entities

Municipal development agencies are established worldwide as vehicles to improve the socio-economic potential of a geographic area or municipality. In the case of the KwaZulu-Natal Department of Co-operative Governance and Traditional Affairs (KZN CoGTA), it promoted the establishment of 10 district development agencies towards the stimulation of local economies, sustainability, and growth with institutional compliance. Although 10 agencies were established since 2014 across the districts in KZN, there were varying degrees of operationalisation. The CoGTA's Local Economic Development Plan Report (COGTA, 2018:8) highlights that "the key objective of the District Development Agencies in KZN is to identify, facilitate, package and achieve the implementation of strategic, catalytic, sustainable economic development and investment projects and

programmes within their district areas". It was envisaged that these agencies would drive local economic development in the province and promote economic growth and sustainability. Development agencies were proposed to enhance municipal capacity to leverage social partnerships and accelerate local economic development. They would also serve to ensure that the private sector and civil society make a meaningful contribution to the development agenda, together with the local and district municipalities.

Legislation provides for the establishment of municipal entities in accordance with Section 82 of the MSA (RSA, 1998). This enables a municipality to establish a corporate entity as a juristic person within the South African legal framework to provide a particular municipal service in the municipal area of jurisdiction. Such a service utility must be established through a by-law passed by the municipality.

A report of the AGSA (2022: 136) indicated that there were 167 municipal entities across the 257 municipalities in the country. The report highlighted that mayors exercise a monitoring and oversight role over municipal entities given to them by legislation in respect of governance matters. Examples of such entities under the control of municipalities in KwaZulu-Natal are, Uthukela Water (Pty) Ltd, Ugu South Coast Tourism (Pty) Ltd, Safe City Msunduzi NPC, amongst others as highlighted by the KZN CoGTA Report to the KwaZulu-Natal Provincial Legislature in terms of Section 131(2)(b) of the MFMA (KZNCoGTA, 2023:32-36). Such agencies and entities are an extension of the municipal council in providing effective and efficient services to citizens. The council is expected to exercise oversight over them in the same manner that it would do over the municipal administration.

Municipal Oversight Capacity Assessment

It is important to extend the discussion in relation to municipal oversight to the capacity of municipalities to conduct such oversight. The MSA broadly defines capacity as "administrative and financial management capability with infrastructure enabling revenue collection and governing by a municipality on its own initiative the local government affairs of its community".

The need for a capable state is clearly articulated in Chapter 7 of the National Development Plan (NPC, 2012). The essence of a capable state at the local sphere of government is service

delivery excellence and organisational performance. However, it is dependent on the capability, knowledge and expertise of managers and councillors in local government (Van der Waldt et al., 2021). Consequently, it is imperative that there is a coordinated approach to capacity–building. The need for such a coordinated approach is embedded in the development of the Integrated Local Government Capacity Building Strategy and Implementation Plan (2023b). This Plan highlights the dearth of skills and innovation amongst municipal officials, as well as the general inability of councillors to comprehend oversight imperatives. This reality is confirmed by the AGSA General Report (2023:7), which identified root causes for negative audit outcomes and deficiencies in financial oversight. These causes include the following:

- Inadequate skills and capacity in financial and technical units, infrastructure delivery, information technology, leading to an overreliance on consultants.
- Governance failures evidenced by political instability, ineffective MPACs and interventions with limited impact.
- Lack of accountability and consequences underpinned by the need for discipline and accountability by municipal administrators and a performance culture premised on excellence and continuous improvement.
- The failure of municipal councils to address poor performance and wrongdoing by municipal officials and leadership evidenced by the failure to resolve unauthorised, irregular, and fruitless and wasteful expenditure.

To address these root causes, various support programmes have been introduced, with the latest being the introduction of municipal support and Intervention plans based on the assessments undertaken on the state of local government (COGTA, 2023a). The "Back to Basics" initiative (COGTA, 2014) introduced five focus areas against which local government was assessed and supported. These focus areas evolved over time and the latest state of local government assessment and monitoring reports (COGTA, 2023a) cover six key pillars, namely, putting people first, institutional capacity, governance, financial management, local economic development and service delivery. Councillors are ultimately expected to understand and exercise internal oversight over these key focus areas, all of which are regulated extensively and covered by various policy frameworks and guidelines.

Constitutional interventions have also had limited success in ensuring sustainability of municipalities. Such support and interventions may not necessarily be addressing the root cause of the challenges afflicting local government. These are generally pitched at a micro level addressing specific issues, without holistically effecting a turnaround. The proposed Inter-governmental Monitoring, Support and Interventions (IMSI) Bill (DCG, 2023), to guide implementation of Sections 100 and 139 of the Constitution, introduces measures to enhance the effectiveness of interventions. However, institutional adjustments, improved diagnostic analysis and coordination across the spheres of government remains necessary (Krishnan, 2023).

The DCOG produced the State of Local Government (SOLG) reports in 2021 and 2022, which indicated a marginal improvement in the number of municipalities in the country classified as "stable" from 16 in 2021 to 30 in 2022. However, the number of municipalities classified as being "in distress" increased from 64 in 2021 to 66 in 2022. A total of 25.7% of municipalities are therefore dysfunctional, highlighting a serious lack of capacity, good governance and accountability (DCOG, 2024:3). The afore-mentioned revision to the DDM hubs from 52 to 21 regional groupings based on the lack of resources of the National Department, illustrates a lack of capacity nationally to support local government and deliver on its Constitutional mandate.

As far as the capacity and competencies of individuals are concerned, it should be noted that there is no qualification requirement to stand for election as a councillor. Generally, community members elect a person who is active and well-known. Political parties also do not set requirements for candidates to serve. This typically results in councillors being elected and serving on council and council structures without the requisite capacity or skills. Krishnan (2023) highlights amongst others, the fact that municipal councillors lack capacity in understanding technical issues related to financial governance and that they are generally unable to meaningfully engage on oversight reports produced by audit committees. This state of affairs ultimately leads to interventions in local government in terms of Section 139 of the Constitution. A case in point is the intervention by the National Minister of Water Affairs in terms of the Water Services Act at Umkhanyakude District Municipality in KwaZulu-Natal. The main reasons for interventions in municipalities have been service delivery, governance, administration and financial. This raises the question of the effectiveness of diagnostic tools

utilised for the capacity assessment of local government, as well as effectiveness of support interventions in accordance with Section 154 of the Constitution.

A further point to raise regarding the capacity of municipalities to conduct oversight is the notion of coalition governance. The media is inundated with articles relating to instability in municipalities as a result of coalition governance. The eThekwini Metropolitan Municipality, for example, which became a coalition-led municipality following the 2021 local government elections, is reported as bordering on collapse due to in-fighting and struggles to reach consensus in council. According to the SALGA (2017:4) coalition governments are commonly referred to as "hung councils" where no political party attains more than 50% of the determined number of seats in the municipal council, resulting in the inevitable formation of a coalition or minority government. Following the 2016 local government elections, there were twenty-seven hung councils and four of the eight metropolitan councils produced coalition governance, namely the City of Johannesburg, Ekurhuleni, Nelson Mandela Bay and the City of Tshwane. Coalition instability was reported to negatively impact on service delivery to communities, as the ability of the municipal administration is compromised. It places a further strain on planning by the administration due to uncertainty of whether councils would approve items or not, including integrated development plans, budgets and acceptance of grant funding, amongst others. Coalition governance clearly would also erode municipal oversight given competing priorities and political agendas impacting decision-making.

To address challenges arising from coalition governance, the SALGA (2017:40) recommends a formal agreement between political parties, following negotiations. Such agreement would be enforceable, at least through the courts. Such agreement would provide for significant matters including:

·   coalition general structure;
·   policy programme together with priorities as agreed to by coalition partners;
·   determination of political positions, i.e. political office-bearers;
·   consultation and decision-making procedures within the coalition;
·   mechanisms for dispute resolution; and
·   general rules governing coalition behaviour.

Given the likelihood of coalition governance becoming more prominent in South Africa with more political parties contesting elections, it is suggested that such a coalition agreement is a necessary instrument to establish the relationship of the political partners and to serve to predict and resolve conflicts between coalition partners. This may require more polls being conducted in advance of elections to enable negotiations amongst political parties to commence earlier and provide for greater planning, robust discussion and negotiation, agreement on priorities, programmes and plans as well as the resolution of differences prior to signing of an agreement. Rushed coalitions simply to obtain or maintain power will merely continue to create instability in local government and ultimately impact on service delivery to citizens.

Towards a Framework for Municipal Oversight

Given the broad context outlined above, it is evident that an oversight framework is necessary to ensure that councillors and senior managers in municipalities have the requisite skills and capacity to perform their obligations. Such a framework should make provision for a more intensive assessment of the capacity of municipalities to conduct oversight. In recognition of this fact, an empirical study was undertaken at sampled municipalities in KZN province. Following a mixed methods design, councillors, senior managers, heads of internal audit units, chairpersons of audit committees and audit committees' members were sampled (n=212) for the completion of a questionnaire and for conducting semi-structured interviews. The purpose of the questionnaire and interviews was to ascertain the general capacity of municipalities to conduct oversight and to develop an oversight framework for municipalities. Based on the triangulation of findings, the authors propose a framework model to improve municipal oversight, depicted in Figure 3.
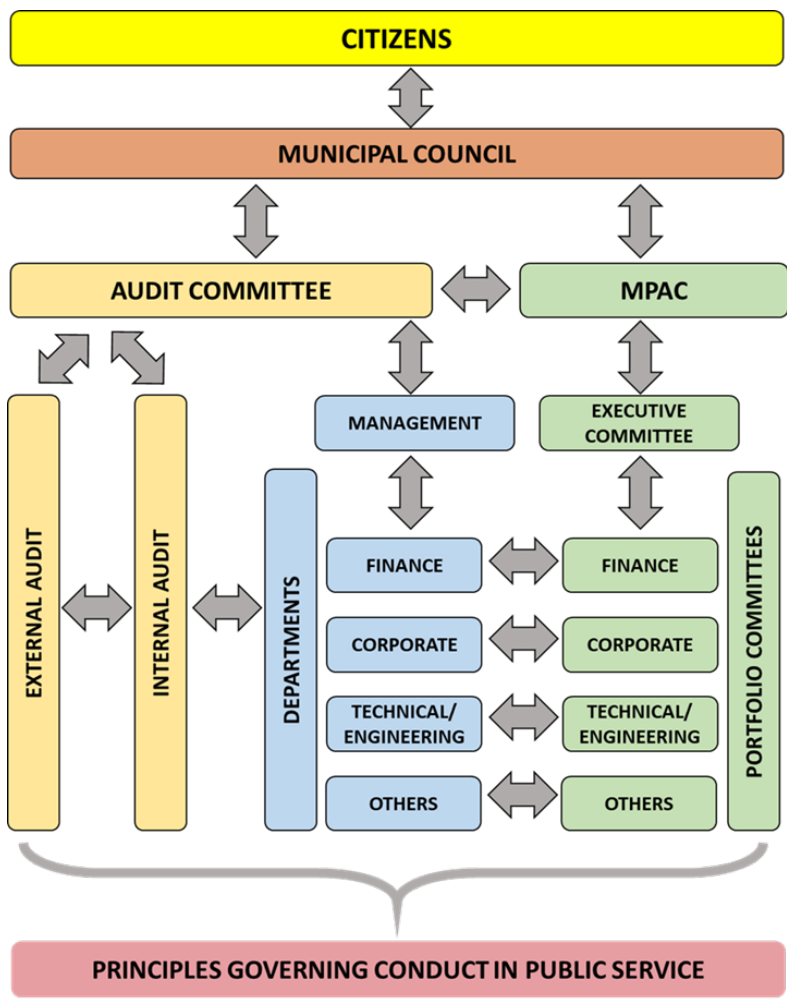
Figure 3:   Framework to improve municipal oversight. Source: Krishnan and Subban (2022:145)

Krishnan and Subban (2022) indicate that, "arrows, as illustrated, indicate a flow of information, reporting and accountability between local financial governance structures. Departments and portfolio committees provide functions that exist in municipalities and depend on established organisational structures and governance structures". The model emphasises that a municipal council is central to ensuring democratic local government and the notion of providing service delivery to all citizens. There is an interrelationship amongst

all governance structures with departments reporting to portfolio committees exercising oversight over the administration. It is further highlighted that the dependency across governance structures and the fact that engagement and timely interactions between them are in fact necessary for the system of governance to be effective. This, together with cooperation and collaboration across political and administrative structures are recommended to improve governance and ultimately service delivery to communities. The central principles of public service and corporate governance underpin a value-based approach and they conclude that municipal functionaries and citizens falling within the system of local governance should behave according to and abiding by these principles to enhance accountability and governance, as it is increasingly important, given the demand for measurement of actions and inactions.

Conclusion

The discussion in this chapter has demonstrated that municipalities exist to make a significant contribution to municipal service delivery, and in so doing, they are required to ensure that they have effective internal oversight measures to contribute to good financial performance and public accountability. Whilst the chapter looked at practical realities in local councils, the chapter was also premised on an analytical focus based on empirical analysis from the experience of both researchers as a senior practitioner and an academic respectively. The research, as highlighted in the chapter, reinforces the underlying proposition that municipal functionaries must provide transparency of their decisions and actions to the local constituents. From a practice perspective, they must possess the capacity, capabilities and competencies to improve efficiency and effectiveness of municipal operations and overall financial control and management.

Municipal councils operate in a dynamic environment, addressing aspects of service delivery amidst socio, economic and political challenges. Amidst these challenges, they have significant levels of political autonomy, but their modus operandi must be circumspective and streamlined towards operational efficiency and effectiveness. In this context, the framework advocated by the authors is best defended to address the level of oversight efficiency in municipalities as agents to respond to the rising demands of the

citizens. Internal oversight is a contested space but one that demands evidence-based actions.

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Chapter 3

External Municipal Oversight

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Abstract

External municipal oversight is an essential component of a healthy democratic system which promotes accountability and transparency at the local level. It refers to the process of monitoring and evaluating the activities, decisions, and performance of a municipal government by entities or individuals external to the local government structure. This oversight is crucial for ensuring accountability, transparency, and compliance with legal and ethical standards. Although external oversight mechanisms are typically designed to prevent corruption, abuse of power, and other misconduct within municipal administrations, present circumstances and several challenges confront the bodies involved in carrying out these oversight roles. Proper mitigation of these challenges enhances their effectiveness and dictates the pace of discharging these roles in a result-oriented manner. This in turn, ensures that external municipal oversight contributes to good governance, enhances public trust, and ensures that local governments operate in the best interests of their communities at large.

In view of the above, this chapter aims to explore external municipal oversight, including, but not limited to, financial and administrative oversight. The chapter therefore examines the oversight provided by the national and provincial governments. It further highlights the oversight roles of bodies like the National Treasury, the Auditor-General, the provincial Standing Committee on Public Accounts (SCOPA), the South African Local Government Association (SALGA) and the Department of Cooperative Governance and Traditional Affairs (COGTA), amongst others. The role of each body is considered with particular emphasis on current realities and challenges. This chapter adopts a systematic literature review of relevant academic literature and books on the roles of different bodies in external municipal oversight in order to achieve its objectives. The

chapter wraps up by reviewing the challenges encountered and the mitigating strategies employed amidst the current realities faced.

Keywords: municipality, local government, oversight, accountability, transparency

Introduction

External municipal oversight stands as a cornerstone of accountable, transparent, and effective governance at the local level. In the complex context of government structures, municipalities represent the frontlines of service delivery, decision-making, and community engagement (Masiya et al., 2021). However, the decentralised nature of municipal governance can also present challenges, opening avenues for potential mismanagement, corruption, and inefficiency. In response, external oversight mechanisms are established to monitor, evaluate, and ensure the integrity of municipal operations, safeguarding public trust and promoting the common good. External municipal oversight encompasses diverse mechanisms, institutions, and processes designed to hold local governments accountable to their constituents and higher authorities (Reddy, 2016). From independent audit bodies scrutinising financial transactions to civil society organisations advocating for transparency, each component plays a vital role in upholding the principles of good governance (Dichabe, 2020). By providing checks and balances, external oversight mechanisms aim to detect irregularities, prevent abuses of power, and promote compliance with legal and ethical standards within municipal administrations. External municipal oversight operates within a dynamic framework shaped by legal mandates, institutional structures, and societal expectations (Mlambo & Maserumule, 2023).

At its core, external municipal oversight seeks to achieve several interrelated objectives: It promotes accountability by subjecting municipal actions and decisions to external scrutiny. Oversight mechanisms hold local officials accountable for their stewardship of public resources and adherence to legal and ethical standards (Kgobe & Mamokhere, 2021). This accountability fosters transparency and trust between governments and citizens, reinforcing the social contract that underpins democratic governance (Enwereji, 2022). One of the primary functions of external oversight is to detect and deter corrupt practices, financial mismanagement, and abuse of power within municipal administrations. Through audits, investigations, and enforcement measures, oversight bodies aim to

root out malfeasance and safeguard the integrity of public institutions (Jeppesen, 2019). Municipalities operate within a framework of laws, regulations, and policies established by higher levels of government. External oversight mechanisms ensure that local governments comply with these regulatory frameworks, mitigating legal risks and promoting consistency in governance practices (Mlambo & Maserumule, 2023). Effective oversight contributes to the efficient delivery of public services by identifying areas for improvement, optimising resource allocation, and addressing bottlenecks in service provision. By monitoring performance indicators and benchmarking against best practices, oversight bodies help municipalities enhance service quality and responsiveness to community needs (Motsitsi, 2021). External oversight mechanisms empower citizens to actively engage in the governance process, providing channels for feedback, complaint resolution, and civic participation. By amplifying citizens' voices and promoting inclusivity, oversight fosters a culture of democratic accountability and civic responsibility (Nyathi, 2023).

Despite its crucial role in promoting good governance, external municipal oversight faces several challenges and constraints: Limited financial and human resources may hamper the effectiveness of oversight bodies, compromising their ability to conduct thorough investigations, audits, and inspections (Tsheletsane & Fourie, 2014). Political influence and patronage networks can undermine the independence and impartiality of oversight institutions, hindering their ability to hold officials accountable and enforce compliance. Municipalities may lack the institutional capacity, technical expertise, and administrative systems needed to effectively implement oversight recommendations and address governance deficiencies (Davids et al., 2022). In federated systems with multiple tiers of government, overlapping mandates and unclear lines of authority can impede coordination and coherence in oversight efforts, leading to gaps in accountability and oversight coverage (Rodrigo et al., 2009; Jenkins, 2019). The rapid pace of technological change presents both opportunities and challenges for external oversight, requiring oversight bodies to adapt to new data management systems, digital platforms, and cybersecurity threats (Matsepe & Van der Lingen, 2022).

Overall, external municipal oversight serves as a linchpin of accountable and transparent governance, safeguarding the interests of citizens, promoting the efficient use of public resources, and strengthening the resilience of local institutions. By addressing

the challenges inherent in oversight mechanisms and leveraging emerging opportunities for innovation and collaboration, stakeholders can enhance the effectiveness and impact of external oversight in advancing the common good.

Oversight Provided by National and Provincial Government

Financial and administrative oversight provided by national and provincial governments involves monitoring, regulating, and evaluating local or municipal governments' financial management and administrative functions. This oversight is essential to ensure compliance with laws and regulations, promote transparency, prevent corruption, and maintain the effective and responsible use of public resources. Some common elements of financial and administrative oversight are briefly outlined below:

· Budget Approval and Monitoring: Local governments typically need approval for their budgets from higher levels of government. The national or provincial government reviews and approves municipal budgets, ensuring that they align with broader economic goals and priorities. Ongoing oversight also involves monitoring the implementation of the approved budget. This includes regular financial reporting by local governments to higher levels of government, providing details on revenues, expenditures, and any deviations from the approved budget (Nzama, 2019).
· Financial Audits: National or provincial audit agencies or independent auditors conduct regular financial audits of municipal governments. These audits ensure compliance with financial regulations, identify any irregularities or mismanagement, and provide recommendations for improvement (Botlhoko, 2017).
· Compliance with Laws and Regulations: National and provincial governments establish legal frameworks to which local governments must adhere. This includes financial management laws, procurement regulations, and other administrative guidelines. Oversight agencies at higher levels of government may conduct periodic checks to ensure that local governments comply with relevant laws and regulations. Non-compliance may result in corrective actions or penalties (Mlambo & Maserumule, 2023).
· Capacity-Building and Training: National and provincial governments may provide training and capacity-building

programmes for municipal officials. This ensures that local government staff have the necessary skills and knowledge to handle financial and administrative responsibilities effectively. Support from higher levels of government may also include technical assistance to help local governments implement best practices in financial management, accounting, and administrative procedures (Davids et al., 2022).

· Performance Monitoring: National and provincial governments may establish key performance indicators (KPIs) to assess the effectiveness of local government operations. This may include service delivery metrics, financial efficiency, and adherence to governance standards. Oversight agencies may also conduct periodic reviews of municipal performance to evaluate the impact of local government policies and initiatives (Ndevu, 2015).

· Intervention and Corrective Measures: National or provincial oversight agencies may have mechanisms in place to detect early signs of financial distress or mismanagement in local governments. If serious issues are identified, higher levels of government may intervene, taking corrective measures such as financial restructuring, the appointment of administrators, or other actions to address problems and protect the public interest (McKenzie, 2023).

Effective financial and administrative oversight from national and provincial governments is crucial for maintaining local governments' fiscal health, accountability, and efficiency. It helps build public trust and ensures that resources are used in the best interest of the communities served.

Oversight of Other Bodies

In South Africa, financial and administrative oversight are managed by a system of interrelated institutions, each playing a crucial role in ensuring transparency, accountability, and good governance. At the forefront of this system is the National Treasury, tasked with managing the national government's finances, formulating fiscal policy, and overseeing financial management across all government entities. The Auditor-General, an independent constitutional institution responsible for auditing government accounts and ensuring compliance with financial regulations, works in tandem with the National Treasury. Similarly, the provincial Standing Committees on Public Accounts (SCOPAs) provide oversight at the provincial level,

while the South African Local Government Association (SALGA) supports and advocates for municipalities. The Department of Cooperative Governance and Traditional Affairs (COGTA) coordinates and supports local and provincial government activities. Examined below are some of their roles amidst current realities.

Firstly, the National Treasury is responsible for managing the national government's finances, formulating fiscal policy, and ensuring sound financial management across all government entities. It plays a critical role in formulating and implementing financial policies, managing the national budget, and ensuring fiscal discipline, which includes decisions on taxation, government spending, borrowing, and debt management (Thokoa et al., 2022). It oversees financial management at the national and provincial levels. The National Treasury provides financial oversight by reviewing and approving national and provincial government budgets. It also sets financial regulations and guidelines for all government departments and entities (Sambo, 2022). The National Treasury in South Africa plays a pivotal role in providing comprehensive financial and administrative oversight, contributing to fiscal discipline, transparency, and effective governance. Its responsibilities encompass budget formulation, fiscal policy development, financial regulation, and capacity-building for effective public financial management. The current realities and challenges of the National Treasury include economic uncertainties, fluctuations, or crises that impact revenue collection and fiscal planning. It also faces an ongoing challenge of striking a balance between meeting developmental needs, addressing social challenges, and maintaining fiscal sustainability (Sambo, 2022; Thokoa et al., 2022).

Secondly, the Auditor-General is an independent constitutional institution responsible for auditing government entities' accounts and financial statements, including national and provincial departments, municipalities, and public entities (Maake, 2020). It conducts audits to ensure accountability, transparency, and compliance with financial regulations across government entities. It also identifies irregularities and provides an independent assessment of the financial health and performance of government entities. The Auditor-General may undertake special investigations into allegations of fraud, corruption, or financial mismanagement within government entities, contributing to detecting and preventing malfeasance (Mokhomole, 2023). The Auditor-General conducts performance audits to evaluate the economy, efficiency, and effectiveness of

government programmes and activities, identifying areas for improvement and promoting value for money. It submits audit reports to parliament and other relevant authorities, highlighting findings, recommendations, and areas of concern. These reports serve as a tool for promoting transparency, informing decision-making, and holding government officials accountable (Jamane, 2020). The Auditor-General of South Africa plays a pivotal role in financial and administrative oversight, promoting transparency, accountability, and good governance. However, inadequate resources and capacity may pose a challenge to the Auditor-General's ability to conduct timely and comprehensive audits. Identifying and addressing financial irregularities, fraud, and corruption within government entities also remain persistent challenges.

Thirdly, the provincial SCOPA is a parliamentary committee at the provincial level, responsible for overseeing government expenditure and holding government officials accountable for financial management. The SCOPA reviews audit reports from the Auditor-General, conducts hearings to scrutinise financial irregularities, and makes recommendations for corrective action (Matebese-Notshulwana, 2019). It plays a vital role in ensuring accountability and transparency in government spending. The SCOPA reviews government expenditures, audits, and financial reports to identify irregularities, inefficiencies, and instances of financial mismanagement (Moolman, 2021). It monitors government departments' compliance with financial regulations, procurement procedures, and legal requirements, ensuring transparency and integrity in public procurement processes. It also conducts investigations and inquiries into allegations of financial misconduct, corruption, or maladministration within government entities, recommending corrective actions and accountability measures. The reports from these findings are sent to parliament and the public, promoting transparency, accountability, and public awareness of government financial management practices (Mishi et al., 2022). Similarly, the SCOPA plays a crucial role in financial and administrative oversight in South Africa, contributing to accountability, transparency, and good governance in the management of public finances. However, one major challenge is ensuring a prompt response to audit findings and recommendations that is crucial for effective oversight. Another challenge is effective collaboration with other oversight bodies and government departments, which is essential for addressing financial mismanagement.

Fourthly, the SALGA is an association that represents and supports local government in South Africa. It acts as a collective voice for municipalities and facilitates cooperation and coordination amongst local governments (Tshishonga, 2019). The SALGA provides support to municipalities by offering training, resources, and guidance on financial and administrative matters. It also advocates for the interests of local governments at the national level (Suka, 2021). It engages in policy development and advocacy to promote sound financial management practices, transparency, and accountability in local government. According to Chomane (2018), the SALGA provides capacity-building programmes, training, and support to municipalities, enhancing their financial management capabilities and promoting best practices in governance. It also develops guidelines, standards, and best practice frameworks to guide municipalities in financial management, procurement, and governance. The SALGA plays a critical role in providing financial and administrative oversight at the local government level in South Africa. However, the challenges associated with service delivery, infrastructure development, and local governance is a key focus that needs to be addressed. Likewise, the challenges associated with advocating for the interests of municipalities amidst changing political and economic landscapes which requires adaptability must be addressed.

Lastly, the COGTA is a government department responsible for coordinating and supporting local and provincial government activities. It plays a crucial role in promoting good governance, facilitating inter-governmental relations, and providing support to municipalities (Manzini, 2016). The COGTA supports municipalities through capacity-building initiatives, training programmes, and the development of policies and guidelines. It works to strengthen the administrative and governance capabilities of local governments. The COGTA supports municipalities in strengthening their governance structures, systems, and processes to ensure effective financial management and service delivery (Phungula, 2023). It develops policies, guidelines, and frameworks to guide municipal financial management practices, procurement processes, and governance standards. The COGTA provides training, technical assistance, and capacity-building programmes to municipal officials, empowering them with the skills and knowledge needed for effective financial management and governance. It monitors municipal performance, conducts assessments, and evaluates compliance with financial regulations and governance standards, providing feedback and

support to improve accountability and service delivery (Enaifoghe, 2022). The COGTA facilitates cooperation and coordination amongst different spheres of government, fostering inter-governmental relations and alignment of policies and strategies for effective financial management and service delivery. It plays a pivotal role in providing financial and administrative oversight at the local government level in South Africa. Challenges include strengthening the capacities of municipalities to address administrative and governance, as well as navigating and improving relationships between different spheres of government, which is critical for effective coordination.

These institutions work together to create a system of checks and balances to ensure effective financial and administrative oversight in South Africa. The National Treasury, the Auditor-General, the provincial SCOPA, the SALGA, and the COGTA each contribute to fostering transparency, accountability, and good governance in the management of public resources at various levels of government.

Typical Challenges Encountered in External Municipal Oversight

Financial and administrative oversight by South Africa's national and provincial governments confronts various hurdles, impacting governance, transparency, and accountability. These challenges encompass resource constraints, political interference, capacity limitations, and the complexity of governance structures (Ambe & Badenhorst-Weiss, 2012; Munzhedzi, 2016). Inadequate data management systems and information-sharing mechanisms impede effective oversight. Auditees' varying capacities, enforcement difficulties, and inter-governmental conflicts further complicate oversight endeavours. A convoluted regulatory environment and technological obstacles pose significant challenges (Uwizeyimana, 2014; Mhlanga, 2020). Addressing these issues necessitates concerted efforts from governments, including investment in capacity-building, regulatory framework enhancement, and improved coordination mechanisms. Leveraging technology effectively and promoting transparency are pivotal for prudent resource management and governance efficacy.

Governmental bodies like the National Treasury, the Auditor-General, the SCOPA, the SALGA, and the COGTA, play vital roles in ensuring transparency, accountability, and effective governance. However, they face various challenges. The National Treasury

grapples with economic uncertainties, political pressures, capacity constraints, and complex financial systems. The Auditor-General faces resource constraints, technological advancements, political interference, and complex audits. The SCOPA encounters challenges like limited resources, political interference, and complex audits, hindering its oversight effectiveness. The SALGA and the COGTA confront issues such as limited resources, political dynamics, and service delivery challenges. Some of these challenges and more are further explored below.

The National Treasury of South Africa faces a multitude of challenges in its crucial role of overseeing financial and administrative matters (Thokoa et al., 2022). Economic uncertainties, both domestically and globally, complicate revenue forecasting and budget planning, potentially leading to deficits or overspending. Balancing competing fiscal demands while upholding fiscal discipline poses a significant challenge for the National Treasury (Matebese-Notshulwana, 2021). Political pressures can undermine the National Treasury's independence and impartial decision-making, potentially affecting fiscal prudence and accountability (Sachs, 2021). Capacity constraints, such as limited staffing and expertise, hinder the National Treasury's ability to conduct thorough financial analysis and enforce compliance with regulations. The complexity of financial systems across government entities presents another obstacle, making coordination and standardisation challenging (Fourie & Blom, 2022). Revenue collection efforts are further complicated by issues like tax evasion and administrative inefficiencies, impacting the National Treasury's ability to fund public services adequately. Managing public debt amidst currency fluctuations and external shocks strains fiscal resources and long-term financial sustainability (Chitimira & Ncube, 2020; Khaile et al., 2021). Addressing corruption and fraud within government institutions requires robust internal controls and enforcement measures. Navigating a changing regulatory environment also adds to the National Treasury's challenges, demanding continuous adaptation and compliance efforts. Addressing these challenges requires a concerted effort from the National Treasury, government officials, civil society, and other stakeholders. Implementing measures to enhance transparency, strengthen accountability mechanisms, improve financial management practices, and bolster institutional capacity can help mitigate these challenges and foster sustainable fiscal governance.

The Auditor–General of South Africa faces numerous challenges in fulfilling its mandate of auditing government entities and upholding transparency and accountability in public finances. These challenges encompass resource constraints, including budgetary limitations and staffing shortages, which hinder the Auditor–General's ability to conduct thorough audits and investigations effectively. Ensuring that auditors possess the requisite skills and training to navigate complex financial systems and evolving audit methodologies poses a significant challenge amidst resource constraints and rapid technological and regulatory changes. Maintaining independence and autonomy is crucial for the Auditor–General to perform impartially, yet pressures from government officials, political interference, and external stakeholders may compromise this independence. Access to accurate and timely financial information from government entities is vital for effective audits, but delays, data inaccuracies, and lack of cooperation from auditees hinder the process. Auditing government entities entails grappling with intricate financial systems, multiple funding sources, and complex regulatory frameworks, making it challenging to identify irregularities and ensure compliance with auditing standards. Detecting and investigating fraud, corruption, and financial mismanagement within government entities present significant hurdles for the Auditor–General due to sophisticated schemes, inadequate internal controls, and lack of transparency. Ensuring audit recommendations are implemented and deficiencies are addressed, requires effective follow–up mechanisms and enforcement measures, which may encounter resistance from auditees (Moji et al., 2022). Technological advancements offer opportunities for improved audit methodologies, yet limited infrastructure, cybersecurity risks, and data privacy concerns impede their adoption. Finally, promoting public awareness of audit findings and engaging with stakeholders are essential for fostering transparency and accountability, but communication challenges and limited public access to audit reports hinder these efforts. Overcoming these challenges demands a multifaceted approach involving institutional capacity–building, stakeholder collaboration, legislative advocacy, and technological innovation to enhance audit effectiveness and promote good governance over South Africa's public finances.

The Standing Committee on Public Accounts (SCOPA) in South Africa confronts numerous challenges as it endeavours to oversee government expenditures and combat financial mismanagement. These hurdles include limited resources, such as budgetary

constraints and staffing shortages, which hamper the SCOPA's ability to conduct thorough investigations and scrutinise expenditures effectively. Political interference from government officials and external stakeholders can compromise the SCOPA's independence and hinder its accountability efforts (Matebese–Notshulwana, 2019). Access to timely and accurate financial information is crucial for the SCOPA's oversight functions. Yet, delays and resistance from government entities impede its ability to conduct meaningful audits and investigations. The complexity of audits, involving intricate financial transactions and diverse government programmes, poses additional challenges in identifying irregularities and ensuring compliance with regulations. Auditees' capacity constraints and inadequate enforcement mechanisms can hinder the SCOPA's efforts to hold government officials accountable for financial mismanagement (Munzhedzi, 2016). Promoting public awareness and engagement is vital for fostering transparency and accountability, yet communication challenges and limited access to the SCOPA's proceedings hinder its effectiveness. The SCOPA faces difficulties in monitoring the implementation of audit recommendations and addressing deficiencies due to inadequate follow–up mechanisms and technological constraints. Addressing these challenges requires collaborative efforts from the SCOPA members, government officials, civil society organisations, and other stakeholders, to strengthen institutional capacity, enhance transparency, and foster public trust in the SCOPA's oversight endeavours.

The South African Local Government Association (SALGA) grapples with various challenges in its mission to bolster governance, aid municipalities, and ensure efficient service delivery. These hurdles can impede the SALGA's mandate and its ability to adequately assist local governments (Tshishonga, 2021). Key challenges include limited financial resources, hindering the SALGA's capacity to support municipalities effectively, particularly those facing significant capacity constraints (Cloete, 2023). Navigating political dynamics within local government structures, often influenced by political agendas and power struggles, poses another challenge for the SALGA. Inter–governmental relations present complexities, with the SALGA needing to coordinate efforts amongst national, provincial, and local spheres amidst disputes and conflicting priorities. Service delivery challenges, such as infrastructure deficits and resource constraints, hamper the SALGA's support initiatives (Ngumbela, 2021). Inadequate data management systems hinder the SALGA's access to reliable information for decision–making and planning

(Siebritz et al., 2021). Engaging local communities effectively and promoting transparency in governance processes pose additional challenges. The SALGA's role in policy implementation and resource allocation encounters complexities due to enforcement challenges and socio-economic disparities (Van Niekerk & Sebakamotse, 2020). Addressing these challenges necessitates a collaborative approach involving the SALGA, government stakeholders, civil society organisations, and local communities to foster resilient and responsive local government systems in South Africa.

The Department of Cooperative Governance and Traditional Affairs (COGTA) in South Africa confronts numerous challenges in supporting municipalities and ensuring effective service delivery. These hurdles hinder the COGTA's ability to fulfil its mandate and address the diverse needs of local governments. Key challenges include capacity constraints, such as staffing shortages and skills gaps, which impede the COGTA's efforts to effectively bolster municipal capacity. Fostering cooperation amongst different spheres of government poses challenges due to disputes, conflicting priorities, and jurisdictional issues (Brown, 2020). Service delivery challenges, including inadequate infrastructure and resource constraints, hamper the COGTA's support initiatives (Motalieb, 2021). Financial management within municipalities presents another hurdle, with issues like revenue generation and budgeting posing challenges for the COGTA in promoting fiscal sustainability and transparency. Navigating the legislative and regulatory environment, ensuring equitable resource allocation amongst municipalities, and promoting community engagement pose additional challenges for the COGTA (Klaas–Makolomakwe & Reddy, 2020). Overcoming these obstacles requires a comprehensive approach involving the COGTA, government stakeholders, civil society organisations, and local communities to strengthen institutional capacity, promote collaboration, and foster inclusive governance practices.

Mitigating Strategies to Address Oversight Challenges

To address typical challenges experienced in oversight and to further enhance financial and administrative oversight of the national and provincial governments in South Africa, various strategies can be pursued. These include capacity-building through training programmes, reinforcing independence to safeguard against political interference, and strengthening regulatory frameworks

to ensure clarity and consistency (Shikwambana et al., 2022). Improving data management systems and promoting collaboration amongst stakeholders are also crucial. Transparency enhancement, community engagement, and providing capacity support to auditees further contribute to effective oversight. Leveraging technology for efficient audit processes and enforcing accountability through monitoring and imposing sanctions for non-compliance are vital (Mhlanga, 2020). Advocating for good governance practices fosters a culture of transparency and responsible resource management. By implementing these strategies, national and provincial governments can improve oversight effectiveness, governance, and resource management, benefiting all citizens in South Africa.

Mitigating the challenges faced by South Africa's National Treasury demands a multifaceted approach. Capacity-building through training programmes enhances staff expertise in financial management and policy formulation (Mphahlele & Zandamela, 2021). Strengthening internal controls involves implementing robust mechanisms to prevent fraud and corruption. Enhancing transparency in budgetary processes and fiscal reporting promotes accountability. Collaboration with government departments and stakeholders aligns policies and shares best practices. Safeguarding political independence ensures impartiality and transparency in the National Treasury operations (Thokoa et al., 2022). Providing capacity support to municipalities strengthens financial management and service delivery. Implementing budgetary reforms prioritises critical sectors and improves expenditure management. Establishing performance monitoring mechanisms tracks programme effectiveness and ensures accountability. Promoting fiscal sustainability involves developing long-term strategies to address deficits and enhance revenue generation. Public engagement initiatives raise awareness of fiscal policies and encourage citizen participation in governance (Van Rensburg et al., 2022). These strategies collectively enhance the National Treasury's capacity to address challenges and promote transparency in South Africa's public financial management.

Addressing the challenges faced by the Auditor-General of South Africa requires several strategies that can enhance effectiveness and accountability. Upholding independence is crucial, safeguarding against political interference and ensuring institutional autonomy. Capacity-building is essential through continuous training and skills development to adapt to evolving methodologies and technologies. Audit standards should be strengthened to align

with international best practices, ensuring consistency across government entities (Masilela & Nel, 2021). Improving access to information involves enhancing data management systems and enforcing disclosure requirements. Collaboration with oversight bodies, government agencies, and civil society organisations can leverage expertise and resources in combatting fraud and corruption. Investment in audit technology can enhance efficiency and identify emerging risks in government finances (Mamokhere et al., 2022). Transparent reporting and communication are vital, with timely audit reports and clear recommendations engaging stakeholders. Follow-up mechanisms should ensure the implementation of audit recommendations and enforcement of compliance. Whistle-blower protections are needed to encourage reporting of misconduct, while public education campaigns raise awareness of the Auditor-General's role in promoting transparency and accountability. These strategies collectively strengthen the Auditor-General's capacity to enhance audit effectiveness and governance in South Africa's public sector.

Mitigating the challenges necessitates the SCOPA to implement strategies to enhance oversight and combat financial mismanagement. Safeguarding independence from political influence ensures impartiality in oversight functions. Strengthening oversight mechanisms involves enhancing subpoena powers and access to financial information (Khumalo & Edoun, 2021). Streamlining audit processes improves efficiency with standardised methodologies and technology integration. Transparency is promoted through public hearings and publishing audit reports. Collaboration with stakeholders leverages expertise and shares information for addressing financial irregularities. Holding officials accountable through recommendations and sanctions enforces compliance (Matebese-Notshulwana, 2019). Whistle-blower protections encourage reporting of misconduct. Public engagement raises awareness of the SCOPA's role in promoting transparency and accountability. Advocating for legislative reforms strengthens the SCOPA's mandate and effectiveness. Implementing these strategies enhances the SCOPA's capacity to foster integrity in South Africa's public sector.

The SALGA can implement various strategies to mitigate challenges in promoting good governance and supporting municipalities. Strengthening advocacy efforts can secure increased funding and resources from national and provincial governments. Enhancing inter-governmental relations fosters cooperation and

alignment of policies amongst different levels of government. Promoting transparency and accountability within municipalities is crucial, along with providing targeted support to strengthen financial management capabilities (Sebola, 2014). Facilitating community engagement promotes transparency and participation in local governance processes. Promoting innovation and best practices identifies successful models for replication and scaling-up to improve municipal performance. Advocating for policy reforms addresses systemic issues and enhances the autonomy and effectiveness of municipalities (Abrahams, 2016). Building partnerships with academia and international organisations leverages expertise and resources for addressing capacity gaps. Establishing platforms for knowledge-sharing facilitates learning and collaboration amongst municipalities. Through these strategies, the SALGA can enhance its capacity to support municipalities and ensure effective service delivery, contributing to sustainable development and improved quality of life for citizens in South Africa (Phungula, 2023).

To address challenges in supporting municipalities and promoting good governance, the COGTA can implement various strategies. Strengthening inter-governmental relations fosters cooperation and alignment of policies amongst different levels of government. Providing technical assistance and support to municipalities improves their financial management capabilities and service delivery in key areas (Magagula et al., 2022). Policy development and advocacy for reforms enhance the enabling environment for local government. Promoting transparency and accountability within municipalities is crucial for good governance. Facilitating community engagement fosters transparency, participation, and accountability in local government governance processes. Identifying innovative solutions and best practices improves municipal performance. Capacity support for traditional authorities enhances their governance structures and service delivery capacity. Strengthening data management systems and partnership development further supports evidence-based decision-making and institutional resilience (Klaas-Makolomakwe & Reddy, 2020). Through these strategies, the COGTA can enhance its capacity to support municipalities and ensure effective service delivery, contributing to sustainable development in South Africa.

Enhancing External Municipal Oversight: Key Recommendations

The following recommendations encapsulate the strategies mentioned in this chapter and offer a comprehensive approach to addressing the challenges faced by various oversight bodies and institutions in South Africa:

- Strengthen institutional capacity: Invest in training programmes, skills development initiatives, and capacity-building efforts for staff and officials within oversight bodies such as the Auditor-General, the SCOPA, the SALGA, and the COGTA. Enhancing technical expertise, knowledge, and institutional capacity will improve their effectiveness in fulfilling their mandates.
- Promote collaboration and coordination: Foster collaboration and information-sharing amongst oversight bodies, government agencies, civil society organisations, and international partners. Establishing robust networks and partnerships will facilitate the exchange of best practices, resources, and expertise in addressing common challenges.
- Enhance transparency and accountability: Advocate for greater transparency, accountability, and integrity in governance processes and public financial management. Strengthening mechanisms for public scrutiny, access to information, and citizen engagement will promote trust and confidence in government institutions.
- Address capacity gaps in municipalities: Provide targeted support, technical assistance, and capacity-building programmes to municipalities to address capacity constraints, improve governance structures, and enhance service delivery. Prioritise investments in critical areas such as financial management, infrastructure development, and service provision.
- Advocate for policy reforms: Advocate for policy reforms, legislative changes, and regulatory amendments to address systemic issues, improve the enabling environment for local government, and enhance the autonomy, capacity, and effectiveness of municipalities.
- Leverage technology and innovation: Harness the power of technology and innovation to improve audit processes, enhance data analysis capabilities, and streamline governance practices. Embracing digital solutions and innovative approaches will enhance efficiency, transparency, and accountability in oversight and governance.

·   Empower citizen participation: Promote meaningful citizen engagement, participation, and empowerment in governance processes, decision-making, and service delivery. Strengthen mechanisms for public consultation, feedback, and accountability to ensure that government institutions are responsive to the needs and aspirations of citizens.

Implementing these recommendations will enable South Africa to strengthen its governance structures, enhance transparency and accountability, and improve service delivery outcomes for all citizens.

Conclusion

Effective oversight and governance are crucial pillars of a well-functioning democracy, ensuring transparency, accountability, and the efficient allocation of resources. In South Africa, oversight bodies such as the Auditor-General, the SCOPA, the SALGA, and the COGTA, amongst others, play critical roles in monitoring government expenditures, promoting good governance, and ensuring effective service delivery at the local level. However, these oversight bodies face various challenges, including resource constraints, capacity limitations, political interference, and systemic issues such as corruption and inefficiency. Addressing these challenges requires a multi-faceted approach involving capacity-building, collaboration, transparency, and accountability. Investing in training programmes, enhancing collaboration amongst stakeholders, promoting transparency and citizen engagement, and advocating for policy reforms are essential steps to strengthen oversight and governance in South Africa. Leveraging technology, innovation, and research can enhance the effectiveness of oversight bodies and improve governance outcomes. By implementing these measures and fostering a culture of leadership, professionalism, and integrity, South Africa can build resilient governance structures, enhance public trust, and ensure that government institutions effectively serve the needs of all citizens. Through sustained efforts and commitment to good governance principles, South Africa can realise its vision of a prosperous, inclusive, and accountable society for generations to come.

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Chapter 4

The Nature and Scope of Local Municipal Support in South Africa

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Abstract

Municipalities in South Africa serve as critical governance entities in the decentralised system of cooperative governance. They are responsible for delivering essential services, promoting local economic development, and ensuring the general well-being of communities. While municipalities are expected to actively engage in a range of activities fostering inclusive economic growth and social development, they rather have become hotspots of regular service delivery protests, boycotts and maladministration. To counter enormous service delivery backlogs and poor administrative capacity, several actors have embarked on various support initiatives to promote good developmental local governance. Using a desktop review of relevant literature and secondary data from relevant reports, this chapter provides a reflective overview of these support initiatives launched since the "Back to Basics" initiative. It highlights the support provided by various institutions from national, provincial and local support institutions as well as civil society. The chapter furthermore outlines the statutory and normative obligations that national and provincial government have to support municipalities in their developmental mandate and service delivery obligations.

Keywords: municipality, municipal support, South Africa, local government, Back to Basics, support initiatives

Introduction

Municipalities in South Africa play a crucial role in the decentralised system of co-operative governance. The Constitution of the Republic of South Africa number 108 of 1996, hereafter referred to as the Constitution (RSA, 1996), mandates municipalities with the

responsibility to ensure that all citizens are provided with services satisfactory of their basic needs (Reddy, 2016). They are therefore charged with the task of delivering essential services such as water, sanitation and electricity; promoting local economic development and ensuring overall community well-being. Municipal services extend traditional administrative roles to address unique socio-economic challenges faced by diverse communities. The totality of their responsibilities puts municipalities in direct contact with the citizens, thus becoming the face of the government to the communities they serve. Since local government is where the majority of the residents interact with the government, its culture needs to be grounded towards serving people. With South Africa's struggle to foster social cohesion and nation-building since its political independence in 1994, municipalities are a crucial player towards inclusive development. The role of local municipalities in improving service delivery in local communities is crucial and exerts a powerful influence on the system of cooperative governance. However, the local sphere of government is facing a slew of problems with grave impact on good developmental local governance and socio-economic development. Municipalities have become a centre of constant service delivery protests, boycotts and poor public opinion. Enormous service delivery backlogs, poor communication, inadequate internal controls and a lack of accountability further erode public trust (Ngumbela, 2021a). The majority of municipalities are unable to deliver essential services to residents due to corrupt practices, maladministration, lack of administrative capacity, and financial constraints (Munzhedzi, 2020; Thusi & Selepe, 2023; Thusi et al., 2023).

To counter the negative consequences of ineffective local governance outlined above, national government, amongst other initiatives, introduced the "Back to Basics" (B2B) support initiative in September 2014, aimed at reliving municipalities (COGTA, 2014). The B2B initiative was implemented as an action plan to strengthen local government towards getting the basics right (Ngumbela, 2021a). The B2B initiative was centred at people and their concerns, good governance, and the quality of service delivery. Despite the launching of the B2B initiative a decade ago, poor service delivery persists, often leading to violent protests (Ngumbela, 2021b; Thusi & Selepe, 2023). Consequently, this chapter seeks to take stock of the nature and scope of various local municipal support initiatives since the launch of the B2B initiative. As such, the chapter aims to highlight the role of various institutions providing municipal

support as well as the nature of support provided by civil society organisations, including non-governmental organisations (NGOs), faith-based organisations (FBOs), community-based organisations (CBOs), international donor and development agencies and the private sector through public-private partnerships (PPPs) in providing the necessary support to local, district and metropolitan municipalities. Likewise, it highlights the statutory and normative obligations that national and provincial government have to support, especially to low-capacity rural local municipalities in their developmental mandate and service delivery obligations. It reflects on the successes and failures of support provided and argues for a more collaborative and cooperative approach to municipal support, involving all spheres of government and relevant stakeholders.

Municipal Support in Perspective

Post-apartheid South Africa holds a commitment to establish a developmental state and uphold human rights. In doing so, three government spheres; national, provincial and local were established. The local government sphere is the one closest to the public. Prior to 1996, a local government framework was established through the Local Government Transition Act number 209 of 1993 (LGTA) (RSA, 1993) as a measure to foster democratisation (Pycroft, 2000). The LGTA laid three phases; the pre-interim phase that saw the first local government elections in 1995 to 1996 and the establishment of the Local Government Negotiating Forum for negotiating new local government structure. The interim phase that followed entailed the emergence of a new constitutional model for local government (Mlambo & Maserumule, 2023). The first two phases were temporary measures to ultimately envision the final local government form. The final phase saw the adoption of the final local government constitutional model in 1997 (Kaywood, 2021).

In the post-1994 era, with the crafting of the Constitution in 1996, the final form of local government was shaped as the epicentre of government's delivery system and at the core of poverty eradication efforts. Constitutionally, the local sphere of government is mandated to render and deliver essential services in a sustainable manner. The Constitution gives the different spheres of government exclusive but interrelated powers to fulfil their responsibilities free of any geographical, functional or institutional enrichment (Du Plessis, 2019; Kaywood, 2021). This has established a robust local

government system which allocated certain executive and legislative authority to democratically elected municipal councils. As Du Plessis (2019) stresses, municipalities have some degree of autonomy and play a critical role in a decentralised governance system. Essentially, the Constitution deepens the presence of local government as an instrument for democratisation and the amplification of mass participation in decision-making processes at grassroots level.

According to the Local Government: Municipal Structures Act 117 of 1998, hereafter referred to as the Municipal Structures Act (RSA, 1998a), local government in South Africa comprises three tiers (Kaywood, 2021). Tier one refers to metropolitan municipalities with localised legislative and exclusive jurisdiction. Tier two refers to district municipalities where more than one local municipality is included in a municipality with local executive and legislative authority. Local municipalities, as tier three, refer to municipalities with a demarcated geographical area and share municipal executive and legislative responsibility with a district municipality. This three-tier system has reshaped the local government sphere and became embedded in a comprehensive statutory and regulatory framework inclusive of the 1998 White Paper on Local Government (RSA, 1998b), the Municipal Structures Act (RSA, 1998a), the Local Government: Municipal Demarcation Board Act 27 of 1998 (RSA, 1998c), the Local Government: Municipal Systems Act 32 of 2000 (RSA, 2000), and the Local Government: Municipal Financial Management Act 56 of 2003 (RSA, 2003).

As a distinct sphere of government with self-governing powers, municipal areas of jurisdiction span the entire country, so-called "wall-to-wall" municipalities (Thornhill, 2014:141). In terms of Articles 156 and 229 of the Constitution, municipalities are entrusted with duties and authority to manage all local affairs as per Schedules 4(B) and 5(B) of the Constitution. Municipalities must also establish and implement by-laws for the efficient management of their affairs as well as create and adopt strategies, plans and policies to encourage the implementation of service delivery projects. Municipalities remain responsible for core services such as water provision, electricity distribution, refuse removal and sanitation. Thus, a municipality can be regarded as a territorial, non-sovereign entity with legal rights and the necessary organisation to regulate its affairs. The primary guiding objectives for municipalities include providing local communities with access to democratic and accountable government; guaranteeing sustainable delivery

of services to communities; encouraging social and economic growth; and promoting community engagement while stimulating the creation of a secure and healthy environment (Kaywood, 2021; Ngumbela, 2021a).

Scope-wise, the municipal functions and responsibilities extend traditional administrative roles to include addressing unique socio-economic challenges faced by society (Mlambo & Maserumule, 2023; Ramodula & Govender, 2020). These challenges include environmental sustainability and partnerships and collaborations with stakeholders such as CSOs, NGOs, FBOs and the private sector (Cameron, 2022; Kaywood, 2021). Consequently, local municipalities provide an array of services, from basic service delivery like water, sanitation and electricity to complex functions such as urban and spatial planning, infrastructure development, community health and welfare service, and local economic development.

While municipalities are expected to make service delivery more accessible and councils more responsive to the people's needs, observers like Cameron (2022) and Kaywood (2021) argue that this has not been the case so far. Local communities still do not experience overall improvement in their living conditions. A significant portion of South African society is trapped in chronic poverty, do not have adequate access to health and educational facilities, and do not have proper housing serviced by sanitation, water supply and reliable and affordable electricity (Mashamaite, 2014). Therefore, initial excitement about the new dispensation of municipalities, is largely replaced by growing despair over government's perceived inability to render the desired change to the citizens, particularly the disadvantaged ones. Communities increasingly display impatience, anger and frustration. These sentiments are physically demonstrated in the form of protests, strikes, demonstrations, boycotts or petitions characterised by violence, vandalism and looting (Kanyane, 2014; Mashamaite, 2014; Ngumbela, 2021b).

To counter these challenges, the B2B initiative was implemented by national government as an urgent support plan to strengthen local government by getting the basics right. Inaugurated on Thursday, 18 September 2014 by President Zuma at the Presidential Local Government Summit hosted by the Minister for Cooperative Governance and Traditional Affairs (COGTA), the B2B initiative was aimed, amongst other things, to ensure effective integrated developmental planning, bulk infrastructure development, capacity-building, and to promote equitable distribution of resources (COGTA,

2016). The approach highlighted the dysfunctional state of most municipalities, widespread incompetence, and the general absence of basic mechanisms to support the execution of municipal mandates.

The White Paper on Local Government (RSA, 1998b) recognises municipalities as strategic components for the establishment of a developmental state. Consequently, the B2B initiative aimed to increase public confidence, develop better mechanisms for citizen engagement, deal with corruption and motivate communities to take responsibility as partners in public service delivery. The B2B initiative was mainly centred on people's needs and concerns by promoting good developmental local governance and by improving the quality and standard of service delivery (Ngumbela, 2021a). It aspires to give all South Africans basic tools with which to hold municipal councils accountable and to gauge progress made in efforts to address their developmental needs, concerns and priorities.

While the B2B initiative was instituted in 2014 and largely concluded with the Presidency of Cyril Ramaphosa, there is a need to reflect on the perceived successes of the B2B initiative and to take stock of emergent municipal support initiatives that the initiative has inculcated. In doing so, it is necessary to reflect on the New Public Management principles, the nature of inter-governmental relationships (IGR), and the efficacy of partnerships with non-governmental stakeholders to gain a holistic perspective regarding the nature and scope of municipal support.

New Public Management Principles

The New Public Management (NPM) paradigm's sole purpose is to transform the public sector and its approaches in managing state affairs to the satisfaction of the private sector. The NPM reforms are premised on a market orientation and management focus to enhance public sector efficiency and effectiveness (Hood, 1991; Pollitt & Sorin, 2013). The NPM has been widely adopted worldwide, and in African countries, it was adopted in part to emulate the successes witnessed from developed nations. Elements of the NPM have become the expected modes of operation for many public agencies, inclusive of municipalities. Consequently, the provisions of the Constitution align with the NPM principles of participatory planning, performance management, decentralisation, efficiency and effectiveness (Munzhedzi, 2020). Reforms in the local sphere of government are largely influenced by the principles of the NPM, with central focus

on decentralised, efficient and effective management of government affairs, inclusive of the effective, efficient and economical utilisation of resources and finances. Equally, the foundational premises of the B2B initiative and other support initiatives need to align with the NPM principles. Consequently, the NPM serves as a valuable lens through which one can assess the scope and nature of municipal support.

Methodology

A qualitative research design was adopted utilising a desktop review of relevant literature and official reports as data collection methods. An assessment of the nature and scope of municipal support is thus vested in an extensive review of literature and reports available in databases such as Scopus, PubMed and Google Scholar. Official government websites and stakeholder reports related to municipal support were also sourced for review and analysis. A thematic content analysis of the data collected was conducted to draw on findings, ultimately informing the scope and nature of local municipal support.

Findings and Discussion

The desktop study revealed the general recognition of all stakeholders that municipalities play a crucial role in the socio-economic fabric of society. Municipal councils serve as foundational units for a localised democratic governance system, entrusted with the responsibility of delivering essential services, fostering local economic development, and ensuring the well-being of communities. Literature reflects numerous challenges that have hindered the ability of municipalities to fulfil these vital roles effectively. From financial constraints and administrative inefficiencies to infrastructural deficits and governance issues, the obstacles are multifaceted and complex. These challenges not only impede the delivery of basic services but also affect the quality of life of millions of South Africans, particularly those in under-served and rural areas. The need for robust municipal support is therefore more pressing than ever. National and provincial government, as well as other civil society organisations and international development agencies should prioritise the strengthening of local government structures to ensure that they are well-equipped to meet the demands of their constituents.

An example of municipal support provided is that, in accordance with Section 154 (1) of the Constitution, and as a response to the

multifaceted challenges that municipalities face, the COGTA has engaged in collaborative efforts with provinces, the National Treasury, the SALGA, and other partners, to introduce substantial legislative and policy reforms (RSA, 2023a). The COGTA (2016) emphases that municipal service delivery problems are an indictment of a collective system failure. A COGTA report (2016) revealed that 32% of all municipalities are dysfunctional or in "intensive care", while 30% and only 7% respectively represented those reasonably functional and those doing well (COGTA, 2016). In 2022, a positive transformation across the other groups was observed, with the decreasing number of medium-risk municipalities (38%), the low-risk municipalities (19%) and a notable leap of 30 municipalities graduating into the stable, doing well category (RSA, 2023b). This progress signifies a consolidation of stability in local government. In further support, the COGTA facilitated the design of a national monitoring system to continuously gauge the status of municipalities. The latest evaluation of local governance, in the form of the State of Local Government Report of 2023, reflects a substantial nationwide improvement in the overall condition of municipalities (OpenGov, 2023). This is largely attributed to the progress made with collaborative efforts, innovation strategies and dedication across local government stakeholders towards the betterment of local governance. For instance, the SALGA has developed a municipal barometer to support local government planning. The SALGA has since improved its information-generation systems that extract data from local government for the local government barometer (Ngumbela, 2021a).

An assessment of the achievements of the B2B initiative revealed that stakeholders should enter into partnerships and collaborations to extend their support to local government. In this regard Walbrugh (2021) maintains that local government cannot work in isolation to fulfil its mandate; it needs strategic partnerships with provincial and national government as well as the private sector. The establishment and maintenance of sound inter-governmental relations are critical in ensuring the success of local government. Thus, the manifestation of the IGR framework which entails all complex and interdependent relations amongst spheres of the government for the purpose of coordinating, planning, financing and execution of programmes that may resolve problems that require collaboration and partnerships between spheres (Tau, 2015). The IGR refers to the practice with the intention to promote and facilitate co-operative decision-making across government spheres to ensure policies are implemented in an effective way to achieve service delivery and citizens' desired needs.

However, the IGR implementation remains problematic, mainly due to poor communication and coordination within and across the government spheres (Shopola & Mukonza, 2020).

A further example of support provided to municipalities is the SALGA's Municipal Support and Intervention Framework, launched in 2020. This Framework aims to promote interaction within municipalities as well with other government sphere. The SALGA's framework provides a roadmap for monitoring municipal performance and outlines initiatives for collaboration and interventions (SALGA, 2020). The SALGA coordinated numerous trainings including training on the oversight role to be performed by councillors particularly serving in the finance portfolio (September & Mgadi, 2020). Tebogo (2023) argues that the SALGA represents local government in the National Council of Provinces (NCOP), a body tasked to ensure that provincial and local government interests are accounted for in the national sphere. As such, it can play a meaningful role to solicit support to municipalities. Similarly, the SALGA represents the interests of local government in the Financial and Fiscal Commission (FFC), an organ that makes financial and fiscal recommendations to Parliament, provincial legislatures and other state organs. The SALGA has thus a key role to play in building capacities of municipalities and advocating for local government interests.

A further example of municipal support is the role that the Local Government Sector Education and Training Authority (LGSETA) plays in municipal capacity–building. The LGSETA's commitment to community development and strategic planning support has been instrumental in helping municipalities adhere to the B2B initiative and the NPM principles, fostering improved municipal performance, enhanced community engagement, and sustainable development (Kanyane et al., 2017). The strategic focus areas of the LGSETA and corresponding priority interventions provide a basis upon which all skills development initiatives in the local government sector are supported to equip municipal officials with the necessary competencies for improved public service delivery. Over the years, the LGSETA has offered a platform for alternative skilling and re–skilling of municipal officials other than the mainstream generic education structures. The LGSETA learnership programmes, for example, are designed to cater for the critical skills gaps within municipalities, thus playing a critical role in strengthening local government capacities.

In 2021, a comprehensive review of the Municipal Structures Act was conducted to establish the groundwork for delineating powers between executive and legislative branches of the municipal councils. The review reinforced the recognition of the vital role of Municipal Public Accountants Committees (MPACs) in exercising oversight over executive functionalities of council to ensure good governance and introduced the Council Whip position in all municipalities (Simelane–Nkadimeng, 2023). The Municipal Systems Act was also revised in 2022 to reintroduce amendments made to the Municipal Systems Amendment Act in 2011 that were nullified in 2019 by the Constitutional Court. The reinstated amendments aimed at enhancing the functionality and accountability of municipalities through reinforcing professionalism and qualifications, political neutrality, employment contracts and performance management (Reddy, 2016). The reforms included the introduction of the Circular 88 in 2017 and the Municipal Staff Regulations in 2021. Circular 88, an initiative by the COGTA in collaboration with the National Treasury was introduced to harmonise planning and reporting tools, such as the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) by integrating specific municipal performance indicators to streamline reporting procedures.

The COGTA implemented changes in the Municipal Infrastructure Grant / Integrated Urban Development Grant (MIG/IUDG) Framework that provided some flexibility in fund access and utilisation by municipalities. For instance, the changes allowed municipalities to use a portion of their MIG/IUDG allocation to buy waste management vehicles that brought about a 63% in increase in nominal waste collection by municipalities in 2011 (Simelane–Nkadimeng, 2023). Likewise, the changes allowed municipalities to use up to 5% of the MIG/IUDG allocation to develop their infrastructure asset management plans, while municipalities with non–compliance pre–directives or directives could access up to 10% for urgent repairs and maintenance for water and sanitation infrastructure (Simelane–Nkadimeng, 2023).

The COGTA has made efforts in strengthening institutional, technical and expert support for municipalities through the establishment of a Results Management Office (RMO) (Simelane–Nkadimeng, 2023). The RMO houses experts from different fields including finance, energy, infrastructure and governance. The Municipal Infrastructure Support Agent (MISA) has been

strengthened and designated to champion the developments and changes in the municipal support and structure, such as overseeing the development of the Infrastructure Asset Management Plan and the deployment of experts (Simelane-Nkadimeng, 2023). The MISA has been instrumental in building capacity and ensuring the development of a skilled and capable local government workforce. The MISA has invested in upskilling and re-skilling of the municipal workforce. The MISA, through a comprehensive suite of capacity-building programmes, is not only addressing the skilled workforce gap but is actively creating a future-ready cadre of professionals within the local government level (Simelane-Nkadimeng, 2023). Since the launch of the B2B initiative, the MISA has intensified its efforts in providing comprehensive training programmes, bursaries and learnerships focusing on essential areas such as governance, service delivery and financial management. Through collaboration with other stakeholders, like the South African Institution of Civil Engineering (SAICE), the LGSETA, Technical and Vocational Education and Training Colleges (TVETs), and universities, The MISA has implemented valuable technical courses that have amplified its impact on supporting municipalities. For instance, with the SAICE, the MISA has implemented a technical short course that equips municipal officials with technical skills for effective infrastructure management (Simelane-Nkadimeng, 2023). The MISA's impact on municipal support includes the over 6,000 training opportunities that extend beyond classrooms and emphasising the hands-on practical approach provided to municipal officials and the over 5,000 learnership and candidacy opportunities provided to unemployed youth, with the aim of creating a cohort of diverse and technically skilled people potentially to become municipal officials (Simelane-Nkadimeng, 2023). Likewise, in recognising the significance of infrastructure condition assessment in informing decision-making, towards capital project planning, annual maintenance and the overall quality of public service and its delivery approach, the MISA has been instrumental in providing not only the technical but also the financial support needed. The MISA's support has included project planning, annual maintenance funding allocations and guaranteeing structural and functional integrity of municipal assets.

During his 2019 budget speech, President Cyril Ramaphosa cited the habit of working in silos within and across government spheres, thus the lack of coherent planning and implementation, which has made monitoring and oversight of the government's programme challenging (RSA, 2019). In recognition of this and other structural

challenges and intricacies facing local governance structures, implementation of the B2B initiative embarked on a dedication to adapt and refine measures to address these challenges. Apart from capacity-building and the introduction of professionalism in municipal governance, the B2B initiative has instigated the enactment of the Inter-governmental, Monitoring, Support, and Interventions (IMSI) Bill of 2023 (RSA, 2023a) to actively pave the way for significant interventions towards enhancing the functioning and governance of the three governance spheres. The IMSI Bill, designed in alignment with Sections 100(3) and 13(8) of the Constitution, aims to assist the local government sphere through monitoring, supporting and ensuring compliance with constitutional and statutory obligations (Bole, 2022; RSA, 2023a). The IMSI Bill is designed to regulate monitoring, support and intervention projects between the three spheres of government. The Bill outlines alternative steps to induce interventions towards compliance; grants power of appointing administrators in cases of intervention to national or provincial executives; and identifies supplementary national government monitoring and support mechanisms (Simelane-Nkadimeng, 2023). The support mechanisms that the IMSI Bill stipulates, includes the provision of technical, professional and administrative advice and guidance, temporary secondment of critical technical professionals or administrative personnel, management assistance, access to technical equipment and facilities, training and transfer of skills to municipal officials or staff, assistance and support guiding decision-making, information-sharing and financial support (Karsten & Van der Bank, 2024; RSA, 2023a).

An assessment of the nature and scope of the municipal support currently provided, as outlined above, revealed that support comes in several forms. The first type of support provided entails capacity-building, mainly through training and skills development interventions. The LGSETA, supported by other training providers, offers targeted training and capacity-building programmes to empower local officials with the skills and knowledge needed to manage resources efficiently, implement effective policies, and deliver quality services.

The second type of support provided is financial assistance. Many municipalities struggle with financial management and revenue generation. Enhanced financial support, coupled with stringent oversight and management practices, is necessary to ensure that funds are utilised effectively and transparently. The

National Treasury, supported by provincial standing committees on public accounts, play a key support role in this regard.

A third type of support evident is infrastructure development and maintenance. Upgrading and maintaining infrastructure is critical for sustainable development. From roads and public transport to water supply and sanitation, investing in infrastructure projects not only improves service delivery but also stimulates local economies.

Promoting good developmental local governance, good corporate governance as well as accountability is a fourth type of support provided. These support initiatives include enforcing compliance with national legislation and the National Treasury regulations as well as ensuring greater transparency in procurement and financial control processes. It is, however, evident that fostering a culture of accountability amongst municipal leadership and staff is hampered by the general absence of consequence management and the necessary political will to act against people, especially those who are politically connected.

The fifth domain as far as municipal support is concerned, is greater community engagement and participation. Several support initiatives are aimed at promoting local democracy in general, and at enhancing participation in municipal decision–making in particular. The establishment of the ward committee system and the capacity–building of ward councillors testify to this. This type of support is generally aimed at encouraging active community participation in local governance to enhance legitimacy, transparency and openness. This will ultimately ensure that municipal policies and projects more closely reflect the needs and aspirations of communities.

The sixth and final domain of support provided is the strengthening of inter–governmental coordination and cooperation in supporting municipalities. Scholars like Hamza (2023) and Kraai et al. (2017) observe that municipalities should be supported through joint planning mechanisms, inter–governmental fiscal transfers, and the strengthening of the capacity of municipalities to collect revenue.

Collectively, the six domains of municipal support outlined above can create a more resilient and effective municipal system that is capable of driving local development and improving the quality of life for all citizens.

Conclusion and Recommendations

The B2B initiative and subsequent support initiatives have yielded potential in transforming the South African local government from "crippled" and "dysfunctional" to more stable municipalities (RSA, 2023a). Various support initiatives are aimed at placing the local government sphere in a position whereby it can play a considerable role in enhancing the capacity of the public sector in general and at improving service delivery in particular. This demands a more integrated approach between multiple stakeholders. On one hand, the inter-governmental relationship between local, provincial and national government is critical, and on the other hand, while equally important, are the collaborations and partnerships external to government structures with the likes of CSOs, FBOs, NGOs and the citizens at large. However, findings indicate the current overall focus on strengthening inter-governmental relations with minimal investment on relations with parties external to the three government spheres. Harrison and Todes (2024) note that inter-governmental coordination and cooperation processes remain inadequate. Similarly, the Independent Reporting Mechanism (IRM) report by the Open Government Partnership (OGP) notes that the monitoring indicators that the COGTA compiles are not accessible to the general public (OpenGov, 2023). This impedes broad-scale civil society engagement with municipal support initiatives. Therefore, awareness campaigns need to be rolled out to the wider communities. These should include information regarding the functioning of mechanisms intended for greater public engagement, such as ward committees.

It seems that support mechanisms created pockets of excellence in some municipalities while the basic challenges associated with basic service provisioning largely remain. These include capacity constraints, skills gaps, maladministration, and financial burdens (Ngumbela, 2022). Further strengthening of collaboration and partnerships between municipalities and key stakeholders such as co-operatives and other professional bodies may assist in addressing the support deficit.

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Chapter 5

State Interventionism: Section 139 Interventions in Local Government

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Abstract

The South African local, provincial and national spheres of government enjoy a degree of autonomy as established through a system of cooperative governance. However, this autonomy at local, district and metropolitan municipalities is not absolute. Section 139 of the Constitution of the Republic of South Africa, 1996, gives the state the right to intervene where municipalities fail to meet their constitutional obligations. The rationale for state intervention is predicated on the principal agent theoretical understanding that interventions occur when there is deviation. As such, the state assumes corrective, preventive, and protective functions. The efficacy of Section 139 interventions has been observed to be negligible in South Africa. It is therefore critical to assess these interventions to determine whether financial, administrative and governance improvement occurred post-intervention. Using document analysis, this chapter delves into the intricate landscape of state interventionism. Focusing on the provisions outlined in Section 139 of the Constitution, the chapter also explores the role of external support mechanisms, such as capacity-building initiatives and financial assistance, in bolstering municipalities' governance, administrative and financial resilience.

Keywords: state interventionism, local government, Section 139 interventions, service delivery, efficiency, accountability.

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Introduction

The growing discontent regarding the perceived inability of the state to ensure effective service delivery in the local sphere of government is commonly noted in the media and scholarly literature (Greffrath & Van der Waldt, 2016; Ledger & Rampedi, 2019; Khaile, 2023). Similarly, in 2018, the former Minister of the Department of Cooperative Governance and Traditional Affairs (CoGTA), Hon. Mr Z. Mkhize, expressed serious concern regarding the poor performance of most municipalities. The Minister was especially concerned by the escalating number of interventions. He reported that 7% of the country's 257 municipalities were functional; roughly 31% were somehow functional; 31% were on the verge of dysfunction and 31% were completely dysfunctional (Parliament of South Africa, 2020).

Section 139 of the Constitution of the Republic of South Africa number 108 of 1996, hereafter referred to as the Constitution (RSA, 1996), makes provision for state intervention in municipalities that have endemic financial, administrative and governance problems (Khaile, 2023). This provision is invoked to avoid a complete collapse of service delivery capacity, financial sustainability and governance capability of a municipality. According to Makoti and Odeku (2018), the eventual aim of regulating municipal autonomy through Section 139 is to safeguard against dysfunctionality and also to see to it that municipalities effectively and efficiently provide basic or essential services to communities under their jurisdiction.

The purpose of this chapter is to outline the nature and scope of Section 139 interventions in South African municipalities. The aim is to assess the overall effectiveness of these interventions by determining whether adequate improvements occurred post-intervention, thereby placing municipalities on a more sustainable financial, administrative and governance footing.

Section 139 Interventions in Perspective

Section 139 (1–3) of the Constitution prescribes the process of intervention to municipalities that are on the brink of collapse. The provincial government starts with (a) issuing of a directive by the provincial executive to the relevant municipal council (b) assumption of responsibility, and (c) dissolution of a municipal council. These interventions result in municipalities to be "put under administration, imposition by the provincial executive

and assumption of responsibility as well as dissolution (Visser & November, 2017). Section 139 (5)(a) provides for the circumstances under which an intervention should be invoked. The Subsection authorises provincial governments to intervene in municipalities that are experiencing financial distress or on the brink of collapse. This intervention can be invoked under specific circumstances, including the following:

- Crisis in financial affairs: When a municipality experiences a severe financial crisis that jeopardises its ability to deliver essential services to its community.
- Serious or persistent material breaches: If a municipality demonstrates a consistent pattern of failing to meet its financial obligations, such as not approving a budget or neglecting to collect outstanding debts.
- Admission of inability: In situations where the municipality itself acknowledges its inability to fulfil its financial commitments.

Khaile (2023) states that the essence of invoking an intervention is to strengthen municipalities that have been struggling so that they can recover and subsequently better manage their own financial, administrative and governance affairs.

Despite the increasing rate at which state interventions have been implemented, there has been concern over their effectiveness in establishing sustainable positive audit reports (Chamberlain & Masiangaoko, 2020; Visser & November, 2017). In their study, Ledger and Rampedi (2019) noted that longer-term results of state interventions show negligible improvements and are generally limited to recovery in some aspects. According to these authors, these results are a symptom of the unresolved dysfunctionality issues inherent in municipalities. Mello (2018) reiterated that the lack of oversight and capacity often contribute to the ineffectiveness of Section 139 state interventions. The Auditor-General of South Africa (AGSA), together with members of Parliament have also expressed concern over poor financial accountability amongst municipalities. It is evident that there are looming internal control and oversight concerns as well as provincial performance monitoring matters that need to be addressed (Ledger & Rampedi, 2019; SALGA, 2020).

Statutory Framework Governing Municipal Interventions

Since democratisation in 1994, national government in South Africa has established a comprehensive statutory and regulatory framework to oversee and support municipalities in a system of cooperative governance. This framework also makes provision for municipal interventions. Table 1 outlines the legislative framework that guides Section 139 interventions in municipalities.

The three procedures from Section 139 (1)(4)(5) of the Constitution prescribe how the provincial executive should invoke interventions. These procedures are as follows:

- General interventions are invoked if a municipality does not fulfil an executive obligation. The provincial executive in this case is constitutionally empowered to (a) give a directive on steps that it must take in fulfilment of the obligation; (b) assume responsibility of the obligation and (c) dissolve the council and appoint an administrator until a new council is elected (Parliament of South Africa, 2020).
- Interventions to raise revenue or budget can be invoked by the provincial executive. The provincial executive can dissolve a council until a new council is elected if (a) a council does not fulfil an obligation in terms of the Constitution to approve a budget or (b) revenue raising that is necessary to boost a municipal budget.
- The third intervention can be invoked if a municipality is in adverse or persistent breach of its obligations of providing basic municipal services. According to Parliament, the provincial executive under these auspices can impose a recovery plan or dissolve a municipal council to ensure that the council reaches its obligations.

Underlying Causes for Interventions

Section 139 interventions by the national government in South African municipalities are necessitated by various underlying causes that often differ between low- and high-capacity municipalities. In low-capacity municipalities, these interventions are typically driven by systemic issues such as poor governance, administrative incapacities, financial mismanagement, and inadequate service delivery infrastructure. These municipalities often struggle with limited administrative and technical expertise, leading to inefficiencies and a lack of accountability. Conversely, high-capacity

Table 1:   The legislative framework for interventions

The Constitution of South Africa Act 108 of 1996	Local Government: Municipal Systems Act 32 of 2000	Local Government: Municipal Structures Act 117 of 1998	Municipal Financial Management Act 56 of 2003
Section 139 (1), (4) and (5): Empowers the provincial executive to intervene in a municipality if: (1): A municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation. (2): A municipality cannot or does not fulfil an obligation in terms of the Constitution or legislation to approve a budget or any revenue raising measures necessary to give effect to the budget.	Provides for the core principles, mechanisms and processes necessary to enable municipalities to forge progressively towards social and economic development of local communities. It includes setting in place standards and systems guiding local government performance. It establishes an enabling framework for the core processes of planning for every undertaking, performance management, resource mobilisation and organisational transformation for sustainable service delivery and efficient performance.	Empowers the MEC (member of the executive council) for local government in a province to dissolve the municipal council in the province if an intervention in terms of Section 139 of the Constitution has not resulted in the Council being able to fulfil its obligations in terms of legislation.	Chapter 13: Sets out procedures and processes for the resolution of financial problems in a municipality. Section 135: Vests the primary responsibility for the resolution of financial problems in a municipality and that it must meet its financial commitments. Section 136: If the MEC for local government in a province becomes aware that there is a serious financial problem in a municipality, they must promptly:

The Constitution of South Africa Act 108 of 1996	Local Government: Municipal Systems Act 32 of 2000	Local Government: Municipal Structures Act 117 of 1998	Municipal Financial Management Act 56 of 2003
(3): A municipality, because of a crisis in its financial affairs, is in serious or persistent material breach of its obligations to provide basic services or to meet its MFMA financial commitments or admits that it is unable to meet its obligations or financial commitments.	As it defines municipal powers and functions, it sets procedures and processes for community participation. Integrated Development Planning (IDP), performance management, local public administration and human resource management. It also sets standards. Other stipulations include the following: • Assess the seriousness of the situation and the municipality's response to the situation. • Determine whether the situation justifies or requires regarding provincial and national monitoring of local government performance, as well as the intervention where necessary.		• Consult the mayor of the municipality to determine the facts. • Assess the seriousness of the situation and the municipality's response to the situation. • Determine whether the situation justifies or requires regarding provincial and national monitoring of local government performance, as well as the intervention where necessary.

Source: Parliament of South Africa (2020)

municipalities, despite having more robust systems and resources, may face challenges related to political instability, corruption, and complex financial irregularities. Understanding these distinct causes is crucial for developing tailored strategies to address the root problems and enhance municipal performance across the country.

Accountability is commonly regarded as the most-required element that can help municipalities to recover and establish viable municipalities. However, municipalities are challenged by the general absence of accountability arrangements and irresponsiveness of administrations. The AGSA directly links poor audit outcomes to the inability of the entire municipal accountability architecture (AGSA, 2018). Agency is placed upon senior management which includes the mayor, municipal managers and senior management to establish sound internal controls (Khaile, 2023). Khaile (2023) further notes that the AGSA often reports that municipalities do not comply to audit requirements by not submitting financial reports on time. In terms of working within deadlines, the Free State and Eastern Cape provinces also often fail to submit financial reports within the legislated dates (AGSA, 2022). In addition to non-punctuality, the Free State has not had a clean audit for six consecutive years on any of its municipalities. The Eastern Cape province's Amathole district municipality, and Sundays River Valley local municipality as well as Senqu local municipality also failed to submit financial reports on time.

A further serious underlying cause leading to intervention is the apparent unwillingness to implement corrective measures pre- and post-interventions. Municipalities that have negative audit outcomes are also unwilling to implement recommendations that come from the AGSA. It seems that there are no or limited consequences for such behaviour and that municipal officials are of the opinion that there are no legal remedies or disciplinary action that can be taken against them. The AGSA (2022) reported that there is little evidence that municipalities attempt to stop maladministration and irregular expenditure. In addition, municipal public accounts committees (MPACs) do not adequately follow the directives of the AGSA to investigate instances of non-compliance with regulations.

The apparent inability of audit and accounting committees to fulfil their oversight roles and obligations can be regarded as a further underlying cause for interventions. According to Section 166 of the Municipal Finance Management Act (RSA, 2003), audit committees may be established as independent statutory entities tasked with

advising the municipal councillors and the accounting officer (Van der Waldt, 2022). The primary responsibility of audit committees is to maintain or enforce financial accountability to the above-mentioned offices. To avoid undue political influence in council decisions, councillors are not supposed to be part of audit committees (Mello, 2018). However, the Municipal Structures Act (RSA, 1998) prescribes that MPACs should be made up of councillors who are political office holders (Mello, 2018). Despite the immense potential that the MPAC has on maintaining good governance, management and financial prudence to municipalities, municipalities are not bound by law to have them (Mello, 2018). Instead, the majority of municipalities choose to have Section 80 committees that support the mayor only. Regrettably, the absence of the MPAC significantly undermines the oversight role of ordinary councillors. The adoption of Section 80 committees limits the capacity of municipal councils due to the exclusion of experts who are prescribed in the Municipal Structures Act (RSA, 1998).

Authors like Khaile (2023), Ledger and Rampedi (2019) and Mello (2018) argue that municipalities that are in a state of dysfunction usually do not have robust financial controls, and officials often take advantage of administrative loopholes. This brings the issue of political oversight to the fore. A further underlying cause is thus the limited capacity for councillors to fulfil their statutory roles and obligations. The need for skills and capacity for both politicians and management are thus accentuated. Mello (2018) reiterates that most councillors do not have tertiary qualifications, but only matric qualifications. When councillors are not sufficiently educated, they are usually not competent enough to "interrogate officials, critique their work, and effectively hold them accountable for what they do or do not do" (Mello, 2018:4). Hence, councillors need to be competent enough to read and correctly interpret reports (Mello, 2018). As stressed by principal agent theory, the problem of information asymmetry seems to hinder the appointment of qualified councillors. The Constitution (RSA, 1996) prescribes that any citizen who can vote can be appointed as a member of the provincial legislature and municipal council. However, this is detrimental to the resilience of municipalities that require professionalism and expertise.

Coupled with the general incompetence of councillors is the relatively poor remuneration for political office-bearers. In this regard, Mello (2018) argues that some councillors hold two jobs. This diverts their focus, and they subsequently work sub-optimally

in fulfilling their oversight responsibilities. A common reason cited by councillors for having more than one job is that the position of councillor is insecure due to political uncertainties (Mello, 2018). Unfortunately for the municipality to resolve this challenge, it needs to address the socio-economic concerns of councillors by raising their salaries so that councils attract the right talent for these positions. However, with the current financial difficulties that municipalities face, raising salaries is hardly feasible nor sustainable. This point brings us to the next underlying cause.

Poor financial arrangements, unfavourable budgeting trends and the adoption of unfunded budgets can further be regarded as underlying causes eventually leading to intervention. In this regard, Ledger and Rampedi (2019) note that municipalities often indulge in unhealthy financial practices such as adopting unfunded budgets. In the financial year 2018/2019, the AGSA reported that 113 municipalities adopted unfunded budgets. Ledger and Rampedi (2019) reported that even the South African Municipal Workers Union (SAMWU) complained that at least 30 municipalities could not pay salaries to their employees. Municipalities collectively owe Eskom R34 billion (Ledger & Rampedi, 2019). Adversely, such commonly reported practices are not without consequences. Greffrath and Van der Waldt (2016) and Ledger and Rampedi (2019) report that some of these consequences include amongst others:

- seizure of municipal properties, which further curtails effective service delivery;
- infrastructure dilapidation and insufficient maintenance of existing infrastructure;
- general collapse of infrastructure that could help with revenue-generation;
- theft, corruption and maladministration;
- political in-fighting;
- high labour turnover; and
- administrative staff and councillor incompetencies.

As far as wasteful expenditure is concerned, recent audit reports highlight a concerning trend of high expenditure on financial reporting consultants by municipalities (R163.72 million for seven municipalities and four entities). Instances of limited benefit or value for money spent on consultants are identified, exemplified by material irregularity notifications issued to Merafong City local municipality and City of Tshwane Metro. The AGSA emphasises

the detrimental impact of fruitless and wasteful expenditure on municipal finances. Delays in capital projects due to such expenditure hinder service delivery. The excessive usage of consultants and municipalities disclosing uncertainty about their ability to continue operating in the foreseeable future are indicative of unsustainable practices. Municipalities in the North West province, for example, spent R941 million on consultants in the 2022 financial year (AGSA, 2022). The North West province did not have any of its municipalities achieve an unqualified audit in the previous financial year, with fruitless and wasteful expenditure. In the Eastern Cape, municipalities achieved only 33% of their basic service delivery and infrastructure development targets, which contributed to continued water shortages. Municipalities also spent only R8,7 million on repairing and maintaining infrastructure – a mere 1,5% of the value of their infrastructure. Many more similar cases can be cited.

As far as improper budgeting processes are concerned, municipal financial status deteriorated, especially in the Free State province, with 11 municipalities (73%) raising uncertainty opinions about meeting their financial obligations. Inadequate budgeting processes in the province led to unauthorised expenditure of R5.57 billion and a deficit of R2.73 billion, further aggravating the financial strain. Inadequate internal controls and financial mismanagement further compounded the province's financial challenges. According to the AGSA (2022), the persistence of these challenges suggests ongoing financial constraints beyond 2022/2023, with 80% of municipalities projected to allocate a significant portion of the 2022/2023 budget to cover current-year expenses. In addition, constrained revenue collection strategies as noted with the City of Tshwane Metro, resulted in continued cash flow shortages, impeding payment to contractors and third-party service providers (AGSA, 2022). Unpaid debts to Eskom and water boards increased to R14.1 billion, while water losses amounted to R900 million. To address these challenges, municipalities, supported by provincial treasuries, were forced to implement more realistic budgeting processes and revenue enhancement strategies.

A seventh constraint is poor performance management praxis. Municipalities typically fail to comply with sound performance planning practices and adopt tailor-made performance management systems. Quarterly and annual performance reporting in general also ignore service delivery statistics and other details, making transparency, accountability and oversight obligations extremely

difficult. According to the AGSA report (2022), the majority of municipalities (73%) in the Free State submitted performance reports that were "substandard" and omitted critical performance targets and records. Only Moqhaka and Phumelela local municipalities and Lejweleputswa and Xhariep district municipalities were able to credibly report on their performance. The AGSA recommended that these municipal councils consult on, and prioritise, the needs of communities and that they should not tolerate a lack of transparency in reporting on performance against planned targets.

In Mpumalanga province, performance targets were not met, with some municipalities such as Thaba Chweu spending 104% of its budget and only achieved 29% of its obligatory basic services. In the entire province, only 1% was spent on infrastructure maintenance, instead of the recommended 8% (AGSA, 2022). The result of this reality is that municipal infrastructure is rapidly deteriorating. Such practices have led to growing service delivery protests. Greffrath and Van der Waldt (2016:140) acknowledge the growing discontent amongst citizens that is demonstrated by the escalating service delivery protests across the country, slow economic growth and deteriorating infrastructure.

Fourie and Malan (2022) observe that from the 2015/2016 financial year to the 2021/2022 financial year, there was negligible action taken by municipal management to implement recommendations from the AGSA. The general lack of legal action taken against violations such as irregular and wasteful expenditure and the late submission of financial reports are closely linked to incomplete projects and poor maintenance of public infrastructure (Fourie & Malan, 2022). Municipalities get positive auditor's opinion when they are being audited, but default after withdrawal of interventions. Fourie and Malan (2022) expressed concern over these trends and link them to the absence of consequences, recourse and deviant behaviour of municipality officials.

A further underlying cause is the relative absence of decisive political and administrative leadership. The AGSA (2022) reported that leadership in 85.7% of metros, 77.2% of local municipalities, and 68% of district municipalities was slow to act upon internal control issues that it flagged. In addition, the high vacancy rate of senior leadership positions is concerning, notably those of chief finance officer (CFO) and municipal manager. This is often attributed to unfavourable work conditions and undue political pressures which deter professionals from joining municipalities. The

high vacancy rates have detrimental consequences for municipalities affected. Fourie and Malan (2022) report that because of the absence of qualified CFOs, municipalities lack appropriate financial expertise and become heavily reliant on the services of consultants. These consultants often charge exorbitant fees and are notorious for being poor record-keepers. These issues compromise financial accountability (Khaile, 2023). Municipal leadership also tends to be slow, if not unwilling, to take action against allegations of unauthorised, irregular, and fruitless expenditure. The AGSA (2022) reported that 60% of municipal leadership did not adequately respond to non-compliance issues flagged. In addition, Manyaka (2014) and Masegare (2020) emphasise the responsibilities of leadership in revenue generation. As prescribed by the Municipal Systems Act number 32 of 2000 (RSA, 2000), a municipality must collect revenue from all money that is due and payable to it. In this regard, a municipality must adopt, maintain, and implement a credit control and debt collection policy. Leadership must ensure that this policy is consistent with the municipality's rates and tariff policies and comply with the Municipal Systems Act's provisions. Manyaka (2014) acknowledges the agency placed upon the municipality's accounting officer in executing this responsibility. The officer is especially required to exercise due diligence to ensure that the municipality holds in place a well-functioning revenue collection system characterised by high efficiency and comprehensive coverage. While policy pronouncements highlight the importance of self-generated revenue for municipalities, many, particularly those in rural areas, continue to grapple with financial constraints. This disparity between the functional responsibilities assigned to leadership and the limited financial resources available creates a vertical fiscal imbalance. The resulting insufficiency obstructs effective service delivery, contributing to persistent backlogs in meeting community needs. Rural municipalities are especially affected due to their limited sources of revenue generation. Municipalities grapple with debt management and revenue collection issues.

The AGSA (2022) reported that municipalities and metros like the City of Tshwane are heavily reliant on loans and municipal grants to fund their infrastructure projects. Resultantly, their credit ratings deteriorate with down-gradings by Moody's Investors Services (now Moody's Ratings). The implications thereof include a further-constrained ability to raise capital. Municipalities thus end up adopting unfunded budgets due to their cash flow shortages (AGSA, 2022).

The underlying causes for intervention outlined above also have negative consequences for communities. In this regard, Ledger and Rampedi (2019) argue that the inability or unwillingness of municipalities to respond to pre-intervention support often leads to pickets, marches and violent protests. When municipalities fail to address issues such as poor governance, financial mismanagement, and inadequate service delivery, the community's frustration and discontent grow. Residents, deprived of essential services like clean water, sanitation, and reliable infrastructure, often resort to public demonstrations to voice their grievances. These protests can escalate into violence, reflecting the severe disconnection and distrust between the community and municipal councils. The breakdown in communication and lack of effective pre-intervention measures exacerbate the situation, leading to social instability and further deterioration of public trust in local governance. This cycle of unmet needs and rising tensions underscores the urgency for more responsive and accountable municipal management to prevent the escalation of community unrest. Eskom's disconnection of electricity because of non-payment exacerbates this situation (Ledger & Rampedi, 2019).

Assessing the Effectiveness of Section 139 Interventions

Extant literature bemoans the increasing rate at which interventions are being invoked in municipalities (Visser & November, 2017; Ledger & Rampedi, 2019; SALGA, 2020; Toxopeüs, 2019). According to Khaile (2023), this concern is reified by the Constitutional court, stressing that the interventions are too commonly invoked and that the interventions have failed to effectively capacitate municipalities. Evidence from municipalities that have repetitively undergone Section 139 interventions and regressed after interventions highlight the shortcomings of these interventions. Khaile (2023) further notes that in some instances, municipalities became worse off after interventions, which signifies underlying issues that need to be addressed. Chamberlain and Masiangoako (2021) and Ledger and Rampedi (2019) simply dismissed interventions as "ineffective".

An assessment of the effectiveness of Section 139 interventions revealed several challenges pertaining to its approach, design, and implementation. Greffrath and Van der Waldt (2016:138), for example, state that interventions are often being used as a "political smokescreen", confirming general consensus amongst scholars

that Section 139 interventions are mostly ineffective. Similarly, Ledger and Rampedi (2019) observe that municipalities habitually underwent Section 139 interventions but have shown only marginal improvement. As such, they dismissed these interventions as ineffective. Thorne (2024) also noted that municipalities tend to regress or improve for a short period and regress later. Some of the most pertinent issues influencing Section 139 intervention effectiveness are outlined below.

Lack of standardised intervention pathways

Ledger and Rampedi (2019) bemoan the inadequacies inherently common with Section 139 interventions. The interventions do not include any particular remedy for financial challenges. The national executive authority does not have any overriding role to intervene where it deems necessary after the provincial government did not intervene (Ledger & Rampedi, 2019). Section 139 is typically not endowed with enough power to ensure that municipalities do not regress into dysfunction. The National Treasury also reiterated that interventions do not have a clear basis for intervention, clear processes in addressing serious financial problems, and the national government needs room to intervene even where the provincial government does not deem it necessary to invoke an intervention. Additionally, "there are no prescribed standardised administrative practices around the initiation of an intervention that cover the entire Section 139 framework" (Ledger & Rampedi, 2019:8). Concurrently, the Parliament of South Africa also reifies that there is no legislative framework that governs the implementation and monitoring of interventions in municipalities (Parliament of South Africa, 2020). The legal framework that legalises interventions includes the Constitution, the Municipal Systems Act, the Municipal Structures Act, and the Municipal Finance Management Act, as outlined in Table 1.

Interventions are instituted in accordance with the principles of cooperative government as well as separation of powers (Parliament of South Africa, 2020). The provincial government does not necessarily have absolute authority over municipalities in invoking interventions, but they are guided by legislative prescriptions. The provincial executive is constitutionally required to follow procedures that also keep it accountable. Table 2 reflects details regarding municipalities that are currently under administration.

Table 2: Municipalities currently under administration

Province	Names of municipality	Type of intervention	Date instituted	Status
Eastern Cape	Enoch Mgijima, Amathole, Makana	S139(7) of the Constitution (National intervention instead of the provincial executive in terms of Section 139 (5)(a) and (c))	April 2022	Ongoing
Free State	Mangaung Metropolitan municipality	S139(7) of the Constitution	January 2021	Ongoing
	Mafube	S139(5)(a) and (c) of the Constitution	April 2022	Ongoing
	Tokologo	S139(5)(a) and (c) of the Constitution	June 2022	Ongoing
Gauteng	Emfuleni	S139(5) of the Constitution	June 2018	Ongoing
	West Rand	S139(5) of the Constitution	February 2019	Ongoing
	Merafong	S139(5) of the Constitution	September 2022	Ongoing
	Umzinyati	S139(5) of the Constitution	October 2016	Ongoing
	Mpofana	S139(5) of the Constitution	December 2017	Ongoing
	Inkosi Langalibalele	S139(5) of the Constitution	December 2017	Ongoing

Province	Names of municipality	Type of intervention	Date instituted	Status
KwaZulu–Natal	Mtubatuba	S139(1)(b) of the Constitution	March 2019	Ongoing
	Msunduzi	S139(1)(b) of the Constitution	April 2018	Ongoing
	Uthukela	Section 139(1)(b) of the Constitution	August 2018	Ongoing
	Umkhanyakude	S139(1)(b) of the Constitution	January 2021	Ongoing
	Emalahleni	S139(5) of the Constitution	October 2018	Ongoing
	Govan Mbeki	S139(5) of the Constitution	October 2018	Ongoing
	Msukaligwa	S139(5) of the Constitution	October 2018	Ongoing
	Thaba Chweu LM	S139(5) of the Constitution	October 2018	Ongoing
Mpumalanga	Lekwa LM	S139(7) of the Constitution (National intervention in the stead of the provincial executive in terms of Section 139(5)(a) and (c))	April 2021	Ongoing
	Phokwane	S139(5) of the Constitution	July 2020	Ongoing

Province	Names of municipality	Type of intervention	Date instituted	Status
Northern Cape	Renosterberg LM	S139(5) of the Constitution	August 2020	Ongoing
	Madibeng LM	S139(5) of the Constitution	January 2022	Ongoing
	Tswaing	S139(5) of the Constitution	January 2022	Ongoing
	Ditsobola LM	S139(5) of the Constitution S139(1)(C) of the Constitution	September 2022	Dissolution of the Municipal Council effective from September 2022
North West	Dr Ruth Segomotsi DM	S139(5) of the Constitution	January 2022	Ongoing
	Kgetleng Rivier LM	S139(5) of the Constitution	January 2022	Ongoing
	Mahikeng LM	S139(5) of the Constitution	January 2022	Ongoing
	Ramotshere LM	S139(5) of the Constitution	January 2022	Ongoing
	Naledi LM	S139(5) of the Constitution	January 2022	Ongoing
	Kagisano–Molopo LM	S139(1)(b) of the Constitution	September 2022	Ongoing
Western Cape	Beaufort West	S139(5)(a) of the Constitution	August 2021	Ongoing

Source: COGTA (2023)

The assessment of state intermediations further revealed that poor accountability of municipalities placed under administration and regression after intervention seriously curtail the effectiveness of Section 139 interventions. These constraints all highlight the weaknesses that are associated with the interventions. Khaile (2023) observes that some municipalities would receive clean audit outcomes within the first year of the withdrawal of intervention but they later regress. In a study carried out by Khaile (2023), municipalities like Modimolle–Mookgophong, Mokgalakwena in Limpopo, and Ditsobola, Madibeng, JB Marks, Mamusa in the Free State province amongst many others are notoriously known to resist accountability and correspondingly had adverse audit outcomes and teetered on the brink of collapse. In fact, most municipalities habitually receive negative audit outcomes, and are also reluctant to adopt recommendations (Khaile, 2023). In the North West province, for instance, no municipality received a clean audit in the 2016/2017 financial year. The problems reported included accountability and governance matters. During the following financial year, only one municipality received a clean audit for the 2018/2019 year but regressed in the 2020/2021 financial year. Out of the 22 municipalities in the North West province, 15 were placed under administration. Resultantly, the AGSA reified that in addition to non–compliance, there was a misalignment of Section 139 (1) (b) which inhibits the effective implementation of intervention. In addition to these, the challenges commonly observed amongst municipalities are corruption, political instability, maladministration, fraud and poor service delivery. Table 3 reflects the provincial distribution of interventions between 1998 and 2019, revealing provinces, notably the Eastern Cape, KwaZulu–Natal and North West, that are in dire need of additional municipal support and intermediation.

Table 3:   Provincial distribution of interventions from 1998 to 2019

Province	Number of interventions
Eastern Cape	15 (including 3 set aside)
Free State	14
Gauteng	3
KwaZulu–Natal	40 (including 2 set aside)
Limpopo	2 (including 1 set aside)

Province	Number of interventions
Mpumalanga	11
North West	43 (including 7 set aside)
Northern Cape	3
Western Cape	9 (including 2 set aside)

Out of the 257 municipalities in South Africa, 175 are on the verge of collapse and in financial distress (Khaile, 2023). Similar results that indicate the continued distress amongst municipalities have been noted by Glasser and Wright (2020). The COGTA further reports that 64 municipalities are completely dysfunctional.

The provinces that have some of the best performing municipalities is the Western Cape. An analysis of the municipalities that have had clean audits or recovered from dysfunctionality demonstrates dedicated accountability, transparency and willingness to implement the AGSA recommendations. According to the AGSA (2022), the Prince Albert local municipality and the City of Cape Town Metro showed improvement to a clean audit opinion. The City of Ekurhuleni Metro and Midvaal local municipality obtained clean audit opinions through continued good financial disciplines and sound governance practices. As for the Prince Albert local municipality, improvement is attributable to good administrative and political leadership. For example, the newly appointed CFO assisted with the implementation and monitoring of sound internal financial controls (AGSA, 2022). In the Free State province, the improved audit outcomes for Moqhaka and Setsoto local municipalities from a qualified audit opinion to an unqualified opinion with findings, is mainly attributable to actions taken by the municipal managers and their willingness to adopt the support provided by the audit committees (AGSA, 2022). The willingness to comply with the Auditor's findings was also noted with the City of Cape Town Metro. The Metro averted the reoccurrence of non-compliance with the contract management legislation when it executed a pre-emptive system of accountability supported by a culture of non-tolerance towards non-compliance. In this regard, the City Manager pursued suitable remedial actions to resolve the two material irregularities identified by the Auditor-General. These irregularities included payments made to vendors despite the non-receipt of goods or

services and compensation for contractor standby hours exceeding contracted or reasonable limits. After investigations, the Metro initiated disciplinary action against responsible officials, and also strengthened controls to thwart further losses. It also took legal action against the contractors to recover the financial losses.

The role of leadership is again accentuated with the improvement of transparency and accountability arrangements in municipalities and the inculcation of a culture of zero-tolerance to corruption. It is evident that leadership is key in enhancing the effectiveness of municipal interventions, as demonstrated by the change attributable to the CFO of Prince Albert and the contributions made by the municipal managers and senior management leadership of the King Cetshwayo District Municipality, the City of uMhlathuze and Okhahlamba local municipalities in KwaZulu-Natal. Leadership succeeded in institutionalising robust internal controls and managed to fill key vacancies on a merit-based premise (AGSA, 2022).

Weaknesses of interventions

The Dullah Omar Institute (2021) and Khaile (2023) argue that at times interventions have the characteristics of a "take-over". This perception does not facilitate commitment and buy-in from senior leadership. It also does not help to capacitate municipalities to resume good financial and governance practices after their withdrawal in a sustainable way. Selepe (2023) maintains that there is a need to institute a culture of discipline, ethics, control and accountability. Mello (2018) and Khaile (2023) argue that interventions that overlook good corporate governance principles and political commitment are likely to end in negative audit outcomes.

Conclusion and Recommendations

From the exposition above it was noted that South African municipalities require strong support in a system of cooperative governance to place them on a more sustainable footing. Arguments commonly cited for the need for municipal interventions include the fact that interventions may lead to better governance and increased accountability. By addressing issues such as financial mismanagement and corruption, interventions can help restore trust in local government and ensure that public resources are used effectively. Interventions can also significantly improve service

delivery in municipalities struggling with inefficiency and inadequate infrastructure. This can result in better access to essential services such as water, sanitation, and electricity for the community. In addition, broader state interventionism can provide much-needed technical and administrative support to low-capacity municipalities and thereby help build local capacity, equipping municipal officials with the skills and knowledge required to manage resources and deliver services more effectively. By addressing the root causes of community dissatisfaction, such as poor service delivery and financial mismanagement, interventions can prevent social unrest, protests, and violence, thereby maintaining social stability.

Those opposing interventions often bemoan the fact that frequent interventions can undermine the autonomy of municipal councils, weakening the principle of decentralised governance and eroding the authority and legitimacy of municipal officials. Over-reliance on national interventions can create a dependency syndrome, where municipalities may not develop their own capacity and resilience, expecting continual external support instead of solving problems internally. Critics also cite that interventions can be politically motivated, serving the interests of certain political groups rather than genuinely addressing the needs of the community. This can lead to biased decision-making and further entrenchment of corruption and maladministration. Interventions may provide only temporary relief rather than sustainable, long-term solutions. Once the intervention ends, municipalities might revert to previous practices, failing to achieve lasting improvements.

Balancing these arguments requires a nuanced approach that considers the specific context and needs of each municipality, ensuring that interventions are both effective and sustainable. It is recommended that strong political and administrative leadership be inculcated since the analysis of cases of interventions have demonstrated that leadership is a key success factor in the effectiveness thereof. Leadership should be supported and made part of the design and implementation of interventions. This will ensure commitment to solutions and the longer-term sustainability of interventions.

It can be concluded that Section 139 interventions in their current form are not always effective in steering municipalities to effective and efficient financial management, governance and administrative practices. The analysis of underlying causes for interventions highlights the critical need for tailored, effective

governance and management strategies to address distinct challenges faced by low- and high-capacity municipalities. The negative consequences of these issues extend beyond administrative inefficiencies, deeply impacting communities and often leading to social unrest and violent protests. To mitigate these outcomes, it is imperative for municipalities to engage in proactive, transparent, and accountable governance. Enhanced pre-intervention support and a genuine commitment to addressing community needs can bridge the gap between municipal councils and residents, fostering stability, legitimacy and trust. Ultimately, improving municipal performance is not just a matter of legal compliance, but a vital step towards ensuring sustainable development and social harmony in South Africa.

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Chapter 6

Perspectives on Municipal Readiness and Preparedness

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Abstract

Municipalities worldwide face increasing challenges from a range of environmental shocks and stresses, as well as from internal and external disrupters. Effective readiness and preparedness strategies are essential to mitigate risks and ensure continuity of essential services. This chapter explores the multidimensional nature of municipal readiness and preparedness, examining strategic, operational, technological, financial, and human dimensions to preparedness, as well as proactive versus reactive and internal versus external perspectives to organisational readiness. Two key questions are posed, namely: For what should municipalities prepare? and How should they get ready for it? Drawing on lessons learned from domestic and international cases and an extensive literature review, the chapter attempts to answer these questions by emphasising the importance of comprehensive resilience planning, structural and administrative reconfigurations, community engagement, technological innovation, and financial preparedness. By adopting a holistic approach that integrates diverse perspectives and organisational readiness strategies, municipalities can build robust governance and administrative systems capable of withstanding and adapting to a changing environment, fostering resilient communities now and in the future.

Keywords: contingency theory, organisational preparedness, municipal readiness, environmental shocks and stresses, disrupters, resilience, structural reconfiguration.

Introduction

Municipalities across the globe are increasingly facing a spectrum of environmental shocks and stresses, ranging from natural disasters such as floods and wildfires to anthropogenic challenges like political dynamics, accidents and infrastructure failures. These events not only disrupt the socio-economic fabric of communities but also pose significant threats to public safety, infrastructure integrity, and the provisioning of essential municipal services. In addition, internal political governance dynamics, structural reconfigurations, and administrative process adjustments may disrupt the status quo and bring uncertainties and even resistance to change. Consequently, the need for comprehensive preparedness and readiness strategies in municipalities has never been more critical.

In the preceding chapters, emphasis was placed on the need for municipal oversight as well as the nature and scope of municipal support to address incapacities and incompetencies on the part of municipalities. Should this support not yield the desired results, interventions may become necessary. The purpose of this chapter is to provide perspectives to municipal readiness and organisational preparedness for any environmental (external) and internal stresses, shocks and disruptions. In other words, by establishing appropriate strategies to adapt to rapidly changing conditions municipalities can build their overall resilience, thereby decreasing the potential need for national and provincial government interventions in their governance arrangements and functional operations. The chapter therefore delves into the intricate dimensions and perspectives of municipal preparedness and readiness, providing a comprehensive framework that municipalities can adopt to enhance their resilience against environmental shocks and stresses and internal disrupters. By exploring strategic, operational, technological, human, and financial dimensions, and juxtaposing proactive versus reactive, internal versus external, and short-term versus long-term perspectives, the chapter aims to equip municipal leaders and planners with the insights and tools necessary to build robust, adaptive, and sustainable municipal policies, strategies and practices.

Based on the premises of contingency theory, the principles of municipal readiness and organisational preparedness will first be outlined. This chapter will then assess organisational readiness dimensions such as the financial viability of municipalities, service delivery modalities and backlogs (i.e. housing, water, electricity,

waste management, transport, etc.), community participation (i.e. prevalence of service delivery protests and boycotts), ICT (information and communication technology) (i.e. Fourth Industrial Revolution) readiness, spatial planning, and local economic development.

Organisational Readiness and Preparedness: Contextual and Conceptual Perspectives

Municipalities face a myriad of challenges that necessitate constant adaptations and a preparedness orientation. Preparedness refers to the skills, knowledge, and ability to manage crises through the establishment of flexible organisational arrangements and suitable systems and procedures (Kirschenbaum, 2002; Jin et al., 2024). Readiness generally refers to the mental state of being willing to engage the crisis (Gabutti et al., 2023; Parnell & Crandall, 2021; Sawitri, 2018). Weiner (2020:215) refers to organisational readiness for change as "organisational members' psychological and behavioural preparedness to implement change". Weiner (2020:216) adds that readiness includes "change commitment, or the extent to which organisational members exhibit shared resolve or determination to implement the change; and change efficacy, or the extent to which organisational members share a sense of confidence in their collective capabilities to implement change".

Contingency theory is highly relevant in understanding organisational readiness and preparedness to external and internal shocks and stresses (Coombs & Tachkova, 2022). The theory posits that there is no single best way to manage an organisation; instead, the optimal course of action is contingent upon the internal and external conditions faced by the organisation (Pang et al., 2020). A configurational approach usually follows in reaction to contingency theory to ensure that systems and processes are adequately aligned in response to disruptions (Deverell & Ganic, 2024). This implies that structural reconfiguration (e.g. new or adjusted municipal governance and administrative structures and arrangements) may be required to steer the organisation through the crisis into the desired future. Contingency theory also advocates for continuous structural reconfigurations to ensure that organisational structures and arrangements are adapted and adjusted to fit current needs. In this regard, Staupe–Delgado and Kruke (2017:212) argue that "proactive strategies are essential to minimise the effects of unwanted occurrences and contingencies". Structural adjustment

based on preparedness assessments constitutes a key component of this approach, as many disruptions are difficult to anticipate or prevent (Fowler et al., 2007).

External shocks such as economic downturns, natural disasters, and technological changes require organisations like municipalities to have a strategic orientation. Contingency theory suggests that organisations should assess the environment to continuously monitor external factors to anticipate potential disruptions (Shimizu & Hitt, 2004). They should then develop strategic plans to quickly pivot in response to these changing conditions. Managers should also allocate adequate resources to areas that will potentially be most impacted by internal disruptions and external shocks and stresses.

Considering the human dimensions in an organisation, contingency theory holds that managers should foster a culture that supports change and resilience. This includes encouraging innovation and agility within the workforce. In addition, managers should align organisational strategies with both the goals and the capabilities of the organisation (Van der Merwe & Van der Waldt, 2020). This should include regular capability assessments to ensure that organisational capabilities are adequate to meet these goals, ensuring that the organisation can respond effectively to various shocks and stresses (Faustenhammer & Gössler, 2011).

A core aspect of contingency theory in the context of organisational preparedness is the emphasis on contingency planning. Managers should develop scenarios for potential disruptions and plan responses accordingly. They should also design and implement risk mitigation strategies that are tailored to specific types of risks identified through contingency planning (Lentzos & Rose, 2009).

Approaches to Organisational Preparedness

A literature survey of organisational preparedness revealed that municipalities may pursue several approaches. These approaches, briefly outlined below, influence how municipalities plan, prepare, respond and recover from disruptions.

The first approach to preparedness is either proactive or reactive in nature. Proactive preparedness focuses on anticipating and preventing risks before they occur through sound municipal planning, financial investment and continuous process improvements. This approach entails conducting comprehensive

risk assessments to identify potential environmental threats and vulnerabilities. This usually involves analysing historical data, trends, and emerging risks. It also includes using predictive analytics and software modelling to forecast future risks and their potential impacts. This helps in understanding the likelihood and severity of different scenarios (Amin-Tahmasbi & Jadidin, 2019). The proactive approach is especially helpful to develop and regularly update continuity plans that outline procedures for maintaining service delivery operations during disruptions (Graf et al., 2023). These plans include contingency arrangements, resource allocation, and recovery strategies. It is expected that managers create detailed scenarios to explore different possible future events and preparing responses for each scenario. This helps in developing flexible and adaptable plans.

In contrast to the proactive approach, reactive preparedness focuses on responding effectively to environmental shocks after they occur, through established crisis management and municipal recovery plans (Amin-Tahmasbi & Jadidin, 2019). This approach involves taking actions to manage the immediate impacts of a crisis and restore normal operations as quickly as possible. Some of the key aspects of the reactive approach include crisis responses, damage assessments and control, recovery and restoration, and organisational learning (Boin & Lagadec, 2000).

As far as crisis responses are concerned, municipalities should activate emergency response plans that outline immediate actions to protect life, property, and critical operations during a disruption. This includes evacuation procedures, emergency communication, and coordination with first responders (Erickson, 2006). Municipalities should also establish management teams to oversee the response efforts, make decisions under pressure, and coordinate resources and activities. They should furthermore conduct rapid assessments of the damage caused by the disruption to understand the extent of the impact on operations, infrastructure, and municipal assets (Carmeli & Schaubroeck, 2008). These assessments should enable implementing measures to contain the damage and prevent further harm. This includes isolating affected areas, securing hazardous materials, and stabilising damaged infrastructure.

As far as recovery and restoration are concerned, the municipality should activate service delivery recovery plans to restore critical functions and operations. This involves prioritising recovery activities, mobilising resources, and coordinating efforts to resume

normal operations. It may also include restoring utilities, repairing buildings, and replacing damaged equipment (Erickson, 2006). The last element, namely organisational learning, entails conducting a thorough review of the response and recovery efforts to identify what worked well and what could be improved. Municipal departments and agencies should use these lessons learned to improve preparedness and response plans. This involves updating policies, procedures, and training programmes based on the insights gained.

A second major approach to organisational preparedness is having a balanced perspective to internal and external disruptions. An internal perspective enhances the organisation's internal capabilities, such as employee training, internal communication, and operational adjustments. It implies that internal municipal processes are streamlined to ensure that they are efficient and resilient to disruptions (Van der Merwe & Van der Waldt, 2020). This includes optimising workflows, automating repetitive tasks, and ensuring redundancies in critical processes. It also entails implementing rigorous quality management systems to maintain high standards in service delivery. This reduces the risk of internal failures that could exacerbate the impact of external shocks.

Kujala et al. (2022) argue that an external perspective demands a strong focus on stakeholders, including suppliers, customers, regulators, and community partners, to ensure a collective response to environmental challenges. This implies that municipalities should assess and manage risks associated with suppliers through the diversification of potential suppliers, the establishment of contingency plans, and the maintenance of open communication with key partners. It also means that municipal councils should maintain clear and transparent communication with the community as customers, especially during disruptions. Keeping customers informed about potential impacts on service delivery will enhance trust and loyalty. The external perspective also entails the building of partnerships with other government departments, development agencies, the private sector, and non-governmental organisations. Tompkins et al. (2008) strongly argue that collaborating with these entities can provide access to additional resources, expertise, and support during crises.

For a comprehensive resilience strategy, municipalities need to balance internal and external focus perspectives. While internal efforts ensure that the municipality's own systems and resources are robust, external efforts strengthen the network of relationships

and support systems that council relies on. Both perspectives are interdependent and contribute to the overall preparedness and readiness of a municipality.

A third and final perspective to organisational preparedness is balancing short- and long-term perspectives to change. The short- and long-term perspectives refer to the time horizons over which strategies and actions are planned and implemented. Both perspectives are crucial for building comprehensive municipal resilience, as they address immediate needs and long-term sustainability.

Errida and Lotfi (2021) hold that short-term preparedness primarily involves immediate actions and quick responses to imminent threats. This will ensure that the municipality can quickly adapt to and recover from disruptions. Municipalities should ideally develop and implement detailed emergency response plans that outline immediate actions to be taken during a crisis. This includes evacuation procedures, communication protocols, and roles and responsibilities. It may also include establishing an incident command system and rapid response teams to coordinate response efforts efficiently. In addition, crisis communication plans should be operationalised to ensure timely and accurate dissemination of information to employees, stakeholders, and the community. This will help to manage expectations and prevent misinformation (Errida & Lotfi, 2021). It is also essential to utilise real-time monitoring systems to track ongoing events and provide up-to-date information. This enables quick decision-making and responsive actions. Municipalities should also establish contingency funds to cover unexpected expenses during a crisis. These funds should provide immediate financial support for emergency response and recovery activities.

In contrast to these short-term arrangements, long-term preparedness involves building long-lasting capabilities and infrastructure to handle future environmental shocks. This perspective therefore focuses on building enduring resilience and sustainability, ensuring the organisation can withstand and adapt to future disruptions. Key aspects of this perspective include strategic resilience planning and effective risk management. In essence, strategic resilience planning entails developing long-term resilience plans that integrate with the municipality's overall strategic goals. These plans should focus on building adaptive capacity and sustainable practices. The plans should also make provision for investing in resilient infrastructure that can withstand long-term

environmental changes and shocks, including upgrading of municipal buildings, transportation networks, and utilities. It may also entail adopting and investing in new technologies that enhance long-term resilience. This includes renewable energy systems, advanced data analytics, and automation technologies.

A further aspect associated with long-term preparedness is building long-term partnerships and alliances with key stakeholders, including suppliers, customers, government agencies, and NGOs. Collaborative efforts enhance collective resilience and resource-sharing.

A balanced approach that integrates both short-term and long-term perspectives is essential for comprehensive organisational preparedness and readiness. While short-term strategies ensure immediate response and recovery, long-term strategies build the foundation for enduring resilience and sustainability. Municipalities need to align their short-term actions with their long-term goals to create a cohesive and effective resilience strategy.

Municipal Preparedness and Readiness for What?

For what should municipalities prepare and be ready? In answering this question, it is important to consider some of the most pressing challenges that municipalities must contend with. Some of these challenges include the following:

Rapid urbanisation and population growth in urban areas place a strain on municipal infrastructure and services, increasing vulnerability to environmental stresses such as water scarcity, pollution, and congestion. Municipalities must adapt to accommodate growing populations while minimising environmental impact.

Socio-economic disparities within communities can exacerbate vulnerability to environmental shocks and stresses. Low-income and marginalised communities may lack access to municipal resources, infrastructure, and information needed to prepare for and recover from disasters and other shocks and stresses. Addressing social and economic disparities is critical for enhancing municipal resilience and promoting inclusive development in South Africa. Municipalities should adopt strategies that prioritise vulnerable communities, address historical injustices, and promote equitable access to resources, opportunities, and services. This includes investing in infrastructure development, social services, local economic

development and empowerment programmes, as well as community engagement initiatives that empower marginalised groups and build social cohesion. As far as local economic development is concerned, Van der Waldt (2018) maintains that comprehensive local economic development strategies are effective instruments to enhance urban resilience through job creation, entrepreneurship development, and local business support.

The increasing frequency and intensity of climate change are leading to more frequent and severe natural disasters such as hurricanes, floods, wildfires, and droughts. Municipalities must prepare for the potential devastation caused by these events, including damage to infrastructure, displacement of residents, and economic disruption.

Many municipalities in developing countries like South Africa grapple with ageing infrastructure that is ill-maintained and generally insufficient to withstand contemporary urban governance demands and environmental challenges. Decaying roads, bridges, water systems, and buildings are vulnerable to damage from natural disasters, vandalism and theft, requiring costly upgrades and repairs. South African municipalities face substantial infrastructure backlogs and maintenance deficits, particularly in water and sanitation, electricity, roads, and housing. Ageing infrastructure is prone to failure and may lack resilience to environmental shocks such as floods, droughts, and storms. Information and communication infrastructure challenges such as poor Internet connectivity, outdated computer equipment, and inadequate facilities hinder access to big data, resilience planning statistics, and accurate management information (Van der Waldt, 2016). This in turn constrains inter-governmental communication and coordination. Limited budgets and competing priorities make it challenging for municipalities to adequately address these infrastructure deficiencies.

In the South African context, municipalities often face significant challenges related to limited resources and budget constraints, which can severely impact their ability to effectively prepare for and respond to environmental shocks, stresses, and changes. Competing priorities for inter-governmental fiscal transfers, provincial grants and national programme funding can further result in deferred maintenance and inadequate preparedness for potential disrupters, making it challenging to invest in resilience-building measures. South Africa also has high levels of economic inequality and poverty, with a significant portion of the population living in informal

settlements or underprivileged areas. Municipalities serving these communities often have limited tax bases and revenue streams, making it difficult to generate sufficient funds for infrastructure development and service delivery. In addition, many municipalities struggle with fiscal imbalances, characterised by a mismatch between revenue generation and service delivery costs. Inefficient revenue collection systems, high levels of non-payment, and limited tax compliance exacerbate budget constraints, limiting municipalities' ability to invest in essential services and infrastructure. The cost of service delivery in South Africa is increasing, driven by factors such as inflation, urbanisation and the need for infrastructure upgrades. Municipalities must contend with rising costs while operating within constrained budgets, leading to difficult trade-offs and service delivery prioritisation decisions.

Municipalities must comply with a relatively complex statutory and regulatory framework. Municipalities must navigate this policy environment, often characterised by overlapping jurisdictions, unfunded mandates, and bureaucratic red tape. Compliance with environmental regulations, spatial planning and land-use policies can pose challenges to effective preparedness and response efforts.

Many municipalities lack the capacity and expertise needed to develop and implement effective resilience plans. Limited technical knowledge, staffing shortages, and turnover in municipal leadership can hinder preparedness efforts. In the South African municipal context, many municipalities face shortages of skilled personnel in critical areas such as engineering, planning, disaster management, and environmental health. The lack of qualified professionals hampers the development and implementation of effective resilience strategies. In addition, high turnover rates amongst municipal staff exacerbate capacity challenges, as experienced personnel leave for better opportunities in the private sector or other government entities. Constant turnover disrupts continuity, knowledge transfer, and institutional memory within municipal departments. Most municipalities rely heavily on external consultants or development agencies for technical expertise, which can be costly and inefficient. Developing in-house expertise and building internal capacity is essential for sustainable resilience planning and implementation.

The interconnectedness of risks and disrupters severely strains the ability of municipalities to fully comprehend the complex nature of issues that may impact their operations. Environmental shocks and stresses are often interconnected, with one event

triggering cascading impacts across multiple sectors and systems. Municipalities must adopt a holistic approach to preparedness that considers the interdependencies between various risks. In this regard, Jin et al. (2024:21) refer to the challenges of a "sticky crisis." Sticky crises refer to complex and interconnected issues that cause ripple effects, resulting in simultaneous ancillary crises and impacting municipalities.

Limited public awareness and engagement in preparedness efforts can hinder the effectiveness of resilience initiatives. Municipalities should educate and empower residents to take proactive measures to protect themselves and their communities. This will foster social cohesion and community resilience.

Political dynamics and institutional barriers, including new political leadership, resistance to change, bureaucratic inertia, and short-term thinking, can impede progress in municipal resilience planning and implementation. Municipal administrations and councils must be able to navigate these challenges to foster a culture of preparedness and adaptation.

Considering these challenges, municipal administrations and councils have a responsibility to constantly adapt and prepare themselves for environmental shocks, stresses, and changes. By proactively addressing these challenges and investing in resilience-building measures, municipalities can enhance their ability to maintain essential services and promote the long-term well-being of their communities (Somers & Svara, 2009).

Now that the 'what'-question pertaining to municipal preparedness and readiness has been addressed, it is necessary to pose the second question for purposes of this chapter, namely: 'How' should municipalities become more ready and prepared? The 'how'-question will be answered in the next section.

Municipal Preparedness and Readiness Dimensions and Approaches

Municipal preparedness and readiness in the face of internal and environmental shocks and stresses involve multiple dimensions and approaches. These dimensions and approaches can be categorised broadly into strategic, operational, technological, human, and financial aspects. Each dimension will be outlined briefly below.

Strategic dimension

The strategic dimension of organisational preparedness and readiness involves high-level planning and decision-making to anticipate, mitigate, and manage risks associated with environmental shocks and stresses. It focuses on aligning the municipality's long-term vision and objectives with resilience-building measures.

A key aspect of the strategic dimension is to identify and assess potential risks. Risk identification entails the systematic identifying of potential environmental risks that could impact the organisation. This includes natural disasters (e.g., earthquakes, floods, drought), climate change effects (e.g., rising sea levels, extreme weather), and other environmental hazards (e.g., pollution, resource scarcity). Once these risks are identified it is necessary to analyse and prioritise them. This is usually done by evaluating the likelihood and impact of identified risks. Risks are then prioritised based on their potential to disrupt municipal operations, affect stakeholders, and damage government's reputation (Somers & Svara, 2009). Strategies are thereafter developed to reduce or eliminate the potential impact of prioritised risks. This could include diversifying supply chains, investing in resilient infrastructure, or adopting sustainable municipal practices.

A further key aspect of the strategic dimension is scenario planning. This entails creating detailed scenarios that describe possible future environmental conditions and events. Scenarios should cover a range of possibilities, from best-case to worst-case scenarios. Senior planners should then assess the potential impact of each scenario on the municipality's operations, finances, and stakeholders. This will help in understanding vulnerabilities and strengths. They should then develop response plans for each scenario. This includes identifying necessary resources, roles, and responsibilities, as well as establishing communication protocols.

Operational dimension

The operational dimension of organisational preparedness and readiness focuses on the practical aspects of maintaining and restoring operations during and after internal disruptions and external environmental shocks and stresses. This ensures that the organisation's day-to-day functions are resilient and adaptable to disruptions.

A key aspect of the operational dimension is continuity planning. This entails that senior managers of a municipality identify key functions and processes that are essential for the operations, inclusive of service delivery. They should then develop continuity plans that outline procedures for maintaining and restoring critical functions during various types of disruptions. These plans should include step-by-step actions, communication protocols, and recovery strategies. Regular testing, drills and simulations of various scenarios will ensure that the municipality remains in a state of readiness.

A further key aspect is detailed incident response procedures. Comprehensive procedures for responding to specific types of incidents should cover immediate actions, safety protocols, and steps for stabilising the situation. This may also include procedures for the safe evacuation, protection, and recovery of physical facilities as well as for securing assets, safeguarding critical data, and ensuring the physical safety of personnel. As far as the last point is concerned, municipalities may adopt flexible work arrangements to allow employees to work remotely or from alternative, safer locations. This will ensure the continuity of operations even if physical office spaces are inaccessible. Flexible work arrangements should be supported by leveraging technology to enhance operational flexibility. This includes virtual collaboration software and automated systems that can quickly adapt to disruptions.

A third key aspect concerns developing logistics and distribution plans that ensure the continued delivery of municipal goods and services. This includes identifying alternative routes and methods for transportation and delivery as well as stockpiling necessary emergency supplies and equipment that may be required during a disruption. This includes medical supplies, personal protective equipment, and essential tools.

Technological dimension

The technological dimension of organisational preparedness and readiness involves leveraging technology to enhance the organisation's ability to anticipate, respond to, and recover from environmental shocks and stresses. This dimension focuses on the tools, systems, and innovations that can improve resilience and operational continuity.

Municipalities should be able to utilise data analytics to predict potential environmental risks and their impacts. This involves collecting and analysing data from various sources (e.g., police statistics, political unrest data, climate data, geographical information systems, and community surveys) to identify trends and forecast possible disruptions. It also entails implementing systems that provide real-time monitoring of environmental conditions and municipal operations. Technologies like the Internet of Things and remote sensors can be used to track service delivery parameters such as transport, health, waste removal, and structural integrity. Harnessing big data technologies to process and analyse large volumes of data can also significantly improve municipal decision-making. This helps in understanding complex patterns and correlations related to risks.

The technological dimension entails the building and maintenance of IT infrastructure that is resilient to environmental shocks. This includes municipal data centres with redundant power supplies, cooling systems, and physical security measures. It also includes due consideration for issues related to backup and recovery systems to protect critical data. Regular backups, offsite storage, and automated recovery processes will ensure that data can be quickly restored after a disruption.

A further key factor related to the technological dimension is the automation of repetitive municipal services through the use of artificial intelligence (AI). Automated systems can detect and respond to environmental threats without human intervention. This includes automated shutdown procedures, emergency alerts, and system failovers. AI can significantly enhance decision-making during crises by analysing large datasets, provide real-time insights, and suggest optimal response strategies based on predictive models.

Cybersecurity, confidentiality and privacy remain key issues associated with the technological dimension. Municipalities should deploy advanced cybersecurity measures to protect against cyber threats that could exploit vulnerabilities during environmental disruptions. This includes firewalls, intrusion detection systems, and anti-malware solutions. Managers should ensure that there are clear protocols for detecting, responding to, and recovering from cyber incidents. Robust data protection measures, including encryption, access controls, and secure data storage, should safeguard sensitive and confidential information during and after risk events.

Human dimension

The human dimension of organisational preparedness and readiness focuses on employees, recognising that their skills, behaviours, and well-being are crucial for effective response and recovery during internal disruptions and environmental shocks and stresses. This dimension involves training, leadership, communication, and support systems to ensure that employees are prepared, resilient, and able to contribute effectively during crises.

Municipalities should provide comprehensive training programmes that equip employees with the knowledge and skills needed to respond to various types of environmental shocks. This includes first aid, evacuation procedures, and emergency response protocols. It should also establish ongoing training initiatives to keep employees updated on new risks, technologies, and best practices. This ensures that the workforce remains prepared for evolving environmental challenges. Regular drills and simulations can help municipal officials to practice emergency scenarios. These exercises help employees familiarise themselves with procedures and improve their response times and coordination.

A further key aspect of the human dimension is the physical well-being of employees. Municipal councils should ensure that employees have access to necessary resources to protect their physical health during environmental disruptions. This includes providing personal protective equipment, safe working conditions, and health services. It also includes offering mental health support services, such as counselling, stress management assistance, and mental health interventions.

Transparency and trust should be maintained through clear and effective communication channels for disseminating information before, during, and after a disruption or crisis. This includes internal communications with employees and external communications with stakeholders. This will aid the inculcation of a culture of transparency where information is shared openly and honestly. Trust between management and employees is essential for effective communication and coordination.

The establishment of a culture of resilience is a further key aspect associated with the human dimension. Such a culture should support and value resilience and preparedness by promoting awareness about the importance of readiness and encouraging proactive conduct and behaviour. Engaging municipal employees in resilience-building

activities and decision-making processes can assist in this regard. This can include involving them in risk assessments, planning, and implementation of preparedness measures.

Financial dimension

The final dimension that should be considered as far as organisational preparedness and readiness are concerned, is financial concerns. This dimension focuses primarily on ensuring that the organisation has the necessary financial resources and strategies in place to withstand and recover from internal and external shocks and stresses. This dimension involves budgeting, financial risk management, financial contingency planning, and maintaining financial flexibility.

As far as budgeting is concerned, the term "resilience" budgeting is often used to ensure that organisations such as municipalities allocate specific portions of the budget to readiness and preparedness initiatives (Barbera et al., 2017; Becker et al., 2016; Eichholz et al., 2024). The resilience budget should include funding for infrastructure improvements, emergency supplies, skills development, and technology upgrades. This portion of the budget should also make provision for capital projects that enhance resilience, such as building flood defences, upgrading decision-support systems, and implementing greener and more energy-efficient systems.

Financial risk management entails exploring risk transfer mechanisms such as contractual risk transfer agreements to spread the financial risk and reduce the potential impact on the municipality, as well as obtaining insurance policies that cover a wide range of environmental risks, including natural disasters, business interruption, and property damage (Murugan & Kala, 2023).

Financial contingency planning is necessary to establish and maintain emergency funds or reserves that can be accessed quickly in the event of a disruption. These funds ensure liquidity to cover immediate expenses such as repairs, temporary relocation, and emergency supplies (Eriksson & McConnell, 2011:89). Financial planners often use scenario analysis to model the financial impact of various environmental events. This helps in understanding potential exposures and planning for different outcomes (Becker et al., 2016).

Financial flexibility in general refers to implementing cash flow management practices to maintain liquidity and ensure that

the organisation can meet its financial obligations during and after a crisis. This includes monitoring cash flow projections, minimising debt levels, and ensuring access to diverse funding sources (Becker et al., 2016). As far as access to diverse funding is concerned, Chigova & Van der Waldt (2021) propose the utilisation of crowdfunding as an alternative funding source. Cases around the globe reveal that municipalities often utilise crowdfunding for urban renewal and infrastructure development projects, to great success.

This concludes a brief overview of the respective dimensions associated with municipal preparedness and readiness. In the next section, focus will be placed on the role of good developmental local governance and municipal leadership in building urban resilience.

Good Developmental Local Governance and Municipal Leadership for Urban Resilience

The terms "good" and "developmental" have specific meaning in the context of local governance. The "goodness" of government refers to the quality and effectiveness with which a government operates and serves its citizens. It encompasses several key aspects such as:

- legitimacy and accountability;
- effectiveness and efficiency;
- equity and inclusiveness;
- rule of law;
- transparency and openness;
- public participation and civic engagement;
- responsive; and
- sustainability.

These aspects collectively create a framework for assessing and improving how municipalities serve their people and contribute to the overall well-being and development of communities. Especially the last aspect, namely sustainability, has reference given the context of this chapter. Sustainable local governance focuses on long-term impacts and benefits, considering not just the current needs but also the future implications of municipalities' policies and actions. It involves environmental stewardship, economic prudence, and social well-being. Sustainability thus aims to balance economic growth, social development, and environmental protection. Municipalities are encouraged to implement policies and practices that ensure long-term viability and resilience of communities.

In the South African context "developmental" local governance refers to the particular mandate given to municipalities in terms of Sections 153 to 155 of the Constitution (RSA, 1996) to foster socio-economic development and improving the quality of life for all citizens. Developmental local governance is grounded in the principles of inclusiveness, sustainability, and community empowerment. Key aspects of developmental local governance in South Africa include:

· pro-poor and inclusive development;
· integrated development planning;
· community participation and empowerment;
· service delivery improvement;
· sustainable development;
· economic development and job creation;
· good corporate governance and institutional capacity; and
· collaboration and partnerships.

Effective political (i.e. mayors and councillors) and administrative leadership (i.e. city / municipal managers and senior managers) is crucial for driving these aspects in municipalities. Wu et al. (2021) argue that "… one important role of leaders is to reduce the likelihood of crisis occurrence and enhance the preparedness of their organisations and organisational stakeholders for crisis events." They are thus ultimately responsible to operationalise resilience initiatives and foster a culture of preparedness within municipalities. Leadership should thus communicate the importance of preparedness and set the tone for the entire organisation. However, many municipal leaders lack the necessary skills, experience, or political will to prioritise resilience and overcome bureaucratic obstacles. Governance challenges such as corruption, nepotism, and political interference can undermine capacity-building efforts and erode public trust in municipal institutions. Transparent, accountable, and participatory governance structures are essential for building and sustaining municipal capacity.

Leadership should establish suitable governance structures such as executive committees to support resilience initiatives. This includes creating dedicated roles of members of committees responsible for overseeing risk management and sustainability efforts. Members of these governance structures should also be committed to integrate resilience into the municipality's strategic vision and objectives, and develop decision-making processes that consider long-term environmental risks and prioritise resilience.

This can involve scenario-based planning and incorporating risk assessments into strategic decisions.

Leaders should be trained in crisis management, decision-making under pressure, and effective communication. In this regard, Coombs (2015) maintains that leadership has a major impact on organisational preparedness and readiness. As such, they should be willing to learn, be open to new ideas, and be strongly of the opinion that the organisation will emerge stronger after the crisis. These leadership attributes are essential for building and strengthening a readiness mindset. In this regard, Weiner (2020:223) argues that leaders should be capable of "mental adaptability", referring to the fact that they should believe that they can effectively accomplish the crisis tasks required of them and trust the organisation's approach for managing the crisis. Leaders should also be confident in the ability of the organisation and its management teams to effectively manage the crisis and be optimistic for the overall outcome. Similarly, Nindl et al. (2018:1118) refer to the "psychological resilience" of leaders and argue that it is necessary that they have the mental capacity to protect themselves from the potential negative effect of stressors. Municipal leaders should also encourage a culture of empowerment where employees feel confident to take initiative and make decisions during crises. This involves delegating authority and providing the necessary resources and support to staff.

Towards Municipal Preparedness and Readiness: Lessons to be Learnt

A desktop study of international cases revealed potential lessons to be learnt from municipalities around the globe striving for greater resilience. Based on this analysis, key recommendations can be made.

A study conducted by Mabaso (2024) in the City of Harare, Zimbabwe, revealed that urban communities have a diverse understanding of resilience, leading to interventions that do not holistically promote community resilience. The study also found that social capital is one of the most important pillars for supporting community resilience-building. The author concludes by emphasising the importance of "risk localisation" and a holistic understanding of resilience at community levels if city authorities are to reduce the impact of environmental stresses and shocks. Similar results were obtained by Chipangura et al. (2017), who conducted a study regarding social perceptions of disaster, risks and policy problem-framing in

Zimbabwe. The authors recommended that municipalities should carefully frame or define any risks, disruptions, threats, shocks and stresses to elicit a suitable response from community members.

A second lesson to be learnt is that environmental shocks and stresses are interconnected in nature (Devonald et al., 2022; Yokohata et al., 2019). Municipal planners and decision-makers should adopt a holistic approach that considers the cascading effects of environmental shocks and stresses across various sectors. Their impacts often ripple through various systems and municipal processes and functions, creating complex webs of risks and vulnerabilities. Understanding these interconnections is crucial for effective municipal planning and decision-making, since an environmental shock in one area can trigger a series of subsequent impacts in other areas. For example, a severe flood can damage infrastructure, disrupt transportation and communication networks, affect water supply, and lead to health crises. For example, poor waste management can worsen flood impacts by blocking drainage systems. Municipal planners need to consider all possible interactions and feedback loops between various environmental, social, and economic factors. This approach helps in anticipating and mitigating cascading effects.

A third lesson gleaned from the international experience is the need for inter-governmental and cross-sectoral collaboration (O'Leary & Vij, 2012; Tausanotch & Warshaw, 2014; Terman et al., 2020). An effective preparedness strategy requires collaboration across different sectors, such as urban planning, health, transportation, water management, and emergency services. Collaboration with external stakeholders, including neighbouring municipalities, government agencies, NGOs, and the private sector, strengthens resilience efforts. Municipalities should foster partnerships and collaboration to share resources, expertise, and best practices. Multi-sphere coordination will ensure that efforts in one sector support and enhance resilience in others.

Fourthly, it is important that municipalities design, build and maintain more resilient infrastructure that can withstand multiple types of environmental shocks and stresses (Castaño-Rosa et al., 2022; Therrien et al., 2020; Zhang & Li, 2018). This includes designing buildings, roads, and drainage systems that are adaptable to changing conditions. Integrating natural systems into urban planning, such as preserving wetlands for flood control and green spaces for temperature regulation, can also enhance resilience.

A fifth lesson is the significance of community engagement and empowerment (Amegavi et al., 2024; Lindemann et al., 2022). Communities should be made aware of potential risk events and their potential impact through public awareness and preparedness programmes. Educating communities about the interconnected nature of environmental risks could help significantly in building urban resilience. Informed citizens are better prepared to respond to and recover from environmental shocks.

A sixth lesson is the need for continuous monitoring and early warning systems (Haque et al., 2024; Šakić Trogrlić et al., 2022). Municipal planners should analyse and integrate data from various sources (e.g. climate forecasts, crime and health statistics, environmental sensors, and social media) to monitor potential risks and predict their impacts across sectors. This data is essential to design and utilise robust early warning systems and communication strategies to ensure timely and coordinated responses to potential threats.

A seventh and final lesson to be learnt is the need for adaptive and flexible planning and management approaches. Flexibility and adaptability are essential in the face of uncertainty. Municipalities must develop agile response mechanisms capable of adjusting to rapidly evolving situations and emerging threats. In this regard Van der Waldt (2011:2) proposes the utilisation of an "adaptive project management methodology" for more realistic and flexible municipal planning. Municipal planners should consider multiple future scenarios in planning processes to prepare for a range of potential environmental shocks and stresses. Municipalities should also implement flexible policies and contingency plans that can be adjusted as new information and conditions emerge.

By implementing these and other lessons learnt, municipalities can enhance their preparedness and readiness to effectively respond to internal and environmental shocks and stresses, safeguarding the well-being and prosperity of their communities.

Conclusion

The discourse on municipal preparedness and readiness underscores the imperative for municipalities to adopt a multifaceted approach that integrates diverse dimensions and perspectives. Contingency theory provides a robust framework for understanding how organisations

can prepare for and respond to various shocks and stresses. By recognising the contingent nature of effective management and preparedness strategies, municipalities can enhance their resilience, adaptability, and overall readiness in an ever-changing environment. It is further evident that effective municipal preparedness and readiness involve a multifaceted approach encompassing various dimensions and perspectives. Strategically, municipalities must adopt a holistic vision that integrates risk assessment, policy development, and long-term resilience planning. Operationally, they must ensure the robustness of essential services, emergency response mechanisms, and logistical coordination. Technologically, the implementation of advanced data analytics, early warning systems, and resilient infrastructure is paramount. From a human dimension, the focus must be on training, leadership, and fostering a culture of resilience amongst municipal staff and the community. Financially, municipalities need to secure funding, manage financial risks, and ensure the availability of resources for both immediate response and long-term recovery.

It is evident that municipal preparedness and readiness are not static concepts but dynamic processes that require continuous adaptation and improvement. By embracing a culture of resilience, investing in innovative technologies, fostering strong community partnerships, and prioritising long-term sustainability, municipalities can build robust systems that not only withstand environmental shocks but also foster thriving, resilient communities.

In the face of evolving environmental challenges, this chapter serves as a call to action for municipal leaders, planners, and stakeholders to collaborate, innovate, and invest in building a future where communities are not just prepared for emergencies but are empowered to thrive in the face of adversity. Through collective effort and strategic foresight, municipalities can pave the way towards a safer, more resilient, and sustainable future for all.

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Perspectives on Municipal Readiness Municipalities – Quo Vadis?

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Abstract

Local government is the sphere of government closest to the people and at the centre of the developmental efforts of the South African Government. However, local government has been characterised by almost daily service delivery protests and a general perception of a corrupt, uncaring and incompetent (local) government. The Auditor-General's consolidated general report on local government audit outcomes (AGSA, 2022) concluded that unless the root causes of local governance failures are addressed, service delivery will continue to lag, compromising sustainable development. Some of the root causes highlighted in the report include inadequate skills and capacity, a lack of accountability and responsiveness, as well as limited consequence management.

This concluding chapter will argue that participatory and representative democracy find expression in the dynamic relationship between elected and appointed officials and local communities as end users of services. This dynamic and relative complex relationship is critical to the long-term sustainability and stability of local government. In addition, with local government elections set for 2026, the electoral system is set to deliver an increase in local government coalitions, with communities becoming increasingly impatient with the national political parties, opting rather for local issue-based civic formations. However, the track record of local government coalitions has been disappointing. Governance 5iQ (Cloete, 2023c) offers local government with an institutional evidence-based readiness framework to enhance the capability of local government to deliver a professional service and sustain the change efforts.

Keywords: local government, governance, democracy, oversight, government, coalition, professionalisation, accountability, transparency

Introduction

Globally, most organisations, including municipalities, have been operating in what is coined a "VUCA" environment. VUCA is an acronym for an environment that is characterised by being volatile (the pace of change is fast and continuous and unexpected which creates instability), uncertain (organisations find it difficult to get clarity and certainty about the context as a result of not having sufficient information that is further complicated by opposing views and viewpoints), complex (describes the multitude of interrelated elements and variables that might impact a situation's "cause-and-effect" as well as the amount or type of information that is readily available) and ambiguous (refers to causal links that are totally unclear) (Bennett & Lemoine, 2014; Mack et al., 2016). This is specifically true for municipalities.

The previous chapters highlighted three important aspects. Firstly, the importance of internal and external oversight was highlighted. Secondly, the nature and scope of existing support provided by national and provincial government was considered, and finally, the levels of institutional readiness to ensure that local government continues to deliver on its constitutional mandate. This concluding chapter explores prospective futures of local government and ponders issues that should be considered to place municipalities on a more sustainable trajectory. Specific recommendations are proposed that could ensure that local government outcomes are achieved by addressing both the capacity and capability challenges of local, district and metropolitan municipalities.

From a Government to a Local Governance and Developmental Focus

The National Development Plan: Vision 2030 (NDP) articulates a vision of a developmental state capable of driving the country's development – a capable state (NPC, 2022). A developmental state tries to balance economic growth and social development, using state resources and state influence to attack poverty and expand economic opportunities. All development is ultimately localised and local

government has a direct impact on decisions affecting the ability of the state to respond to developmental needs. Localisation can be regarded as the process of defining, implementing and monitoring strategies at the local sphere of government for ultimately achieving global, national and subnational sustainable development goals (SDGs) (Reddy, 2016). The White Paper on Local Government defines developmental local government as government committed to work with citizens and groups within the community to find sustainable ways to meet their social, economic, and material needs and improve the quality of their lives (RSA, 1998).

Section 152 of the Constitution of the Republic of South Africa number 108 of 1996, hereafter referred to as the Constitution (RSA, 1996) compels municipalities to assume a development role by assigning certain developmental responsibilities to the local sphere of government. These responsibilities include: providing democratic and accountable government for local communities; provisioning of services to communities in a sustainable manner; promoting social and economic development; establishing a safe and healthy environment; and encouraging the involvement of communities and community organisations in the matters of local government. Section 153 of the Constitution charges a municipality to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community. In addition, municipalities are obligated to promote the social and economic development of the community through participating in national and provincial development programmes (RSA, 1996).

The South African state has a three-tier democratic system comprising national, provincial and local government. Section 2 of the Local Government: Municipal Systems Act 32 of 2000 defines a municipality as the community (the various formations that includes organised and unorganised sectors of society), the council (elected officials) and the administration (appointed officials) of which the community can be considered the primary stakeholder (RSA, 2000). Community engagement is encouraged through the institutionalisation of ward committees and other oversight mechanisms. This three-tier democracy gives effect to a complex interplay between constitutional democracy (administrators), representative democracy (politicians, councillors) and participatory democracy (community). At the centre is the desire to create public value within a VUCA environment, as illustrated in Figure 1.
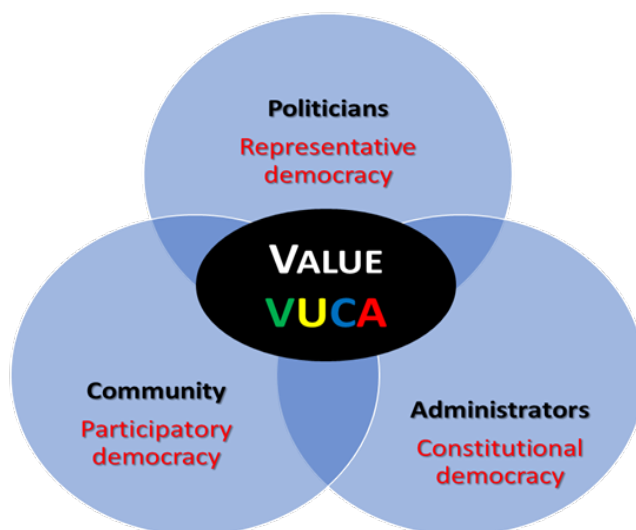
Figure 1:   Three-tier local governance model. Source: Author's own construction

Constitutional democracy: professional or unprofessional public servants?

The Constitution (RSA, 1996) commits public servants (including municipal officials) to serving all the people of South Africa by responding to people's needs; providing government services to all in a fair and unbiased way; working in a professional, honest and accountable way; and using government resources efficiently, effectively and economically.

The ethos of the South African Public Service is expressed in the eight *Batho Pele* principles contained in the White Paper on Transforming Public Service Delivery (RSA, 1997), viz., consultation (participation in policymaking), service standards (the expected level and quality of the public service should be communicated), access (citizens should receive equal access to services), courtesy (all citizens should be treated with respect and with dignity) information (citizens have a right to accurate information about the public service), openness and transparency (citizens have the right to know how governments spend resources and how they perform), redress (the complaints of citizens must be addressed with a sense of urgency) and finally, value for money (resources should be employed prudently and not wasted). Those tasked with the high calling of

public service should first and foremost be servants (in service of the people not self) (DPSA, 2014).

The *Batho Pele* principles reminds me of a story shared by a colleague:

> "I went to the traffic department, and encountered a particular hostile official who was just very uncooperative, she did not smile and her entire aura was like I am doing you a favour. I then very politely asked her but what happened to *Batho Pele*, to which she remarked, he does not work here anymore!"

It is unfortunate that the public service has seemingly degenerated to a level where *Batho Pele* is hardly experienced at the local sphere of government.

A return to the *Batho Pele* values is enunciated with various scholars agreeing that in order to turn local government around will require a more professional approach. Professionalisation in the broad sense involves initiatives to further develop the abilities, proficiencies and ethical standards of municipal officials. This includes actions like certification procedures, training courses, and capacity-building activities, all of which are meant to increase the general efficacy and efficiency of the services that are provided by local governments. By implementing a framework for promoting local government professionalism, the South African Local Government Association (SALGA) professionalisation initiative aims to enhance the level of professionalism and efficacy of local government employees and officials. The professionalism framework consists of four pillars (NSG, 2022):

- Competency-based recruitment and selection: This pillar aims to ensure that local government officials and councillors are appointed based on their qualifications, skills, experience and suitability for the job.
- Performance management and development: This pillar aims to ensure that local government officials and councillors are assessed and rewarded based on their performance and achievements and provided with continuous feedback and support for their improvement and growth.
- Continuous professional development: This pillar aims to ensure that local government officials and councillors are exposed to relevant and quality learning and development programmes and

interventions that enhance their competencies (e.g. knowledge, skills, attitudes and habits).

· Professional bodies and associations: This pillar aims to ensure that local government officials and councillors are affiliated with recognised and reputable professional bodies and associations that regulate and advance their professions and disciplines.

The Municipal Staff Regulations (MSR) provide the best opportunity to professionalise local government. The latter sets the institutional framework to professionalise local government by making sure that the organisational structure is designed to ensure the creation of public value, competent people are recruited, a performance management system is implemented to ensure an efficient and effective local government and human resource development is practised through an evidence-based approach (CoGTA, 2022). The successful implementation of the professionalisation framework is dependent on the effective cooperation and collaboration between the CoGTA, the Department of Public Service and Administration (DPSA), the Public Service Commission, the Local Government Sector Education Authority, the South African Qualifications Authority (SAQA), the National School of Government (NSG), and higher institutes of learning.

Representative democracy: Mayco or Exco?

Representative democracy provides citizens the space to elect representatives from the community to represent the interest of the community. Political parties, through their list system, can propose individuals to stand for election. There is, however, no educational qualification for elected leadership whilst councillors are tasked to oversee complex, intricate municipal processes and budgets. The (steep) learning curve can take anything from three to five years. Councillors often confirm that as soon as they have the system figured out, then the term of office is over with no guarantee of being re-elected. The entire local government system is also highly politicised, and many councillors have been found guilty of corruption and using political office to loot instead of to lead. The author's observations and discussions with various municipal leaders confirm that in many instances, regional secretaries control the fate of municipalities with both elected and appointed officials beholden to party political bosses. This is confirmed by various studies and reports pointing to

the lack of ethical and accountable political leadership, which makes local government performance even more challenging.

The likely end of one-party dominance will be felt more acutely in the 2026 local government elections with an increase in local coalitions. National political parties face a local electorate that are becoming more sophisticated, and communities may opt for local-based issue parties who they believe to be more agile and responsive to grassroots governance. Coalitions are here to stay; a natural consequence of the electoral system (Cloete, 2023a).

Representative democracy is expressed in local government as a choice between the mayoral committee (mayco) or executive committee system (exco). Each model offers a distinct approach to local governance, designed to accommodate the diverse needs of municipalities based on their size, capacity, and preferences. The local governance model favoured by many municipalities is that of the mayoral committee system over the executive system, with both systems offering advantages and disadvantages.

The mayoral committee system is characterised by centralised executive authority. The mayco system places significant decision-making power in the mayor, who is supported by a mayoral-appointed committee of councillors. This model is prevalent in metropolitan and larger municipalities, where specific portfolios are allocated to committee members. These mayoral committee members are responsible for overseeing policy administration and implementation within their domains, promoting efficient and streamlined policy execution.

The advantages of the mayco system are that it can lead to efficiency in decision-making with executive authority in the hands of the mayor. The result is speedy decision-making backed by a committee that is assigned with clear portfolios to enhance service delivery. However, the all-powerful mayor may run the risk of concentrating power and minimising the participation of the rest of the councillors. The mayor could also appoint councillors to their mayoral committee based on personal loyalty and not competence, as witnessed in many of the coalition governments across South Africa, where appointments were made to appease narrow political objectives (CAN, 2023; LGA, 2024).

In contrast, the executive committee system (exco) adopts a more collective governance approach, where executive authority is distributed proportionally amongst an executive committee. The exco

consists of councillors elected by the municipal council and mirrors the proportional representation of parties within the council. The exco oversees policy decisions, with members sharing responsibility for various municipal portfolios, while the mayor typically assumes a more ceremonial role with limited executive powers leaving the day-to-day running of the administration to the municipal manager and the team of managers.

The advantage of the exco system is that it allows broad representation of all councillors as represented in council, resulting in a collective mind in decision-making and enhancing the democratic process. In this situation, no single party achieves a majority; the exco system enhances checks and balances against abuse of power as it strengthens further collective responsibility and consensus decision-making that could potentially lead to more balanced and inclusive policymaking. The disadvantages of the exco system are that it could lead to slow decision-making and potential political gridlock, as different parties may have different ideological viewpoints (CoGTA, 2021; HSF, 2024).

Many scholars and local government practitioners contend that the exco system is more suited for coalition governance due to the advantages that the system holds. A party may have a majority but relies on the collective minds of many, allowing for more inclusivity and the possibility of consensus-seeking governance.

Participatory democracy: Active or passive citizenry?

The third leg of democracy calls for active participation by citizens between elections. Two very important institutions to enhance participatory democracy are community radio and ward committees.

Community radio stations serve as important vehicles to voice the aspirations of communities, with more than 200 licensed community radio stations in South Africa. The Independent Communications Authority of South Africa (ICASA) position paper on community radio, states that community radio stations are expected to broadcast programming that supports and promotes sustainable development, participatory democracy, and human rights as well as educational objectives, information needs, language, culture, and entertainment interests of different groups such as women, youth, civic and sport interest groups (ICASA, 2017). In addition, community radio is to provide a distinct broadcasting service dealing

specifically with community issues which are not normally dealt with by the broadcasting service covering the same area, should be informational, educational and entertaining, should focus on the provision of programmes that highlight grassroots community issues, including, but not limited to, developmental issues, healthcare, basic information and general education, environmental affairs – local and international, and the reflection of local culture; and should promote the development of a sense of common purpose with democracy and improve quality of life. However, there are glaring problems at the community radio / municipal interface. What is clear is that municipalities do not understand and respect the community radio mandate, which results in a trust deficit and vice versa – the community radio sector does not understand and relate to municipalities despite the two entities sharing overlapping mandates. Municipalities are not taking community radio seriously and are not sufficiently buying campaigns to communicate with the local electorate in a dynamic way. Action research and knowledge-sharing is lacking between community radio and local government, which could potentially assist to deepen grassroots governance through the expression of a diversity of voices that support the objectives of the developmental state. It seems that the lack of a local accountability framework that could potentially enhance transparency of local government is absent, and the concerns, alternative voice and aspirations of citizens are not considered optimally by policymakers.

It could be argued that ward committees represent the functional legs and arms of participatory democracy. Ward committees allow for participation in policymaking and broad consultation. However, in many municipalities, ward committees are in name only and not effective and functional. They are often dominated by the members of the governing party with the ward councillor as the chairman of the committee.

Through the ward committee system the broader community have an opportunity to influence policy, evaluate performance and raise issues of concern. In some municipalities, participatory ward-based planning was introduced that feeds into the mandatory five-year Integrated Development Plan (IDP) – the strategic business plan of the municipality. However, this process has not been without fault, with many officials simply using this process as a tick-box exercise, making a mockery of genuine participation that will bring dignity to contested political spaces.

The antidote for the compliance-driven approach is co-production, which marks a significant departure from the top-down hierarchical approach to development, where officials do all the thinking, and the community blindly follows. Through this the traditional top-down relationship between the state and its citizens is transformed, creating a sense of shared responsibility and mutual respect, which are foundational to building trust and enhancing the legitimacy of public institutions. It positions the citizens and community-based organisations as active participants in all stages of public service delivery, from the identification of the problem to initiation and implementation. In this participatory model, citizens are not an afterthought, but the relationship is a genuine partnership between local government that recognises the unique insights and collective ideas of many. In this approach, government officials are not only the technical experts but also the facilitators of development. The result is typically more responsive, effective, and democratic governance, where public services are co-created by and for the community.

The current model of the all-knowing, all-powerful councillor is challenged and discarded – from mushroom governance (governance where citizens are kept in the dark and fed with need-to-know information, making communities dependent on elected and appointed officials) to inclusive participatory spaces (Mchunu & Theron, 2015). Given the space, citizens, acting as co-initiators and co-designers, can bring valuable insights, leading to innovative solutions tailored to local contexts. This not only empowers citizens, fostering ownership and trust in public institutions but also enhances community cohesion. As co-implementers, their direct participation ensures transparency, accountability, and services that align with community expectations, reinforcing democratic principles by involving citizens in decision-making. Co-production thus closes the gap between governments and citizens, fostering an engaged, empowered community actively shaping its development. This collaborative effort not only improves public service quality but also strengthens the fabric of local democracy, making it more vibrant and participatory. These participatory spaces create the platform for dialogue, collaboration, and action, where the traditionally underrepresented voices are amplified and considered in shaping policies and services that affect their lives. The goal is to democratise the process of governance, making it more accessible, transparent, and responsive to the needs and aspirations of the entire community. This rethink and reimagining participatory governance taps into the

collective power of communities to co-produce public value that is equitable, effective, and reflective of developmental government as defined earlier. Typical vehicles to achieve this participatory approach are through community media, and community radio in particular.

The author proposes ten innovative ideas to enhance participatory democracy, accountability and social cohesion in municipalities. These ideas are:

- Know-your-councillor campaigns: These campaigns are typically aimed at providing the community with comprehensive information about their local councillors, empowering them to actively participate in local governance.
- Ward committee news hubs: These are platforms for ward committees to share information, challenges and opportunities about key developments in their communities.
- Monthly council briefings: Regular coverage of council briefings can be held to keep communities informed about important council decisions and initiatives in the municipality.
- Monthly mayoral briefings: These briefings provide exclusive insights from the mayor and allow the community to stay informed about the municipality's strategic direction and priorities.
- Civic education: To educate audience on fundamental democratic principles and civic rights and responsibilities; civic educational programmes empower them to actively participate in the democratic process.
- Great ideas bank: This refers to the creation of a platform for community members to share their innovative ideas for community development, thereby fostering collaboration and creativity.
- #SaamStaan (stand together) campaigns: Regular campaigns can be held to mobilise citizens to take collective action in addressing pressing issues such as cleanliness, water conservation, and community engagement.
- How-to-do-business-with-local-government sessions: These are typically weekly on-air information sessions to educate entrepreneurs on how to navigate the process of doing business with their municipalities.
- Municipal manager briefings: Regular briefings can be conducted to provide local communities with insights into the strategic, functional and operational aspects of municipal governance, promoting transparency and accountability in the process.

· Councillor-of-the-year awards: In partnership with academic institutions, these awards are aimed at celebrating councillors who have demonstrated outstanding leadership and commitment to serve their communities.

These and similar innovative ideas could alter the developmental trajectory of municipalities by fostering an active citizenry.

Community activists can play a meaningful role in cultivating active citizenry. Activists are not just active during elections but work passionately in concert with others to make the world a better place. The NDP concludes that a comprehensive, coordinated, multi-sectoral approach to development is required. Such an approach must include partnerships between civil society, the private sector, government, and academia. To make this coalition work will require goodwill and activism.

On a personal note: Through my *Great Governance ZA* podcast, I discovered that there is no shortage of active citizens in our country. Over the past three years, I conversed with more than 100 passionate people. In Bloemfontein my paths crossed with Boeta Swart – his organisation *Anchor of Hope* gets the job done. In the Winnie Madikizela municipality, ethical leader, Luvuyo Mahlaka runs a tight ship and youth development champion and author, Frank Julie generously shares his gifts and talents throughout the land. There are so many similar untold stories.

Municipal Support: From Capacity-Building to Capability-Building

The District Development Model (DDM) is the South African Government's latest attempt to arrest the governance collapse of municipalities. The DDM is built on a set of guiding principles and constitutes one plan that is based on a series of collaborative inter-governmental planning sessions focused on research, evidence and innovation-oriented dialogues (knowledge), and reflecting on each district / metro's context. The DDM is focused on re-imagining a preferred future and identifying collaborative strategies and interventions that will enable sustainable local change and impact in local government. The institutional vehicle for the DDM is the district hub, which is governed through three work streams:

- The integrated planning and implementation stream is tasked with coordinating research related to service delivery and development (capabilities).
- The capacity–building stream is tasked with overseeing the implementation of capacity–building.
- The monitoring stream will develop baseline data to ensure sustainable service delivery.

For the DDM to succeed will require a broad educational campaign to inform stakeholders about the benefits of the DDM, specifically around Shared Service Centres (SSCs). This involves a commitment to overcoming challenges, mobilising resources and promoting an organisational culture of learning and innovation (Mutereko & Shava, 2024). One of the challenges that the DDM seeks to overcome is the absence of an automated system for managing the DDM operations, reporting, monitoring and governance (knowledge), because there is no centralised repository of data to enable government to realise the vision of coordinated planning and budgeting.

Over the last two decades of developmental local government, significant resources (e.g. time and money) have been invested by state institutions such as the Local Government Sector Education and Training Authority (LGSETA), the South African Local Government Association (SALGA) and the Department Co–operative Governance and Traditional Affairs (CoGTA) to build capacity in municipalities. No less than R1,26 billion was spent on such consultants in the 2021 financial year, with 79% of municipalities reappointing consultants used in the previous financial year (AGSA, 2022). The National Treasury (2022) noted that over the past five years, more than R40 billion was allocated to programmes dedicated to building local government capacity. However, despite billions being allocated to local government, very little has changed in municipal capability (i.e. the general inability to get things done).

Andrews et al. (2017) define "capacity" as the potential under ideal circumstances. "Capability", on the other hand, refers to what is possible in a particular context. That is, under actual (almost always not ideal) circumstances. Capability therefore refers to the context of an organisation and how that particular context can impede or advance what is possible. In the municipal context, capability implies a basket of interconnected contextual factors such as financial resources, organisational processes and systems, political

stability, staff morale, staff turnover, effective use of technology and community participation that impact the ability of municipalities to achieve their strategic outcomes. To illustrate, municipalities, through the work skills planning process, invest considerable resources in identifying competency gaps in individuals and then invest in capacity–building activities of individuals through an array of human resource development interventions, of which the most widely used is education (formal academic courses) and training (accredited and non–accredited applied training). The result is that many municipalities have capacitated individuals, as evidenced by the annual work skills plan reports, but the organisation remains incapable of functioning optimally. Internal factors such as basic administration, standardised basic procedures and documented processes and control systems in determining local government outcomes are often ignored by scholars. These issues materialise despite them being repeatedly highlighted as key factors undermining organisational outcomes by entities such as the Auditor–General and the National Treasury. In this regard, Davids et al. (2022) note that the capacity constraints facing local government include more than just poor service delivery. They identified 10 (capability) areas that negatively impede local government performance:

- financial resources (municipalities are failing to collect revenue efficiently which negatively impacts on their ability to deliver services to communities);
- human resources (municipalities are finding it difficult to appoint staff with the requisite competencies in strategic positions);
- administrative leadership (administrative leadership fell short in the areas of ethics and accountability, which in turn, have a negative consequence on the institutional environment, culture as well as staff morale);
- political leadership and administrative interface (the strained relationship between the elected (politicians) and appointed (staff) leadership is the cause of instability in many a municipality);
- financial management capacity (municipalities suffer from a lack of financial management and an overdependence on consultants);
- municipal service delivery (poor project management and financial and institutional governance prevents municipalities to perform optimally);
- institutional environment (the morale of municipal officials is low, characterised by a lack of consequence management and rigid regulatory environment that stifles creativity and innovation);

- infrastructure and work tools (a lack of "tools of the trade" negatively affects municipal performance);
- community engagement (officials regard community engagements as a mere compliance exercise, with the result that high levels of distrust between community members and elected and appointed leadership are prevalent); and
- the implementation of HRD (human resource development) interventions (the implementation of skills plans, and capacity-building interventions were found to be major problems for municipalities).

In addition, the National Treasury (2022) offered supportive arguments (evidence) to explain the poor performance of local government, arguing that:

- A significant number of municipal intervention programmes fail, in large part because of poor problem diagnosis (evidence).
- It is much easier to introduce new legislation or create new institutions or send people to training workshops, whereas it is much harder to fundamentally change the way in which things are done – effectiveness and efficiency (capabilities).
- Programmes tend to present activities (such as training) as impact, losing sight of long-term impact goals (evidence).
- The likelihood of success is increased by developing solutions that are based on local realities and buy-in (evidence).
- Long-term and sustainable improvements take time: focusing on 'quick fixes' and short-term performance are counter-productive.
- Many of the implementing organisations themselves lack the requisite capabilities, but there is little focus on building appropriately capable delivery organisations.

A closer look at interventions that have been taken to address the challenges of local government in South Africa have mostly focused on individual capacity-building; the hypothesis being that the lack of individual capacity is the cause of poor performance and weak service delivery. Capacitating individuals is therefore supposed to automatically result in improved organisational performance. However, individuals who have improved their capacity (knowledge, insight, skills), frequently return after such capacity-building sessions to toxic organisations (contexts) and find themselves not able to apply the newly acquired competencies in the workplace due to the limitations in the workplace (context or workplace capabilities

that can include managers stuck in their ways and feeling threatened by younger, better-qualified staff members or by new knowledge, insights, skills and technologies). The result is that organisations are not capable. This renders them relatively incapable to achieve the envisaged development outcomes.

Peters and Van Nieuwenhuyzen (2013) raised a very important point, highlighting that not all entities that are responsible for developing the capability of local government in South Africa have the requisite capability themselves to deliver on this obligation. Similarly, Meyer and Venter (2014) concluded that one of the reasons why so many programmes that aim to improve service delivery in local government fail, is because the implementing department is often unable to implement these as planned. It thus appears that the entities responsible for improving the implementation capability of local government themselves may lack even the basic implementation capability to effect these improvements, leading to the low success rate of so many government programmes.

It is evident that the problem is not centred in the formulation of policies. It is rather the general incapability of municipalities to successfully implement existing policies. Thus, municipalities generally lack implementation capability. Municipalities have been guilty of focusing on individual capacity-building programmes instead of organisational capability-building with a focus on fixing individual symptoms instead of focusing on the organisational root causes of poor performance and dysfunctionality. By focusing on capabilities instead (processes, systems, political administration interface), municipalities can embrace a more strategic long-term view of development through considering and addressing the contextual factors identified above that impact their ability to get things done (efficiency) (NPC, 2023).

Finding and implementing sustainable solutions for the crisis in the municipal landscape should be a common goal for all stakeholders and role-players working collaboratively to strengthen the capabilities, processes and controls of municipalities. This will enable credible financial and performance reporting, compliance with key legislation, and improved service delivery in general (AGSA, 2022). However, this does not imply that short-term individual capacity-building should be ignored, but rather that such individual empowerment initiatives should be strengthened by organisational transformation and administrative reforms that will reinforce more positive outcomes. In this regard, the National Treasury (2022)

advocates for a capability development problem-led approach that is centred around four guiding principles that will result in significant improvements to build sustainable, efficient and effective local municipalities. These four guiding principles for the proposed new framework are:

- A clear focus on organisational capability development (rather than individual capacity-building).
- A problem-led approach that starts with the problem that requires solving at the organisational level, rather than immediately supplying the solution, such as building the capacity of the individual.
- Co-production and inclusion at all points in the system.
- A whole-municipality (fully integrated) approach (financial and HRD governance).

Towards Institutional Building – Governance 5iQ

There are varied definitions of governance, and no universal definition exists. Governance generally refers to the procedures, structures, systems, and processes used to regulate organisations in order for them to function and meet their predetermined societal objectives. In the organisational context, governance refers to the system by which organisations are managed and the mechanisms by which they hold individuals within the organisations accountable. Governance encompasses critical aspects of effective organisational functioning such as ethics, leadership, management, roles and responsibilities, risk management, strategies, compliance, and administration (Governance Institute of Australia, 2023). In essence it involves the effective and efficient management of the relationships between an organisation's management, its board, shareholders in the case of non-profits – end users of services and other stakeholders (Governance Institute of Australia, 2023).

The King IV report on corporate governance in South Africa (IoDSA, 2016) sets the implementation framework to achieve value creation in a sustainable manner in line with the objectives as set out in the United Nations sustainable development goals (UN, 2016), the Africa 2063 Agenda (AU, 2015) and the South African 2030 National Development Plan (NPC, 2021). A code of good practice was presented for municipalities and must be implemented and can contribute to

better governance outcomes. This code of good practice is premised on the following 16 principles:

- Principle 1: Leadership – The municipal council must individually and collectively act with integrity through leading the organisation ethically and effectively. Thus, the municipal council assumes collective responsibility for navigating and setting the strategic direction of the organisation.
- Principle 2: Organisational ethics – The municipal council must develop an acceptable code of conduct by ensuring that the code of conduct incorporates the ethical standards of the organisation and ethical risks. The council must ensure the implementation and execution of codes of conduct and policies by management.
- Principle 3: Responsible corporate citizen – Through its conduct, the municipal council gives effect to the directive as expressed in the constitution through the Bill of Rights and all applicable laws. It does this by ensuring that the municipal council's core purpose and values, strategy and conduct are congruent with being a corporate citizen.
- Principle 4: Strategy and performance – The municipal council must delegate to management the formulation and development of the short-, medium-, and long-term strategy that are approved by the municipal council by taking into consideration the timelines, risks, opportunities and resources.
- Principle 5: Reporting – Municipalities develop five-year integrated development plans and annually report back to communities on the progress made against the integrated plan. The organisational reports should enable stakeholders to make informed assessments of the municipality's performance and its short-, medium-, and long-term prospects.
- Principle 6: Primary responsibility – The municipal council exercises both legislative and executive authority within a geographic area. The municipal council sets the tone and performs as well as exercises leadership through steering, approving policy, planning, monitoring, and overseeing implementation by the management team.
- Principle 7: Composition of the council – The municipal council should display individuals with the appropriate balance of competence, experience and diversity and independence to discharge its governance role objectively and effectively. The onus is then on political parties to ensure that the candidates meet the criteria.

- Principle 8: Committees of council – The municipal councils may only delegate to committees authority that is permissible under legislation. When delegating to committees the council must ensure that the committees have terms of reference and ensure that the latter promote independent judgement to discharge of its duties.
- Principle 9: Evaluation of council performance – The municipal council should ensure that mechanisms are in place for the council to evaluate their own performance. In this council the political parties should work together to ensure an arbitrary measurement to evaluate the performance of councillors and the council.
- Principle 10: Appointment and delegation to management – A competent and ethical management team must be appointed to lead the administration in municipalities. Various reports have confirmed that the lack of competent and ethical leadership to be at the centre of governance challenges in South Africa.
- Principle 11: Risk governance – Risk should be governed in such a way that supports the organisation in setting and achieving its strategic objectives. The management and council should identify the risks and mitigation factors. Risks should be considered when developing strategy and considered in all decision-making and execution.
- Principle 12: Technology and information governance – Technology and information should be governed in such a way that supports the organisation setting and achieving its strategic objectives. Management must implement and execute effective information technology with oversight by the municipal council.
- Principle 13: Compliance governance – The municipal council delegates to management the responsibility for implementation and execution of effective compliance management. The municipal council must also receive regular assurance reports from management to ensure that the municipality remains in good standing.
- Principle 14: Remuneration governance – The municipal council should ensure that it remunerates fairly as permitted through national remuneration regulations. The municipal council should responsibly and transparently remunerate so as to promote the achievement of strategic organisational objectives.
- Principle 15: Assurance – The municipal council should ensure that assurance services and functions enable an effective control environment. The municipal council, committees, and

community as well as the various external stakeholders should be able to objectively assess the output of the municipality.

· Principle 16: Stakeholder governance – The municipal council is ultimately responsible for determining the strategy and policy for managing stakeholder relationships (internal and external). This participatory governance framework springs from a deep conviction by the municipality to involve citizens in decision-making.

The outcomes of the application of these 16 governance principles in South Africa will be an ethical culture, good performance and effective controls that ultimately lead to legitimacy and trustworthiness from the identified stakeholders. Through the implementation of governance principles, stakeholders are assured that their interests are advanced and protected by the sphere of local government closest to them (IoDSA, 2016). Councils are further encouraged to adopt the SALGA and the COGTA adopted Code for Ethical Leadership in Local Government that spells out the seven principles for local government leadership stating that an ethical municipal leader –

· sets the tone for an ethical culture;
· follows a community-centred approach to governance;
· respects the boundary between the political and administrative spheres of the municipality;
· ensures the appointment of staff who have competence and integrity;
· ensures the appropriate level of competence, integrity, and diversity on committees and oversight structures;
· deals fairly and decisively with ethics transgressions and poor performance; and
· engages respectfully and constructively with other leaders (Ethics Institute, 2023).
· Cloete (2023b) advocates for the adoption of a governance implementation framework that is structured along five core questions (Governance 5iQ) and a subset of five statements to help organisations become more effective and efficient (leading to continuous improvements and innovation). These questions and statements should be answered by the organisational leadership (policymakers and policy implementers) that will give rise to evidence-informed policy and programme decisions at the local government sphere. Governance 5iQ functions on two tracks addressing capacity (competencies of individuals) and capability (factors impacting on the organisational ability to get

things done) to achieve sustained organisational performance. It incorporates the 16 governance principles as advocated by King IV as unpacked above, compelling the organisation to critically reflect on how the context of the organisation can either limit or constrain organisational performance.

In the Governance 5iQ framework (Table 1), the municipal council is responsible for the "why" (we do what we do) and the "what" (must be done) and management responsible for the how (the work should be done), who (the staff to do the work) and the when (timeframes). This critical organisational paradigm shift is a move away from individual capacity–building initiatives to capability–building that moves the organisation away from processes (inputs) towards outcomes. This is considered important for the long–term sustainability of the organisation in line with objective 16 of the SDGs – peace, justice and strong institutions.

Table 1:   Implementation framework

The five questions	Processes
Why do we do what we do? (Vision)	This answer to the first question allows the organisation to define the unique contribution and impact it wishes to make with specific, measurable, achievable, realistic timeframe goals that are communicated to all levels of the organisation.
	The first question addresses three King IV governance principles namely leadership, organisational ethics, and the primary responsibility of the council.

The five questions	Processes
How is it being done? (Mission)	The answer to the second question allows the organisation to identify the clearly implementable plans (strategies) together with the standard operating procedures and policies. This section explains the organisational daily disciplines (day-to-day tasks). The second question addresses the four King IV governance principles, namely, strategy and performance, appointment and delegation to management, remuneration governance and stakeholder governance.
How will we know at any given moment that we are on track? (Monitoring and evaluation)	This third question incorporates monitoring and evaluation. The organisation needs credible real-time data (evidence) on key indicators with analysis and monitoring routines involving all key stakeholders. This could include key performance indicators for all managers. The third question addresses five governance principles, namely, reporting strategy and performance, evaluation and performance, technology and information governance, compliance governance, and assurance.
If we are not on track, what is being done about it? (Consequences management)	The fourth question addresses the issue of consequence management. The organisation should set in place agreements on corrective actions to be taken that are continually refined with a focus on innovative approaches to problem-solving. The fourth question addresses the King IV governance principle of risk governance.

The five questions	Processes
How do we lead and learn? (Knowledge management)	The final question addresses the issues of organisational leadership and knowledge management by questioning the organisational commitment to innovation and lifelong learning. This is achieved through a relentless pursuit of continuous improvement and high performance.
	The fifth question addresses three King IV governance principles, namely, responsible corporate citizens, composition of the board and committees of the board.

Source: Cloete (2023b)

The implementation framework is applicable at the micro (municipal) and macro (stakeholder) level and is based on decision-making according to concrete evidence as opposed to by gut feeling or ideology. The effective implementation gives rise to the institutionalisation of the organisational processes to ensure that evidence-informed policy and programme decisions are made by the local government sector. This critical organisational paradigm shift is a move away from process (inputs) towards outcomes and is considered important for the long-term sustainability of the organisation in line with objective 16 of the SDGs – peace, justice and strong institutions.

Conclusion

Given the context provided in this book in general and this chapter in particular, the question: Municipalities – Quo Vadis? could be asked. In other words, what is the possible road ahead or future of local government in South Africa? Answers to this question will become clearer after the 2026 local government elections, due to the potential increase in coalition governments. In addition, the level of political stability, the quality of inter-governmental relations, and close alignment and coordination across the different spheres of government are essential variables in pondering the potential future prospects on local government. The professionalisation of local government through competency-based recruitment, performance

management, continuous professional development and adherence to ethical standards is paramount to overcoming the current challenges. A professional municipal service will ensure that the ideals of a capable state are achieved as envisaged in the National Development Plan and the Municipal Staff Regulations. The old adage is still true: "People make or break organisations".

The developmental mandate of municipalities and compliance with its statutory obligations demand ethical and accountable leadership with enough political maturity and heart to ensure that hope and trust is restored. This is possibly best achieved through the executive committee system instead of the all-powerful mayoral committee system. Municipalities will have to move from a mindset where local government does all the thinking, to a co-creation space (putting purpose together and leaving egos at the door). This commitment to participatory governance will unlock new opportunities with a kaleidoscope of stakeholders. This will move the municipality from a compliance mindset to good (great) governance that can pave the way for a more effective, efficient, and equitable local government system.

The future of local government in South Africa is dependent upon a paradigm shift from a focus on individual capacity-building only to a more holistic approach that addresses both organisational capacity and capabilities, as illustrated in Governance 5iQ and the capability development problem-led approach. This strategic and evidence-based approach aims to foster a professional local government that is responsive, accountable and sustainable.

We are a nation of talkers, not doers of politicians, not entrepreneurs. We analyse problems brilliantly; we solve them poorly.We are a nation of great policies, but of little implementation.

– Justice Malala

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